

**Luxury Designer Handbag or Counterfeit? An
Investigation into the Antecedents Influencing
Women's Purchasing Behaviour of Luxury Designer
and Counterfeit Brands**

A thesis submitted for the degree of Doctor of Philosophy

By

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Abstract

The drive and appeal of luxury designer products has fuelled consumer desire for luxury designer brands and their counterfeit versions. Some women value luxury designer handbags just the way men value their cars. The luxury designer handbag market has witnessed a surge of counterfeit handbag versions.

The study focused on women in London, which has been ranked at number one in relation to demand levels of fashion handbags. Several antecedents were investigated for the purpose of this research, which are as follows:

- Social consumption factors which incorporates an investigation into brand meaning and social meaning;
- Attitudinal factors;
- Individual factors which looks at the BLI (brand luxury index) and materialism; and
- Post consumption emotions;

Several research gaps were identified: firstly, there are no studies available on investigating identical antecedents in both luxury designer and counterfeit commodities, or even to a specific product category. Secondly, a number of researchers have examined consumers' evaluative criteria in clothing, yet few have focused on the mentioned antecedents as part of the evaluative criteria of luxury designer handbags and counterfeit handbag versions.

The investigation was carried out via quantitative data collection and was cross-analysed. The highlighted antecedents are important domains in the discipline of consumer choice behaviour. The research included two phases; a pilot survey study which pre-tested the acknowledged scales and a main survey incorporating the most important adapted constructs influencing consumer choice behaviours. The main analysis was based on data collected from a sample of 353 respondents in London. The conceptual model is unique in its specifications presenting a new behaviour orientated model which highlights integral factors in consumer behaviour. The research identified contemporary associations and discrepancies among women in London. The result of this

research provides general support in understanding consumer decision-making and offers a comprehensive understanding of the effect of consumer evaluation and attitudes towards luxury designer handbags and counterfeit handbag versions. The differences and similarities across the antecedents are used to propose strategies to luxury designer companies thereby improving their marketing activities and achieving a competitive edge.

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Chapter 1

Chapter 1 – Introduction

“I know a lot of women who will starve to get a handbag. I’ve got a lot of friends like that.”
(www.timesonline.co.uk)

1.1 Introduction

The main purpose of this chapter is to present the background and significance of the study. Following this, the chapter establishes the research gap, focus of the study aims and objectives together with an explanation and justification of the significance of the study, academic contributions and implications. It concludes with a brief summary of the structure of the study.

1.2 Introduction into Fashion

The fashion industry is a multi-billion pound business and many consumers are increasingly using commodities as a way of creating and sustaining their identity. In 2002, the UK clothing and fashion market was worth £32 billion and continues to be attractive due to its size (Priest 2005). Although, the term fashion can refer to a multitude of everyday objects, many see fashion as making reference to the way an individual dresses. In an attempt to comprehend the notion of fashion in a conceptual manner, it is important to stress that the concept of fashion has to be looked upon in a much wider context. Synonyms of fashion such as dress, attire and clothing have often been used to express and explain fashion, although this highlights the tangibility of the items. Fashion is an elusive concept. Referring to garments as fashion is rather limiting as fashion is not only a concrete material object but also a symbolic object. Fashion is part of one’s social life and allows consumers to conform to their social environment. Therefore, fashion is a phenomenon leading to particular consumption meanings and choices, permitting consumers to select from luxury designer brands and/or counterfeit product versions.

1.3 Brief Overview of Luxury Designer Fashion

The understanding of luxury designer fashion has rapidly evolved over the last 20 years (Djelic and Ainamo 1999). Nowadays luxury designer fashion incorporates numerous discourses, lifestyles and definitions demonstrating a diversity of aesthetic worlds (CERNA 1995; Ecole de Paris 1998). This is supported by Nik Wheatley, a strategic planner at media agency Media Planning Group, who claims:

“Many luxury brands’ whole existence is built on being untouchable, unobtainable and out of reach”, these factors are the core of brand identity (cited by Clark 2010, p.2).

A major factor contributing to the notion of luxury designer fashion is its ability to provide physical products along with an assortment of set representations. For example, luxury designer fashion companies have brand names which are ‘spaces for dreams’ (Ecole de Paris 1998), where purchasers can fulfil both their tangible and symbolic needs. Luxury designer fashion brands are intended for use, but are also connected to intangible (symbolic) aspects relating to attached meanings or aesthetics that provide a product’s value (CERNA 1995; Gutsatz 1996). Nick Gray, the managing director of retail marketing agency Live and Breathe, claims that even though some purchasers select products that are more reasonably priced, for some, the value of luxury designer fashion stems from the modern retail shops, with their heavily branded carrier bags and bows (Clark 2010).

In the first ‘UK Luxury Benchmark’, Walpole and Ledbury Research (www.ft.com) discovered that luxury sales in 2009 had been a great deal better than expected. The UK has also benefited from a weak pound, which has encouraged tourists to splurge in luxury designer shops such as Burberry. It was also found that more than a quarter of the British luxury designer industry achieves more than 25 per cent of its sales from holidaymakers to the UK. The study also revealed how overseas markets continue to be fundamental to the UK luxury designer goods industry, for two in every three luxury designer brands, sales in overseas markets makes up at least one-third of total annual sales (<http://www.ft.com>). The New West End Company, which represents 600 shops on Bond Street, Oxford Street, and Regent Street, reported that in spite of the negative effect of poor weather on pre-Christmas sales, retailers in London’s West End did better than expected in December 2010. Sales in the area increased by 3.8% year-on-year for the month, in contrast to the rest of the UK which saw sales contract by -0.3% (<http://www.newwestend.com>).

1.4 The Luxury Designer Brand

Luxury designer brands can possess positive social meaning, allowing consumers to express to themselves and others their social and individual characteristics through material belongings. Globally, the luxury designer brand market in 2007 reached over \$200 billion (Fortune Magazine 2007). The luxury designer brand market is growing at a rate of approximately 7% per annum worldwide. Japan is the largest consumer of luxury designer

brands with a 41% market share in the world, followed by the US with 17%, European countries with 16%, and China with 12% of the market which is one of the fastest emerging markets. Examples of luxury designer brands include Chanel, Hermes, Louis Vuitton, Cartier, and Tom Ford, etc. Some companies traditionally dominate the luxury designer brand market worldwide such as LVMH (Moët Hennessy Louis Vuitton), Gucci Group, Richemont (Cartier, Van Cleef) as well as Prada, Hermes, Burberry, and Tiffany & Co. Many of these companies include a consortium of consolidating luxury designer brands (Snapshot of the U.S. Luxury Goods Market 2007). For example LVMH dominates the global market share at 36% (The Economist 2007). Research findings suggest that people's necessity for materialism and appearances is increasing, which has led to a specific demand for conspicuous consumption and status goods (Phau and Prendergast 2000), also adding to the appeal of counterfeit product versions.

1.5 Counterfeit Products

Luxury designer brands command instant global acknowledgment, although the desire for these branded products has initiated a market for counterfeited versions. It is not an easy task to sell luxury designer branded items especially when counterfeited versions exist, selling the 'same' product at a fraction of the price. There is a counter-argument that counterfeited commodities actually help the industry by raising awareness of luxury designer brands. Luxury designer brands and their counterfeit versions are both purchased for what they symbolise to the purchaser's social environment (Cordell et al., 1996; Cova 1997). In conjunction with this, the beliefs and values attached to brands, whether luxury designer or counterfeit, are developed within the social environment and are consequently exhibited by mutual representations (Stewart and Lacassagne 2005), which are volatile to regular change (Elliott 1999) on a collective level (Wagner 1989).

The drive and appeal of luxury designer products has fuelled consumer desire for luxury designer brands and their counterfeited versions. Not many consumers can purchase a complete wardrobe of luxury designer brands such as Chanel, but they can buy a luxury designer handbag in an effort to acquire the designer concept (Mintel 2006). The emergence of counterfeits has developed rapidly over the last few decades, although it is not a new phenomenon. Counterfeiting of luxury products dates back to 27BC, when a wine merchant in Gaul counterfeited trademarks on wine amphorae, selling low-priced local wines as pricey Roman wine (Phillips 2005). By the thirteenth century counterfeiting was widespread; the

lifting of trademarks was made unlawful, punishable by torture and death in some European countries (Higgins and Rubin 1986). Counterfeiting is an illegal practice in the UK and US (Bush et al., 1989; Hopkins et al., 2003), therefore the figures relating to the volume of trade are somewhat sketchy. The International Chamber of Commerce claims the value of counterfeit goods to be 8% of world trade (Freedman 1999). Practically every product category has been affected by the phenomenon of counterfeiting (Shultz II and Saporito 1996). Counterfeit luxury designer products are commonly manufactured in China, South Korea, Taiwan and South America (Ritson 2007). These counterfeit products are frequently sold by street merchants, in markets and even by salespersons in shopping centres (Cuno 2008).

1.6 The Phenomenon of Obsessive Consumption of Luxury Designer Handbags

The accessories segment of the UK clothing and fashion market continues to be significant, allowing women to feel trendy and create different looks (Mintel 2006). There is a perceived opinion that women, regardless of age, have a passion for handbags and opt for choices that match their tastes. Diamonds and expensive jewellery have traditionally aroused the emotion of pleasure among women; handbags are starting to arouse similar feelings. The purpose of carrying a designer handbag is a particularly gratifying experience for some women. Luxury designer products provide a feeling of pride to fashion-conscious women as they know that their handbag was created by a renowned fashion designer (<http://ezinearticles.com>). An outfit together with a nice handbag complements an individual's appearance or acts as statement piece which enhances an outfit. Expensive handbags, in particular, luxury designer handbags are incredibly popular among fashionable women. This is why many fashion houses such as Chanel and Hermes offer handbags as another product line as part of their accessories category.

The phenomenon of obsessive consumption of luxury designer handbags has been fuelled by the exclusive image that is associated with luxury designer handbags. Prominent celebrities have paraded these luxury designer handbags which have increased the urge among women to purchase such items. For some women, luxury designer handbags have overtaken the craze for expensive shoes from designers such as Manolo Blahnik and Jimmy Choo. Fashion connoisseurs state that women are more than ever seeking 'bragging rights' by owning a luxury designer handbag that will be the envy of their peers. Francesca Marotta, a fashion designer from West London, states:

“I know a lot of women who will starve to get a handbag. I’ve got a lot of friends like that.”
(www.timesonline.co.uk)

Some retailers claim that owning a luxury designer handbag worth more than £1,000 can make financial sense to middle-class women, who may not spend as much on clothing, but view an expensive luxury designer handbag as an investment piece which can be used every day, adding a touch of glamour (www.timesonline.co.uk). In addition, some consumers may feel that it is normal to purchase expensive handbags as a way of demonstrating their wealth, or as a reward for their hard work. As a consequence of this, some women collect handbags and spend a large amount of money on acquiring such items, allowing them to display their handbags with different garments.

Women value luxury designer handbags in the same way that men value their cars. Luxury designer handbags are status symbols similar to cars and can be enviable and desirable objects. Luxury designer handbags and cars have a resale value; the value of an expensive luxury designer handbag will rarely depreciate, similar to a Picasso painting, while ordinary cars depreciate in value relatively quickly. For example, a limited edition designer handbag, such as the Chanel ‘Diamond forever’ Classic bag, would be a \$261,000 investment that would increase in value every year, unlike a no-name brand handbag costing £20 from Primark. This re-establishes the worth of luxury designer vintage handbags, which allows consumers to make a profit on its rarity, whereas a mass marketed, no-name brand lacks this ability (<http://skinmint.wordpress.com>).

There is a large variety of luxury designer handbags which can communicate the individual’s appearance whether it is casual, trendy or classic in style. Even the technique of carrying a luxury designer handbag after purchase acts as a contributing factor. Carrying a luxury designer handbag correctly can certainly enhance and improve a woman’s overall appearance. The correct method of carrying a luxury designer handbag is to slide your hand through the handle from the outside of the bag allowing the handle to sit on the wrist, with palms facing upwards. This technique allows the consumer to actively exhibit their purchase to casual onlookers as well as allowing the purchaser to feel a sense of pleasure in their demonstration. Luxury designer handbags are not just for the affluent and famous, more and more women are spending hundreds and in some cases thousands of pounds on luxury designer handbags. The phenomenon of luxury designer handbags and carrying a luxury

designer handbag is perhaps linked to a sense of satisfaction and a sense of pride. When women pay for a luxury designer handbag they are intentionally paying for the brand name, the detail that goes into making a luxury designer handbag, the expectation is that the logo is clearly displayed, and stitches are tiny and inconspicuous.

Handbags have many uses and are bought for various reasons including carrying belongings, or simply to flaunt it by making a stylish statement. In addition, women use handbags to attend parties, a ceremony or other special occasion, the list is endless. Furthermore, luxury designer handbags are highly priced which arouses a sense of exclusive desire among fashionable women, an appeal which does not stretch to handbags sold in street markets. Some women cannot afford the price tag attached to a luxury designer handbag and as a result opt for counterfeit versions which are priced a lot lower than their counterparts.

1.6.1 The Counterfeit Handbag Versions

Luxury designer handbags have fallen victim to being counterfeited and are the most commonly counterfeited fashion accessories. They are relatively easy to purchase and are always regarded as being illegal (Cuno 2008). Executives at Kate Spade stated that the sales ratio of luxury designer handbags to counterfeits is one-to-one (Amendolara 2004-2005). The luxury designer handbag market has witnessed an improvement in the quality of counterfeit handbags which have been labelled as 'superfakes', which has created a mid-market positioning for counterfeit handbags in the UK. The emergence of such products has raised concern among luxury designer brand owners; the condition of high quality counterfeits for mass-market distribution damages the values which are fundamental to the perception of luxury designer brands. A contrasting view argues that the sale of counterfeit products offer positive connotations which have helped to popularise counterfeit product versions. It may be difficult to see how counterfeit handbag versions, costing £20 can dramatically hamper the sales of luxury designer handbags priced at £4,000, given the fact that the target groups are so dissimilar (Mintel 2006).

Cheap counterfeit handbag versions are increasingly in demand from women all over the world; these counterfeit handbag versions provide satisfaction similar to purchasing a luxury designer handbag. The variety of counterfeit handbag versions is immense. Generally, buyers opt for a counterfeit handbag version in order to save money. Some of these handbags are of good quality and strikingly resemble authentic luxury designer handbags; and in some cases

consumers are being misled into believing that they are genuine. Counterfeit handbag versions resemble luxury designer handbags from popular brands like Chanel and Hermes. Some women strive to own the latest handbags, finding it very difficult to resist the temptation of buying them. As a result, these counterfeit handbag versions of luxury designer handbags are incredibly attractive to those women who cannot afford the genuine article.

1.6.2 Brief Overview of the Fashion Handbag Market

1.6.3 Global Fashion Handbag Figures

The latent demand for fashion handbags was approximately \$3.2 billion in 2006 which is depicted in Figure 1.1, although the distribution is not evenly dispersed across global regions. Asia is the biggest market with \$1.0 billion (31.87%), followed by North America, the Caribbean with \$0.8 billion (25.67%), and Europe with \$0.8 billion (25.15%) of the world market. As a result, Europe falls within the category of the top three global regions, which highlights high demand levels. In total Asia, North America, the Caribbean, and Europe make up 82.69% of the global latent demand for fashion handbags (Parker 2005).

Figure 1.1 Global Market Potential for Fashion Handbags (US \$ mln); 2006

Region	Latent Demand US \$ mln	% of Global
Asia	1,032	31.9
North America and the Caribbean	832	25.7
Europe	815	25.2
Latin America	263	8.1
Middle East	131	4
Africa	126	3.9
Oceania	40	1.2
Total	3,240	100

Source: Parker (2005), www.icongrouponline.com

1.6.4 European Fashion Handbag Figures

Focusing on Europe and the market potential for fashion handbags, Figures 1.2 and 1.3 below demonstrate an interesting breakdown of individual countries in the EU. Germany made up approximately 18%, France 13%, and the United Kingdom 13% of the European market for fashion handbags in 2006. Even though the distribution of latent demand in Europe is unevenly distributed, the figures demonstrate the United Kingdom as obtaining a dominant position in the market potential for fashion handbags, which highlights the phenomenon and appeal of fashion handbags in this region of the world.

Fig 1.2 Market Potential for Fashion Handbags in Europe (US \$ mln): 2006

Region	Latent Demand US \$ mln	% of Europe
Germany	146.26	17.95
France	109.45	13.43
United Kingdom	102.6	12.59
Italy	96.03	11.78
Spain	54.72	6.71
Russia	42.99	5.28
Netherlands	29.49	3.62
Poland	24.96	3.06
Belgium	19.69	2.42
Switzerland	15.64	1.92
Austria	15.34	1.88
Sweden	14.98	1.84
Ukraine	14.52	1.78
Greece	13.8	1.69
Portugal	11.99	1.47
Denmark	10.28	1.26
Czech Republic	9.98	1.22
Romania	9.97	1.22
Norway	9.36	1.15
Finland	9.05	1.11
Hungary	8.71	1.07
Kazakhstan	6.71	0.82
Ireland	6.4	0.79
Belarus	5.98	0.73
Slovakia	4.16	0.51
Other	21.87	2.68
Total	814.93	100

Source: Parker (2005), www.icongrouponline.com

Fig 1.3 Market Potential for Fashion Handbags in Europe (US \$ mln): 2006



Source: Parker (2005), www.icongrouponline.com

1.6.5 United Kingdom Fashion Handbag Figures

This study focuses on the UK and, specifically, London. Figure 1.4 highlights London being ranked at number one in relation to the demand levels for fashion handbags, followed by Birmingham and Manchester. The prominent demand for fashion handbags in London proves to be a good location to serve as the focus of this research.

Figure 1.4 United Kingdom: Fashion Handbags in 2006

City	World Rank	US \$ mln	% Country	% Region	% World
London	8	35.94	35.03	4.41	1.11
Birmingham	64	9.99	9.73	1.23	0.31
Manchester	66	9.92	9.67	1.22	0.31
Bradford	85	8.3	8.09	1.02	0.26
Leeds	86	8.3	8.09	1.02	0.26
Liverpool	132	5.35	5.21	0.66	0.17
Sheffield	146	4.77	4.65	0.59	0.15
Bristol	157	4.36	4.25	0.54	0.13
Coventry	160	4.33	4.22	0.53	0.13
Nottingham	168	4.05	3.95	0.5	0.13
Leicester	173	3.83	3.73	0.47	0.12
Hull	184	3.45	3.36	0.42	0.11
Total		102.6	100	12.59	3.17

Source: Parker (2005), www.icongrouponline.com

1.7 Research Gap

The available information on understanding of why women in London purchase luxury designer handbags and counterfeit handbag versions lacks conceptual and empirical underpinnings.

Several research gaps were identified from the literature review:

1. There are no studies available focusing on investigating identical antecedents in both luxury designer and counterfeit commodities, or even of a specific product category. A fundamental factor of comprehensive theories relating to consumer behaviour is product evaluation where purchasers consider the attributes of diverse product offerings by evaluating them for significance and importance as part of the decision-making process which affects purchasing decisions (Dickson et al., 2004).

2. A number of researchers have examined consumers' evaluative criteria in clothing (e. g. Williams 2002; Williams et al., 1995), yet few have focused on the connection of social consumption which incorporates an investigation into brand meaning and social meaning, attitudinal factors, individual factors, and finally post-consumption related emotions as part of the evaluative criteria of luxury designer handbags and counterfeit handbag versions. Women may evaluate the attributes of a handbag differently. For example, the symbolic meaning of brands may exhibit the individual's social-economic success. Thus, a better understanding of the meanings and values may be substantiated by measuring the aforementioned antecedents.

3. Although different product attributes have been widely employed in the literature investigating consumers' evaluation of clothing quality (Dawar and Parker 1994), identifying only a single factor of apparel involvement may not denote or totally clarify the consumer's selection of clothing; the same assumption can be associated with the selection process of luxury designer handbags and counterfeit handbag versions. Product differences are not merely restricted to intrinsic features such as quality; brand images linked to products also convey information to purchasers (Leavitt 1987; Lebas et al., 1990). The relative significance of appropriate antecedents, which form consumers' attitudes towards luxury designer handbags and their counterfeit counterparts, has not yet been clarified. Consumers' purchasing choices are not merely built on the functional aspects of a product; in addition symbolic meanings are also associated with the consumption process.

There is a need to explain the distinction between luxury designer handbags counterfeit handbag versions, as they have different effects on consumer product evaluation, also this area seems to have been rarely discussed in the literature. In general, it has been claimed that the understanding of consumer purchasing decisions are credited to the evaluation and knowledge about the products attributes. However, an inconsistent relationship was discovered in this research and several potential reasons for this are discussed.

1.8 Focus of Study

This study investigates women in London and their evaluation of the main concepts ‘luxury designer handbag’ and ‘counterfeit handbag versions’ which is dependent on their last handbag purchase. The central focus is to establish the key differences and similarities, as well as distinguishing central aspects and relative assessments of these two concepts.

1.9 Research Aims and Objectives

This study investigates several different influential dimensions of consumer purchasing behaviour towards luxury designer handbags and counterfeit handbag versions. The findings of this research contribute to:

1. An understanding of consumers who purchase luxury designer handbags or counterfeit handbag versions;
2. Ascertaining the relationship between and disparity among those that purchase luxury designer handbags or counterfeit handbag versions;
3. Clarifying the roles of the antecedents (individual factors which looks at the Brand Luxury Index and materialism, social consumption factors which look at social consumption motivation and brand meaning, attitudinal factors which incorporate an investigation into consumers purchasing luxury designer handbags or counterfeit handbag versions, and lastly, post-consumption related emotions) as significant tools in evaluating the perceptions of purchasers, relating to the purchase of luxury designer handbags or counterfeit handbag versions.

1.10 Significance of Study

The significance of this study is linked to the contribution of knowledge and is intended to add to both theory and practice. This study will contribute to both the literature of consumer behaviour, the study of luxury designer fashion and counterfeiting in numerous ways.

1.11 Academic Contributions

1. This study contributes to consumer behaviour literature, luxury designer fashion literature and to the literature on counterfeiting. This study verifies the antecedents that influence the formation of consumer behaviours in the context of women in London purchasing luxury designer handbags or counterfeit handbag versions. Many consumers consciously purchase counterfeit product versions, and consumer demand for counterfeits is considered to be one of the central explanations as to why the counterfeiting industry is thriving. Consumers purchase luxury designer products as they are often associated with positive symbolic appeals, reinforcing social standing and taste. Reasons as to why consumers intentionally purchase luxury designer and/or counterfeit product versions remain relatively unclear. There are limited investigations exploring this issue from a collective and individual perspective. The research on antecedents determining the formation of consumer choice processes is scarce within the context of this investigation. The current research fills these two acknowledged literature gaps.
2. This study intends to explore the facets, roles and functions of luxury designer, counterfeits and fashion. The outcome is presented in the research conceptual model highlighted in Chapter Three. The model outlines and explains the central dimensions influencing the purchase of a luxury designer handbag and a counterfeit handbag version by reinforcing the dynamic interactivity between the two handbag categories.
3. This study offers empirical support to Vigneron and Johnson's (2004) Brand Luxury Index dimensions. The scale measures consumer perception of luxury or specific brands or products. Vigneron and Johnson's (2004) Brand Luxury Index is considered a multifaceted construct. No empirical basis has been extant within the context of this study until the present research. This research also suggests that Vigneron and Johnson's (2004) Brand Luxury Index constructs may be too academic and complex for the average consumer to appreciate; as a result, a number of constructs were changed and deleted from the final measurement, and this is further discussed in Chapter 7. In addition, this

research also suggests that Vigneron and Johnson (2004) should include Richins' (1987) materialism scale, to incorporate how materialism guides the selection of luxury designer and counterfeit product versions, again this is debated further in Chapter 7. The present research revealed that the antecedent 'Individual Factors' of the proposed model, which includes adapted constructs of Vigneron and Johnson's (2004) Brand Luxury Index and Richins' (1987) materialism scale, affects the consumption of luxury designer handbags and counterfeit handbag versions, is multidimensional and substantiated by four dimensions and a two-factor model.

4. This research provides empirical support to Moschis' (1981) Social Consumption Motivation scale. Social motivation is viewed as a dimension which explores how much an individual is attuned to social meanings in the purchase of products and brands. However, no empirical findings exist within the context of that study. In addition, this research also suggests that Aunty and Elliott's (1998) unbranded and branded scale, which has been re-labelled as 'brand meaning' acts as a significant contributor to the findings of this study. Although some of the constructs were considered unsuitable to the focus of this research, this is further discussed in Chapter 7. The present research revealed that the antecedent 'Social Consumption Factors' of the proposed model, which includes Moschis' (1981) Social Consumption Motivation scale and adapted constructs of Aunty and Elliott's (1998) unbranded and branded scale, which has been re-labelled as 'brand meaning' influences the consumption of luxury designer handbags and counterfeit handbag versions. This antecedent is therefore comprehensive and validated by two dimensions and a two-factor model.
5. This research offers empirical support to Bian and Veloutsou's (2007) scale which measures purchase intentions and views regarding counterfeit products. Bian and Veloutsou's (2007) scale concentrates solely on counterfeits, so for the purpose of this research the constructs were adapted to suit this investigation and this is discussed further in Chapter 7. Bian and Veloutsou's (2007) scale was re-labelled as 'Attitudinal Factors'. The present study highlighted the antecedent 'Attitudinal Factors' of the proposed model as being multidimensional and substantiated by two dimensions and a two-factor model.
6. This research presents empirical support for Richins' (1997) Consumption Emotion Set which measures emotions. For the purpose of this research the constructs were adapted to

suit the research and this is debated in Chapter 7. In addition, Richins' (1997) scale was re-labelled as 'Post-Consumption Related Emotions'. The study revealed the antecedent 'Post-Consumption Related Emotions' of the proposed model as being substantiated by two dimensions and a two-factor model.

7. This research suggests that consumer perception of branded products plays an important function in the consumer decision-making processes. This is confirmed by the research findings. This study suggests that investigations into luxury designer products, and counterfeit product versions should not be ignored as various dimensions influence consumer behaviour.
8. In relation to the methodology Likert Scales were applied to every question, in an attempt to shorten the research instrument. The practicality and reliability of this technique was supported by the research findings. In terms of data analysis, this research is more concerned with the derived meaning associated with the purchase of luxury designer handbags and/or their counterfeit counterparts.

1.12 Implications

The research findings not only fill recognised gaps relating to consumer behaviour, luxury designer, counterfeits and fashion literature, but also offer practitioners a foundation from which they can start to deliberate effective methods to curb counterfeits in the luxury designer fashion sector. The discussions concerning managerial implications are centred in the research findings. The central implications are generalised and presented below:

1. Brand owners of luxury designer handbags and counterfeit handbag versions should emphasise dissimilarities between social consumption factors, attitudinal factors, individual factors, and post-consumption related emotions. Brand owners of luxury designer handbags could highlight unique and distinctive components relating to each antecedent.
2. Brand owners of luxury designer brands should assume the mission of guiding consumption, by emphasising the value of purchasing luxury designer products, pin pointing the benefits and good reasons associated with luxury designer products rather than opting for 10 dismal counterfeit versions.

3. Marketers of luxury designer brands can carry out differentiated marketing to target numerous market segments. The market should be segmented in accordance with the selection of products, symbolic dimensions, individual factors, social consumption factors, attitudinal factors, and post-consumption related emotions, instead of consumer demographic profiles.
4. Marketers of luxury designer brands should be entirely conscious of the identified antecedents influencing women's purchasing decisions, and ensure that their marketing strategies correspond with their existing strategies and supervise the change of antecedents on a regular basis.
5. A decision to purchase counterfeit handbag versions instead of or as well as luxury designer handbags has developed into a fundamental matter for brand manufacturers globally. The central focus is to establish key differences and similarities, as well as distinguishing central aspects and a relative assessment of these two concepts.
6. The main contribution of this thesis is, proposing a conceptualisation of luxury designer and counterfeit product versions in fashion marketing, and ultimately positioning luxury designer brands at the core of management decisions.
7. The study puts forward an opportunity to identify strategic processes that secure the success of luxury designer handbags and lead to the downfall of counterfeit handbag versions. The suggested strategies and findings are transferable to the luxury designer brand industry in all product categories.
8. The research recommends a conceptual model in Chapter 6 which offers practitioners an illustrated view of applicable dimensions relating to the positioning of luxury designer handbags. The benefit of the presented conceptual model is its ability of offering practitioners the opportunity to develop and extend their insight into the decision-making processes of women in London.

1.13 Structure of the Thesis

This thesis is structured over 10 chapters, and reflects the developing nature of the study. The first chapter provides an introduction into the background and significance of the study, and distinguishes the aims and objectives. It concludes with this review of the structure of the thesis.

Chapter two introduces and reviews the literature relating to fashion, exploring the generic theories and concepts which contribute to the evolution of fashion. This chapter also outlines the theories of fashion as a body of knowledge, contributing to the understanding of fashion.

Chapter three highlights the inconsistencies relating to the definition of luxury and reviews the literature related to luxury designer brands and explores the concepts which distinguish and characterise 'luxury' and 'luxury designer'. In addition, a review into commodities able to communicate individual identity is also discussed.

Chapter four delves into the phenomenon of counterfeiting and centres on the UK which is the main focus of this research. A review into the inconsistencies relating to the definition of counterfeits provides a comprehensive background into the phenomenon of counterfeits. In addition, a review into counterfeiting in the luxury designer brand industry highlights the development, scale, and impact on producers and recipients of counterfeits.

Chapter five provides a review of consumer culture and commodities as constructs applicable to individual identity. This is followed by a comprehensive review of consumption theories related to status seeking and pleasure. This chapter provides the conceptualisation of commodities and applicability of frameworks within a broader discussion and provides the focus of this research, which concentrates on understanding the symbolic dimensions attached to the consumption of luxury designer handbags and counterfeit handbag versions.

Chapter six explores the relevant theoretical frameworks and provides a conceptual model explaining the underlying dimensions relating to product evaluations of luxury designer handbags and counterfeit handbag versions among women in London. Extensive research has revealed that there have not been any investigations collectively exploring dimensions of brand meaning, social consumption motivation, attitudinal factors, individual factors, and

post-consumption related emotions as part of the evaluative criteria of luxury designer handbags and counterfeit handbag versions.

Chapter seven puts forward the research approach and methodology to be used in the empirical research. The focus of this research is the examination of post-consumption perceptions and evaluations of luxury designer handbags and counterfeit handbag versions. Personal surveys were conducted as a method of data collection, and as a way of tackling the 'research gap'. The rest of this chapter serves to explain and rationalise the methodological approach implemented as part of the empirical research of this study.

Chapter eight presents the findings obtained from the data analysis of 353 personal surveys collected over 12 weeks in 2010. An exploration into the evaluation criteria among women in London whose last handbag purchase was either a luxury designer handbag or counterfeit handbag version is the focus of this research.

Chapter nine provides a discussion relating to the empirical study. Four key antecedents relating to post-consumption evaluation of luxury designer handbags and counterfeit handbag versions were investigated; these were (1) individual factors (2) social consumption factors (3) attitudinal factors and (4) consumption related emotions.

Chapter ten presents a conclusion to the results and discussion of the research presented in this thesis. The chapter provides an overview of this research by highlighting the main conclusions. This is followed by a discussion of the research contributions and implications in relation to theoretical, methodological, and marketing contributions. The limitations of this research are also discussed as well as a review of further research directions.

Chapter 2

Chapter 2 – Literature on Fashion

“If self-identity were never in doubt and social comparison never took place, there would be no demand for fashion, and there would be no need or opportunity for style change”
(Cannon 1998, p.35)

2.1 Introduction

The preceding chapter;

Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.

The discussion undertaken in the previous chapter draws an overall picture of fashion, luxury designer brands, the growth of counterfeit products, and the phenomenon surrounding the consumption of luxury designer handbags. The purpose of this chapter is to review the concept of fashion. The approach adopted has been:

- To explore the meaning of fashion based on numerous definitions.
- To review the accepted perspectives of fashion and the history behind each perspective.
- To outline the theories of fashion as a body of knowledge, contributing to the understanding of fashion.

2.2 Etymology of Fashion

According to *The Barnhart Dictionary of Etymology* (1988) ‘fashion’ in English or ‘la mode’ in French can be traced back to 1300 when fashion, style and the way of dress was first documented (Barnhart 1988). According to *Le Dictionnaire de la mode XXe siècle* (Remaury 1996) the French word for fashion ‘la mode’ appeared in 1482 which referred to a shared way of dressing. The word stems from the word *modus* which means manner in English or *manière* in French. The English word ‘fashion’ derives from Latin *facio* or *factio* which means doing or making (Barnard 1996; Brenninkmeyer, 1963, p.2).

By 1489, the meaning of fashion had evolved to the progressive use, or the conventional usage in lifestyle or dress which was exhibited by the upper circles of society (Kawamura, 2005). The prevalent social concept attached to fashion surfaced during the early sixteenth century which was made apparent by the “special manner of making clothes” (Brenninkmeyer, 1963, p.2). *The New Oxford English Dictionary on Historical Principles*

published in 1901 identifies the word 'fashion' principally as the act and administration of making, manner, a current usage, an established custom, conventional usage in dress and as a way of life.

2.3 Synonyms of Fashion

Words such as vogue, mode, fad, trend, rage, are synonyms of the word 'fashion', although many of these synonyms differ in emphasis, for example, a 'fad' can be described as an element of fashion which has been adopted relatively quickly with great enthusiasm for a brief period of time, therefore this 'fad' is fairly short lived. 'Vogue' is customary to fashion but refers to popularity and is largely accepted or favoured by consumers. As a result of these divergences of meaning, it can be agreed that fashion is constantly changing and is never one thing at any one time. Brenninkmeyer (1963, p.5) uses many synonyms to describe fashion, such as clothing, mode, style and dress to name but a few examples. 'Mode' is a synonym of fashion; 'clothing' stems from 'cloth' meaning felted or woven material made from hair, wool or cotton which is appropriate for wearing. In 1823 'clothing' was described as a form of distinguishing dress which was worn by individuals of a given occupation. The word 'dress' refers to the visible outer attire worn by individuals; the word itself derives from Middle French, 'dresser' to English 'dress'. The word 'costume' relates to the way an individual dresses hence 'apparel' which belongs to a particular class, nation or period (Kawamura 2005). Ultimately fashion is multifaceted, and cannot be merely described as involving only material objects.

2.4 The Idea of Fashion

Is fashion a concept? Is fashion a phenomenon? Is fashion linked to clothing? Is fashion related to novelty? Is fashion to do with conformity? Is clothing fashion?

Fashion is abstract in nature and has numerous facets. Fashion has been regarded differently throughout history which has not helped in defining the term. The connotations and impact of fashion have evolved in order to match the clothing practices of individuals belonging to various social structures and customs. 'Fashion' and 'clothing' have been used synonymously; one view could be that clothing is fashion, although this is short-sighted disregarding the complexities surrounding the subject. Fashion is frequently linked to apparel and appearance, which is ultimately a visual and tangible factor. Therefore, a difficulty arises when attempting to detach fashion from clothing. Davis (1992) analyses fashion as a system

similar to writers on sociology of the arts and culture in addition to Becker 1982; White and White 1993; Wolff 1983, 1993; and Zolberg 1990 who have also expressed fashion as a cultural symbol. Finkelstein (1996) makes an interesting point by stating that it would be deceptive to perceive fashion as solely related to clothing. Similarly, Koenig (1973) contends that a commonly held preconception that fashion only relates to the way one dresses, or wears jewellery and ornaments, ought to be eradicated. Consequently, those theories of fashion that concentrate entirely on the study of or the history of dress are insufficient (Koenig 1973). The study of fashion as a unified system involves a changed analytical framework. It can be argued that clothing and fashion are two distinct entities, that clothing is a tangible item and refers to what an individual is wearing, while fashion is an intangible perception which is a social practice, encompassing a multitude of social meanings in the minds of consumers (Kawamura 2005). In essence, fashion goes hand in hand with clothing as Brenninkmeyer (1963) states, clothes are the raw objects from which fashion is shaped, and therefore fashion is exhibited via clothing. This highlights the difficulty in separating the two ideas, because fashion is simultaneously both symbolic and tangible.

Historically, the study of fashion has been regarded to fall under the umbrella of art history. Fashion is also connected to the study of paintings, furniture and ceramics, but most studies surrounding fashion have mainly looked at the precise dating of costumes and the actual making of garments (Wilson 1985). Other scholars and art historians (Boucher 1967; Davenport 1952; Hollander 1993, 1994; Steele 1985, 1988, 1991) have investigated garments over the years, explaining the regularities, variations and deciphering cultural consequences of clothing and dress.

It is important to stress that fashion has to be regarded in a much wider sense, by understanding the idea of fashion and clothing and how the two are interpreted in a sociological sense. At the heart of fashion is its symbolic substance which has evolved historically. During the fifteenth century fashion defied class and social standing and was dominated by the aristocrats; commoners were not regarded as fashionable. The nineteenth century saw a dramatic change in social life (Boucher 1967; Perrot 1994; Roche 1994), when those who were wealthy had the means to purchase garments regarded as 'fashion' which influenced their social standing (Perrot 1994; Sombart 1967). In the twentieth century fashion became accessible and classless irrespective of social grade or rank, therefore fashion had no restrictions. Nowadays, fashion has no boundaries, it has evolved into a phenomenon where

every individual has the opportunity to acquire an abundance of products, clothing, and accessories which are readily available.

2.5 Fashion and Sociology of Culture

Fashion has to be treated within the context of a cultural practice as well as a symbolic product. Culture is thereby an individual's constructed meaning and significance of the world. As a result, cultural practices and behaviours are created via experiences, interpretations, and activities in which goods are produced and consumed. With regards to the study of culture, fashion can be considered as a man-made manufactured cultural item, which is discussed further in this chapter. Cultural objects can be explored from both consumption and production viewpoints. Similarly, fashion can be regarded as referring to personal consumption behaviours and self-identity (Kawamura 2005). Producing culture does not merely focus on making a commodity; it also consists of distributing it and consumers consuming it. Instead it is managed by organisational and macro-institutional aspects. Today's fashion designers of clothing and accessories place importance on transforming, revitalising and reproducing images. This image is then extended via tangible objects such as handbags and clothing; in essence the fashion industry constructs images.

2.6 Clothing as Communication

Social psychology looks at two areas of study, group and individual behaviour. Ross' (1908) study examined the spread of shared behaviour which leads to group action. Horn and Gurel (1975) clarify this:

On the basis of social psychological research, as well as on the points of agreement found in some early writings concerning the interpretation of clothing behaviour, we see that clothing is a symbol of crucial importance to the individual. As a non-verbal language, it communicates to others an impression of social status, occupation, role, self-confidence, intelligence, conformity, individuality, and other personality characteristics (1975, p. 2).

Horn and Gurel's (1975) perspective highlights the versatile role of clothing, their view focuses on clothing as communication. Bernard (1996) takes a similar approach to fashion and clothing as communication:

The clothing a person wears can denote significance on to the wearer and to onlookers. The meanings generated from clothing can be communicated, and is similar to the concept of

fashion as they are not static, for example a product can be seen as fashion, clothing, or anti-fashion (1996, p.171).

Bernard's (1996) view goes further by recognising the multifaceted nature of clothing and fashion which are interrelated when communicating information about the wearer.

2.7 Adoption and Consumption of Fashion

The sociological perspective of fashion comprises an analysis of consumers who accept fashion and their consumption behaviours, where consumers engage indirectly in the production of fashion. When fashion arrives at the point of adoption and consumption, it is transformed into more tangible and observable meanings via apparel and accessories such as handbags. For example, once luxury designer handbags and counterfeit handbag versions are manufactured, they are worn/used and consumed. As soon as fashion is produced, it also has to be consumed for the belief to be maintained and disseminated. In order for a cultural commodity of fashion to be sustainable, acceptance and consumption has to take place. Production acts as a stimulus for consumption, and consumption affects production. As a result, they are inseparable in the investigation of fashion.

2.8 Consuming Fashion as a Symbolic Strategy

Holbrook and Dixon (1985) view fashion as public consumption which permits individuals to communicate a desired image. This definition includes three primarily descriptive factors:

1. Public consumption consists of conspicuous usage that is exposed to others. In this sense the consumption of fashion serves a symbolical purpose, and is made visible to others, which correlates to Veblen's (1934) theory of conspicuous consumption. Commodities are deliberately embraced for this reason, as they are visible and made evident. Fashion entails explicit consumption practices that make the individual's tastes and values available to others.
2. Communication with others via consumption can be an indicator to others. This may highlight certain norms which are shared and agreed upon among a group of individuals. For example, consumer behaviour cannot be labelled as 'fashionable' if only one person adopts it. Fashion production and consumption is a collective system.
3. Image can be perceived as a consumption system, and the nature of consumption patterns which act as symbols communicating an image. Image relates to a picture that a person wants to project in an attempt to gain approval, status, or admiration by seeming stylish or

classy; this operates within an interpersonal structure. Fashion functions with a combination of interactions.

The complex facets of consumption are gradually becoming significant. The significance of fashion has symbolic meaning and highlights how luxury designer and counterfeit products must fulfil these when appealing to consumers. By nature fashion is a part of modern culture. Fashion is produced and reproduced again and again leading to an incessant public appetite for transformation. Williams (1982) remarks:

“When they assume concrete form and masquerade as objective fact, dreams lose their liberating possibilities as alternatives to daylight reality. What is involved here is not a casual level of fantasy, a kind of mild and transient wishful thinking, but a far more thoroughgoing substitution of subjective images for external reality...Imaginative desires and material ones, between dreams and commerce, between events of collective consciousness and of economic fact” (1982, p.65).

2.9 Sociological Perspective of Fashion

Fashion gradually became a topic of interest amongst psychologists and sociologists who were particularly concerned about researching groups of individual behaviour and clothing behaviour. The sociologist, Herbert Spenser (1874), explored the function that fashion performed in the society of his time, he viewed fashion as an art of social evolution, and this was particularly the case due to the fact that he lived in an era in which the social structure was changing. Simmel (1904) viewed fashion as a dualistic social phenomenon; he concluded that fashion was a form of imitation as well as differentiation; his views have since been supported and shared among many scholars (Sumner 1906; Tarde 1903; Toennies 1963; Veblen 1934).

Sociologists and psychologists take different approaches when interpreting fashion. Sociologists seek out the motives which moderate fashion in group behaviour, while psychologists seek to comprehend the basic concepts of perception and motivation. Psychologists state that clothing behaviour is psychological in nature. Psychology can be used as the basis of this study as it explains how clothing can be regarded as an intimate part of the self or personality (Horn and Gurel 1975). This can be extended to luxury designer

handbags and their counterfeit counterparts. Hurlock (1929, p. 44) gives an explanation of Horn and Gurel's (1975) notion:

"We are apt to think of clothes as we do of our bodies, and so to appropriate them that they become perhaps more than any of our other possessions, a part of ourselves... in spite of the constant changes in clothing, it is still impossible to disassociate ourselves from this intimate part of our material possessions" Hurlock (1929, p. 44)

Current researchers have argued that fashion has not resulted in emphasising class distinctions, rather that it is the aspiration of keeping up-to-date, a way of conveying an awareness of the latest tastes which is a result of an ever changing environment (Blumer 1969). In some cultures fashion in the twenty-first century operates in a world where social structures are not rigid (Kawamura 2005). Undoubtedly social class and ranks still operate, but the apparent differences in fashion can sometimes be blurred. Fashion is not restricted to one social class; its changeability is what makes it desirable and quite often achievable by many consumers. Many sociologists (Simmel 1904; Spencer 1874; Sumner 1906, Summer and Keller 1927; Tarde 1903; Toennies 1963; Veblen 1934) provided conceptualisations and theories to explain the phenomenon and concept of fashion.

Other academic scholars have looked at fashion from an economic standpoint (Sombart 1967, 1902; Nystrom 1928; Anspach 1967). Sombart (1967) did not view the consumer as having a role in constructing fashion, stating that consumers merely accept what the designer offers, as it is the designer who determines fashion. Most of the studies surrounding fashion centres on clothes. Cultural anthropologists make cross-cultural assessments of non-industrial and traditional societies in terms of attire. These studies help to understand that clothing can be used to communicate modesty which is pre-determined by culture and learned by individuals. Similarly, other individuals decorate or cover their body for modesty or other reasons such as the need to be sexually appealing or for protection (Kawamura 2004).

2.10 Fashion Diffusion Theories

It can be said that fashion incorporates the production, distribution and consumption of goods and services which are all thoroughly connected. A society cannot flourish without distributing what it produces and cannot produce goods without distributing them. In support of this, the capacity that a society produces is determined by the pattern of distribution which stimulates individuals within a society, which ultimately dispenses expertise and

opportunities. Studies on diffusion highlight how the distribution of an object, idea, or practice over a specific time frame is accepted by groups, individuals, or commercial organisations that are in channels of communication, (Katz et al 1963). The aim of diffusion theories of fashion is to clarify how fashion is diffused via interpersonal communication. Horn and Gurel (1975) state that diffusion theory:

“reflect the cultural patterns of the times. Fashions follow a progressive and irreversible path from inception through acceptance to culmination and eventual decline, and they also tend to some extent the larger events of history” (1957, p.2.)

Diffusion is the broadening of fashion across and inside social systems. While the adoption process concentrates on individual decision-making, the diffusion process focuses on the decision of individuals to accept innovation. How quickly and how far innovation diffuses is subject to numerous factors such as means of communication by the mass media, personal communications between current adopters and potential adopters, the influential power of group leaders and others and the extent to which innovation is passed on and conveyed from one social system to another (Kawamura 2005).

2.11 Influential Leaders of Fashion Diffusion

As previously stated, diffusion theories of fashion try to describe how fashion is embraced by people within a social system. A social system may be students of a school or university, a group of friends or even celebrities. Every interaction can be regarded as a deed of communication where information and persuasion can occur, and this can relate to innovative designs and styles of handbags and apparel.

According to Katz and Lazarsfeld (1955), person-to-person interaction influences daily situations, and their investigation demonstrates that this is was the most efficient form of communication in fashion. Esteem and approval invoke a response; disapproval may cause a change in the way an individual dresses. As a result of this, fashion diffusion can occur via social interaction, but also enters the social system via other mechanisms. For example, the knowledge of innovation is diffused and acknowledged by consumers via external sources and interpersonal communications within the system such as fashion blogs, magazines, fashion items on TV shows, and other media sources.

Fashion creates new and different cultural meanings, which are adopted by opinion leaders who help form and enhance existing cultural meanings, furthering the transformation of cultural groupings and principles. The masses use these individuals and groups as reference points for the basis of meaning, as they create and convey symbolic meanings that are basically structured by current cultural groups, who are already well-known by cultural categories and cultural principles. These individuals and groups are also permeable to cultural advancement, innovation, amendments in style, attitudes and values which they then dispatch to the lower social rankings who then emulate them (McCracken 1988). Thus, to comprehend the diffusion of fashion, the position and roles performed by those social group members is important, although who plays the roles is not particularly important so long as the roles are played. In Europe, fashion was influenced by members of royalty, during the aristocratic societies of the seventeenth and eighteenth centuries. In democratic societies where no royal families exist, politicians' wives, such as Jacqueline Kennedy Onassis, and celebrities, like Marilyn Monroe, play the role of fashion leaders (Kawamura 2005).

2.12 Institutional Diffusion

Originally, fashion diffusion was an extremely centralised system, which started in Paris. Innovators were associated with a society that was appreciative of what Becker (1982) conceived as the art world, a group of people and organisations concerned in the production, evaluation, and dissemination of a definite structure of culture.

In society today, fashion diffusion is planned and managed inside cultural production systems that deliberately attempt to maximise the extent of diffusion (Crane 1999). Sorokin (1941) stated diffusion is not restricted to deliberate imitation:

'Some values are imposed, some others penetrate before a population even has an idea of these values... [they] want them because they have come in contact with them or because they have been imposed... Therefore, one cannot claim that in penetration of the values, the inner desire to have them precedes the outer acceptance of them' (1941, p. 634).

The world of fashion includes designers, publicists, and owners of trendy fashion boutiques, who are all fashion conscious. Opinion leaders comprise fashion magazine editors together with movie stars and popular musicians (Crane 1999).

2.13 Sociological Theories of Fashion Diffusion

There are two common sociological models of diffusion which have been used to understand fashion. First, Simmel's (1904) theory claimed that innovative new styles are initially embraced by individuals belonging to the upper-class stratum followed by the lower social classes. The social practices essential to Simmel's (1904) model are primarily imitation, social contagion, and differentiation (McCraen 1985). Tarde (1903) carried out an empirical study focusing on mass communication and public opinion and made diffusion the focus of his assessment. Tarde (1903) used the concept of imitation as the foundation for his theory of diffusion and debates the direction of flow, in general from superior to inferior, which has been labelled as the trickle-down theory. The opposite of this top-down paradigm is a bottom-up model where novel styles and fashion materialise from lower social groups, which become accepted by higher social groups. This concept sees innovators usually materialising from communities in inner-city areas, which are breeding grounds for various forms of innovation, such as popular art and music (Kawamura 2005). Both models believed that the widespread acceptance of certain fashions and the development of social diffusion led to styles of fashion becoming unoriginal (Sproles 1985).

Fashion is ultimately about taste (Bell 1947), but the influence of fashion goes further than an individual's taste and prior views of fashion; fashion has the power to shape notions of what is attractive or beautiful. In Bourdieu's (1984) analysis of taste and social structure, his research on consumer habits views fashion clothing as a way of communication and as a depiction of the universal direction of lifestyles. Millerson (1985) claims that the majority of fashion commodities lean towards being aspirational: the commodity is positioned significantly or slightly beyond consumer reality with regard to the sort of person one may aspire to be like and, as a result, individuals wish to buy and wear novel fashions.

2.14 Fashion as Imitation

Sociologists investigating fashion at the turn of the century assumed that individuals belonging to lower social classes resented those of higher social standing, and ultimately endeavoured to imitate their activities in an attempt to achieve social acknowledgment and possibly to enter into privileged groups (Hunt 1996). Spenser states that fashion is fundamentally imitative saying that:

“Imitative, then from the beginning, first of a superior’s defects, and then, towards equalisation. Serving to obscure, and eventually to obliterate, the marks of class distinction, it has favoured the growth of individuality” (1966, p.205-6).

Hunt (1996) identifies two examples of imitation:

1. **Reverential** refers to the reverence for the individual being imitated, which results in the process of ‘fashion’ in clothing. This development is essential to the ‘trickle-down’ theory of fashion.
2. **Competitive** imitation is encouraged by the need to stress equality with a person. Tarde’s (1903) writings considered imitation to be the main factor surrounding social theory. Tarde’s (1903) theory concentrates on three areas: invention, imitation and opposition. Invention relates to the creations of talented individuals, which are dispersed throughout social systems by the process of imitation. These imitations then mushroom throughout the social system until challenged by a hurdle, or an opposition. These three processes are independent elements which collectively form a continuum in the fashion process. For example, women belonging to high socio-economic groupings discover new trends which are then imitated by others, which, in turn, translate into an opposition in which they switch to the latest trends in an attempt to maintain their high socio-economic position. Both Spenser (1874) and Tarde (1903) assert that social relations focus on imitative interaction. Therefore, fashion exhibits an imitative disposition which is linked to the concept of society. Tarde’s (1903) main argument on the diffusion of fashion is that fashion consists of inferiors attempting to imitate a few superiors.

2.15 Consumption and Social Status Diffusion

In societies where clear-cut social stratification exists, commodities often reflect social hierarchies. These societies used to pass sumptuary laws which prohibited the use of specific goods by individuals belonging to lower social groups (Braudel 1981; Mukerji 1983; Sennett 1976). The aim was to maintain and control social position. This highlights how emulation or even imitation was controlled. Thus, fashion appears to be a way of controlling social differentiation, which used to be controlled by sumptuary ruling. Miller (1987) states:

“What makes an object fashionable its ability to signify the present; it is thus always doomed to become unfashionable with the movement of time. Fashion usually operates within a system of emulation and differentiation in knowledge, such that it uses the dynamic force of

object change as a means of reinforcing the stability of the social system within which it is operating” (1987, p.126).

2.16 Fashion as Class Indicator

There are some conflicting views stating that imitation is explicit and a form of positive behaviour, (Simmel, 1904; Spencer 1874; Sumner 1906; Sumner and Keller 1927; Tarde 1903; Toennies 1963). Veblen (1934) strongly dismisses this act of imitation stating that it is simply mediocre duplication. Veblen’s (1934) idea centres on the fact that nothing can counteract the ‘genuine’ item/product such ‘genuine’ diamonds, ‘genuine’ mohair. So, in essence, the materials utilised to make a product should be rare and expensive to obtain and create. Veblen states:

“We all find a costly hand-wrought article of apparel much preferable, in point of beauty and of serviceability, to a less expensive imitation..., however cleverly the spurious article may imitate the costly original; and what offends our sensibilities in the spurious article is not that it falls short in form or color, or, indeed, in visual effect in any way. The offensive object may be so close an imitation as to defy all but the closest scrutiny; and yet so soon as the counterfeit is detected, its aesthetic value, and its commercial value as well, declines precipitately” (1934, p.81)

Veblen (1934) states that the wealthy pay particular attention to the outward display of leisure and leisure goods. This display is classified as ‘conspicuous consumption’ which highlights one’s wealth and purchasing power. Although his theory provides a basis for the understanding of fashion it does not specify how individuals verify which goods demonstrate conspicuous consumption or how worth is established. Spencer (1874) perceives fashion as a way of socially restricting individuals, separating superiors from inferiors. This is further supported by the expression of the times in which he lived, for example, titles, badges and costumes highlighted dominance and social ranking which show fashion as an indicator of one’s social status (Spencer 1966; 1896). Spencer’s (1966; 1896) writings do not clarify the differences between fashion and clothing; instead he states that the wearer’s status in society has the ability to convert clothing into items of fashion.

Toennies (1963) argues that many individuals track fashion ‘slavishly’ to gain approval from reference groups, highlighting the desire to be acknowledged and accepted by others. This view is similar to Simmel’s (1904) research, who investigated imitation and differentiation

which is integral to the cycle of fashion, as it acts as a means of class distinction, separating and unifying socio-economic classes. Simmel claims (1947):

“...the fashion for the upper classes develop their power of exclusion against the lower in proportion as general culture advances, at least until the mingling of the classes and the levelling effect of democracy exert a counter-influence” (1947, p. 546):

There is a risk for the higher social groups that those in lower ranks have the opportunity of moving across class barriers to the upper bourgeois class. Simmel (1904), views fashion as a means of social pegging, and imitation which is consistently transforming. Fashion has the ability to set apart or even unify social classes. According to Simmel (1904) the elite instigate fashion and when the masses emulate this group, the elite dispose of it for a novel form of fashion. Fashion is a variable which many consumers see as being alluring, although it should be noted that while individuals can ‘dress the part’ of a particular class (Veblen 1934), this does not necessarily prove membership, this is especially the case with counterfeit product versions.

In contrast Blumer (1969a) and Davis (1992) both discard the class-differentiation model claiming that the model adopted by early theorists is obsolete, and they agreed that what and how people wear fashion can disclose aspects of their social stratum, but dress and fashion can communicate much more. Davis (1992) shares Blumer’s (1969a) perspective that collective aspects of our social identities can be addressed in fashion. This research attempts to pinpoint specific antecedents relating to symbolic identities that luxury designer handbags and counterfeit handbag versions convey, as well as investigating how it coincides with the notion of fashion. This is supported by Davis (1992) who states:

“Our social identities are rarely the stable amalgams we take them to be. Prodded by social and technological change, the biological decrements of the life, vision of utopia, and occasions of disaster, our identities are forever in ferment, giving rise to numerous strains, paradoxes, ambivalences, and contradictions within ourselves. It is upon these collectively experienced, sometimes historically recurrent, identity instabilities that fashion feeds” (1992, p.17)

2.17 Fashion as Innovation

Many theories focus on fashion deriving from higher ranked social class members. But fashion is not only a trickle-down practice occurring from top to bottom as Tarde (1903) and others (Simmel 1904; Veblen 1934) claimed. Fashion is also the progression of a ‘trickle-across’ as Spencer (1874) implied when rationalising competitive imitation or even a ‘trickle-up’ or ‘bubble-up’ method as Blumer (1969) and Polhemus (1994, 1996) proposed. The notion of accepting that whatever the upper classes perceive as being fashion and the rest unfashionable should not be blindly accepted. Although, the influence of the wearer can strongly transfer objects such as clothing into fashion, it is society that establishes and spreads fashion. There is a relationship between the production and consumption of fashion. In addition, the initial writers did not perceive the influence of fashion designers, or foresee the transformation in class structures and attitudes. Fashion designers are accountable for:

“creating, diffusing and legitimizing clothing as fashion... the disappearance of clear class boundaries and the loss of a subject to imitate, the emphasis has shifted from the wearer of fashion to the producer/creator of fashion” (Kawamura 2005, p.59).

Fashion designers are driven by the need for continual innovation in order to be commercially successful and are in the business of producing images. Fashion is driven by innovation which is expected from the makers of fashion. This is supported by Koenig (1973, p.77) naming passionate fashion followers as “neophiliacs”, emphasising that consumers of fashion are more inclined towards something new which is fundamental to fashion-orientated behaviour.

Brenninkmeyer (1963) defines fashion as a widespread method of dress which is only adopted by the public for a certain time frame. It is dependent on the acknowledgment of particular cultural values, which are liable to change. This opinion has some weight, especially when connected to the notion of fashion constantly changing every season causing a novel item to be adopted by individuals and reference groups. Fashion is a modern popular cultural psyche and surrounds every individual.

The fashion system plays a key part in everyday consumption choices, and is a vital element of practical everyday occurrences, affecting what we eat, how we dress, how we converse and even one’s temperament (O’Cass 2000). One observation of fashion is that it is not the construction of influential persuaders, but an effect of a vibrant culture which experiences

frequent changes in taste and preferences. Fashion designers endeavour to anticipate changes in consumer preferences (Wasson, 1978), while retailers are confronted with the problem of adjusting fashion lines every season in a short time frame prior to next season's collection. Retailers adopt a strategy where a plan for two major seasons and two trans-seasonal periods are arranged, retailers then manipulate prices early on in the season to speed up adoption and purchasing and then later clear out outstanding stock towards the end of a season.

2.18 Summary

Fashion is made concrete by tangible commodities, in relation to clarifying how objects express meaning and value to consumers and onlookers. Fashion commodities offer non-verbal, visual communication which makes social statements. Changes in the significance and implication of specific types of apparel or fashions, and the ways these communicate meaning, are indications of major variations of how social groups and groupings distinguish their relationships with one another. Fashion is intended to be worn in public, so while some individuals dress for others, some dress to create personal identities. This has been a prevalent theme in the theories relating to the diffusion of fashion. Fashion is an elusive concept which incorporates more than one dimension. Fashion can be expressed as the way consumers' use clothing as a means of dressing formed by a shared system, or how one should dress. The majority of theories relating to fashion characterise it either in a symbolic context, or in a tangible context viewing clothing and commodities of fashion as a type of language. For example, clothing has been attributed to dictating which social stratum people belong to. In relation to the context of this study, accessories such as handbags (luxury designer and/or counterfeit product versions) deal with similar shared systems.

This research attempts to investigate why women in London purchase luxury designer handbags and/or counterfeit handbag versions, as well as clarifying the roles of the antecedents (individual factors which look at the Brand Luxury Index and materialism, social consumption factors which look at social consumption motivation and brand meaning, attitudinal factors which incorporate an investigation into consumer purchasing of luxury designer handbags and/or counterfeit handbag versions, and lastly, post-consumption related emotions) as significant tools in understanding the perceptions of women in London and offering evaluative criteria relating to the purchase of luxury designer handbags and counterfeit handbag versions. The research focuses on the interplay between consumers' perceptions.

The following chapter explores the concept of luxury and reviews the various definitions of luxury. This is followed by an exploration into relevant theories of luxury and the consumption of luxury.

Chapter 3

Chapter 3 – Literature Review of Consumption of Luxury Goods

"We don't buy jeans - we buy Levi's; we don't buy sun-glasses - we buy Ray Ban and we do not buy water - we buy Perrier" Kohli and Thakor (1997, p. 207)

1.1 Introduction

The preceding chapters have:

1. Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.
2. Reviewed the concept of fashion, outlined accepted definitions and perspectives of fashion through a comprehensive outline of established theories.

This chapter will start by highlighting the inconsistencies relating to the definition of luxury. This is followed by a literature review related to luxury designer brands and explores the concepts which distinguish and characterise 'luxury' and 'luxury designer'. In addition, a review into the ability of commodities being able to communicate individual identity is discussed.

3.2 Introduction into the Concept of Luxury

The concept of luxury is an obsession in today's consumer society. Flexible payment methods such as credit cards have played a significant part in the diffusion of luxury products and have led to consumer schizophrenia, (Sonimers 1991; Kardon 1992; de Moulins 1993). As a result, luxury product management has developed into a vital topic for marketing researchers and practitioners. With mounting product competition and the globalisation of markets, companies are constantly searching for ways to distinguish their product offerings. Numerous companies have endeavoured to increase the level of added value to their product positioning by using the heading 'luxury', or have purposely elected to place their products in the luxury goods niche (Vickers and Renend 2003).

3.3 Defining Luxury

The definition of luxury goods has received relatively little attention. On the other hand a lot of effort has been made by marketing researchers in categorising products: specialty goods, convenience goods, shopping goods, and preference goods (Copeland 1923; Bourne 1957; Holton 1958; Bucklin 1963; Nelson 1970; Holbrook and Howard 1977; Lastovicka 1979; Lovelock 1983; Antil 1984; Murphy and Enis 1986; and Sheth et al. 1988).

As a starting point to this study, there is a need to define and demonstrate the complexity and nature of the term luxury in order to consider the applicability of the theory within the context of this study. Given the extent of the number of consumers that purchase luxury goods, there is relatively little literature devoted to this area. Instead, confusion surrounds this topic. Most of the growing body of research concentrates on the concept of 'luxury' and 'prestige' brands, although this is still lacking in breadth. Terms such as, 'prestige', 'status', (Grossman and Shapiro 1988; Mason 1996), 'signature' (Jolson et al., 1981), 'top of the range' (Dubois and Laurent 1993), or 'hedonic' (Dhar and Wertenbroch 2000) have occasionally been used when referring to brands that are priced highly and are of high status and recognition. The terms 'prestige' and 'luxury' are the most commonly used synonyms (Bagwell and Bernheim 1997). In Berry's (1994) book, *The idea of luxury*, a conceptual analysis of luxury and a historical survey of attitudes towards it were carried out. Berry (1994) claims that luxury products are linked to basic human needs such as those for food, shelter and health care. For example, delicacies such as caviar and foie gras can be classified as luxury foods; in essence food satisfies hunger but taps into human wants for luxury products, therefore human needs are backed by human wants for luxury products, highlighting the relationship between human needs and wants.

"Hence a Rolls-Royce can be an instrumental necessity; it is a means of demonstrating municipal dignity or company prosperity or personal status" (Berry 1994, p. 40).

3.4 Consumer Behaviour Theories

Before defining the theories associated with luxury consumption, it is important to provide a background of standard consumer behaviour theories. This will provide a basis in understanding the theories of luxury consumption. Consumer theories have offered numerous conceptions into consumer choice processes. Lavoie (2004) writes on post-Keynesian Consumer Theory, stating how it can have possible synergies with economic psychology and consumer research. Consumers appear to employ principles that take place in a priority order,

on which they construct proceduralised decisions corresponding to their needs. Procedural rationality emphasises that consumers have rules that permit them to make choices. These rules are built on non-compensatory procedure, which does not consider all elements, but instead concentrates on those important to the individual. The rationale behind the consumption choice, Behavioural Economic Theory (BET) (Diclemente and Hantula 2003) states that main causes as to why 'goods' are purchased by an individual are for:

1. For maintenance (core goods include basic needs).
2. To accumulate (standard goods of better quality).
3. For pleasure (luxury goods).
4. For accomplishment (innovative goods that position the consumer as a leader).

This classification of motivations relates with the concept of 'needs' versus 'wants'. Individual needs will vary among needing 'core' goods, essential for daily living, and 'peripheral' goods, which are luxury goods focused on 'want', which is similar to the Hierarchy of Needs (Brugha, 1998). According to post-Keynesian Theory (Lavoie, 2004), consumers needs are satiable, separable, sub-ordinate to one another, and can expand. For example, once a height of consumption has been achieved, the consumer is no longer fulfilled and moves onto a new 'need'.

3.4.1 The Buying Process

The buying process (Peattie, 1992), has been extensively researched and mainly focuses on the process of rational choice, where the evaluation of alternatives is based on an assessment of costs and benefits. This is a cognitive process subjective to changing perceptions, for example, accessible information, quality or value. Rational Choice is congruent with the innovation decision process (Rogers, 1995) which proposes that individuals identify a need for a product, develop an awareness of the product centring on its attributes, and then decide to either consume or decline the product. If the product is consumed, it may later face being suspended from use, be rejected, or can be adopted at a later date. However, rational choice does not embrace the fact that individuals also utilise their emotional aspects when selecting goods, for example some individuals may avoid goods or services they dislike or like (Hansen, 2005). The Theory of Reasoned Action (TRA), and Planned Behaviour (TPB) are theories which have been examined by many researchers (for example Kalafatis et al., 1999; Kaiser et al., 1999). TRA and TPB endeavour to position the buying decision process within

the framework of rational decision-making practices, based on values, perceptions and attitudes by emphasising the restraint that the individual has over their buying decision. The theory implies that the degree of 'intention' exhibited by an individual is the best predictor of behaviour. 'Intention' is determined by internal and external control structures, and is distinguished as a function of the individual's attitude toward behaviour and any subjective norms. Hence, 'intention' is a cognitive portrayal of an individual's behavioural predisposition. Kidwell and Jewell (2003) established this theory of intention by stating that a relationship is present among internal and external control effects, with external control as an antecedent and internal control as the more proximate base of behavioural intention. In relation to the criticisms of rational choice, recent studies have concurred that TRA does not consider affective or emotional behaviour. Fitzmaurice (2005) contends that the buying decision process includes hedonic and self expressive involvement. The results of a study examining the effect of self-congruity discovered that 'eagerness' was a mediating aspect on intention. Therefore, the more 'eager' an individual is to carry out a behaviour, the greater the intent to act upon that behaviour. This result raises theoretical questions, such as, the does affective interpretations lead cognition? Through empirical results Fitzmaurice (2005) claims that attitude does not influence on 'eagerness', thus suggesting that affective reasoning is an independent part of the buying process.

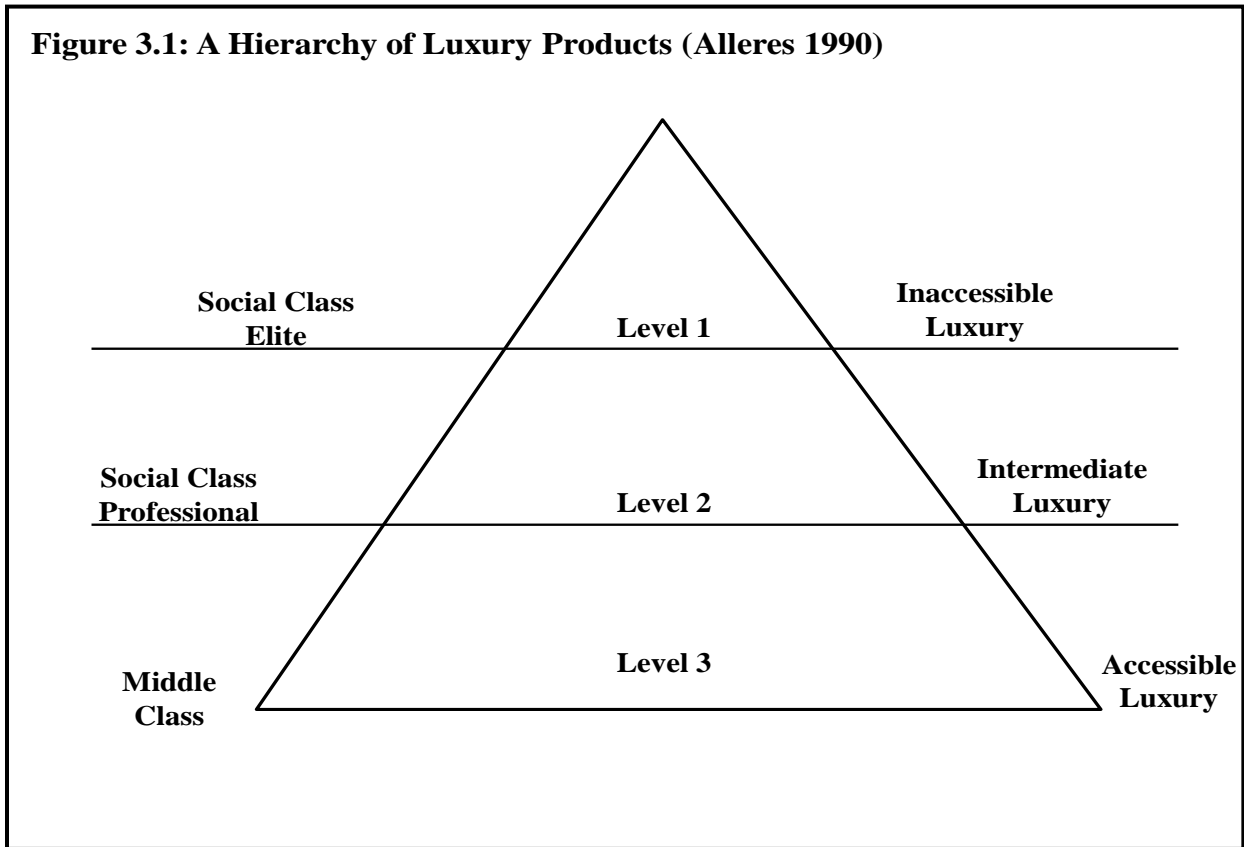
The Hierarchy of Effects model centres on the motivation for purchasing by incorporating the rational choice model, however it does integrate emotional influences. This can be explained by the fact that individuals think about a purchase, develop a feeling about purchasing it, established on their liking, preferences and how certain they have become, which ultimately influences whether they purchase or not. The attitude formation process (Schiffman and Kanuk, 1997) relates with the hierarchy of effects model by implying that attitudes are shaped on the basis of how the individual has obtained information about the product (thought), then assessed the product using both cognitive and affective (feeling) interpretation and ultimately created an attitude (do). Parthasarathy et al. (1995) claims that later adopters, the 'laggards' are specifically encouraged by the social influences around them, persuading them to 'do' first, then 'think' and lastly 'feel'. Effectively, this means that the concluding set of adopters will be less affected by their own discernment. The Hierarchy of Effects model varies from the innovation-decision process since the 'knowledge' and 'awareness' platforms are reversed. The innovation-decision model views 'knowledge' as referring to the adopter becoming knowledgeable about their needs or wants, while 'awareness' relates to the

heightened awareness of an innovation as they discover about it. In the hierarchy of effects model, the focus on the adopter occurs at the decision stage, as the awareness stage relates to when the potential buyer initially becomes aware of the products, and then acquires knowledge about it subsequently.

3.5 The Three Theories of Luxury

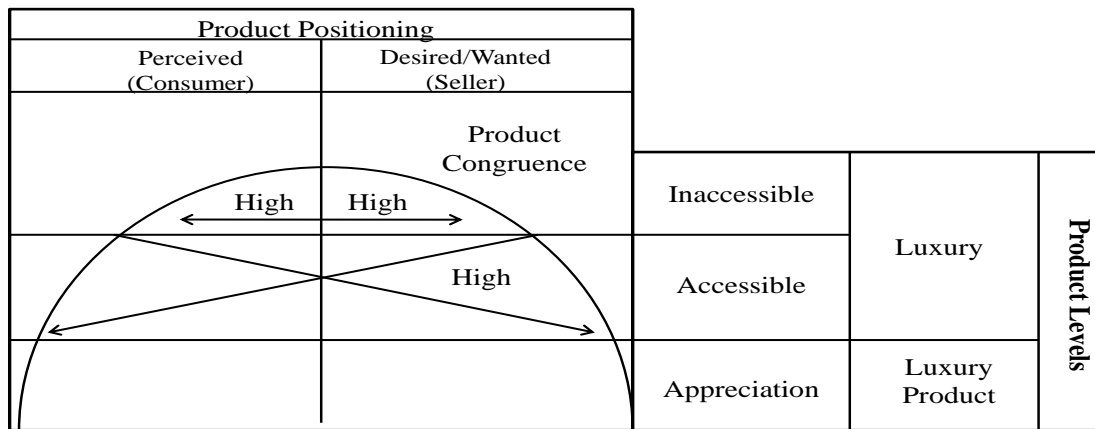
The academic literature related to luxury uncovers three main interconnected perspectives that have been used to investigate and to define luxury. These perspectives are divided into economic, psychological and marketing. The three main perspectives are not necessarily chronological but in many cases have been developed concurrently, are conceptually overlapping and help to clarify the concept of luxury. Economic theories have generally concentrated on the differences between luxury and necessity. Veblen was one of the first researchers who investigated luxury goods in the social economic framework in his "*The theory of the leisure class*" (Vigneron and Johnson 1999). Veblen states that the wealthy classes in a society convey their economic authority over the less affluent by their purchases which are fervently exhibited via goods functioning as status symbols. Economic consumer theory indicates that these conspicuous consumption patterns can be recognised at the individual consumer level in terms of 'conformism' and 'snobbism' (Leibenstein 1950; Corneo and Oliver 1997). Conformist, also labelled as 'bandwagon', behaviour arises when consumer demand for a product intensifies for the reason that other individuals are also purchasing it. Snobbish behaviour is the opposite: such individuals are inclined to purchase less of a product, especially if others are purchasing the same. These two categories of conspicuous consumer behaviour relate to the wish not to be identified with the less affluent, and the desire to be identified with the rich (Corneo and Jeanne 1997). Both conformist and snobbish consumption motivations can lead to the professed 'Veblen effect' at the total market demand level, where an increase in demand is the result of a price increase (Bagwell and Bernheim 1996). Therefore, luxury goods have a moderately upward-sloping demand curve and may possess no real intrinsic utility (Coelho et al., 1993). Economic theories have concentrated on the modelling of demand-level effects of luxury goods. Numerous definitions surrounding the term luxury have presented a variety of perspectives. These perspectives have resulted in various classification schemes, and general frameworks. Alleres (1990) constructed dimensions relating to socio-economic class in the context of luxury products, and developed a hierarchy of three levels focusing on the extent of accessibility which is demonstrated in Figure 3.1.

Figure 3.1: A Hierarchy of Luxury Products (Alleres 1990)



The inaccessible luxury level relates to an elite socio-economic class, and is acknowledged with product uniqueness. It is connected with products that are particularly expensive and presents the user with exceptional social prestige. The intermediate luxury level represents a group of luxury products that is attainable by the ‘professional’ socio-economic class. The accessible luxury level represents luxury products that are attainable by the middle socio-economic class who are perceived as attempting to attain a higher social status by their purchases. The amount of accessibility also suggests the social class level. Therefore, the degree or level of luxury that a product conveys can be exemplified in whether the product is seemingly accessible or inaccessible by the consumer. These three levels can be reduced, which can help product positioning (as shown in Figure 3.2). The distinction between the intermediate level of luxury products and the accessible level of luxury products is unclear, especially as there is a change of socio-economic classification within Western industrial nations towards a professional middle class position.

Figure 3.2: Product Positioning of Luxury Goods (Renand 1993)



Renand (1993) claims that the grouping of inaccessible luxury products can be viewed as personalised luxury products that are characterised by particularly high prices. The high prices for these luxury products makes this degree of luxury exclusive, as it is beyond the average generic product type. The degree to which these products can be placed, as inaccessible or accessible, relies on the level of exclusivity they exhibit in the marketplace in contrast to consumer perception. Classifying a luxury product, as accessible or inaccessible, relies on an understanding of the sellers' desired/wanted product position and consumers' perception of the product position as shown in Figure 3.2, and the task of communication at this level is relatively simple. For example, if the sellers' desired/wanted position of the luxury product matches consumer perceptions, the product may be deemed as 'standard' in relation to the communication programme. If a discrepancy is present in terms of the perceptions of the sellers' desired/wanted position for the luxury product, and the purchasers' perceived position, then the task of communication will be complicated, (Figure 2 highlights numerous positions). The degree to which luxury products display accessibility can also indicate whether they will be consumed publicly or privately. If certain luxury products are consumed visibly then interpersonal factors influence buying behaviours greatly.

Currently the main focus of economic theories is the effect of pricing strategies on the exclusivity of luxury goods, which stresses the association that luxury has with 'high' or 'exclusive' pricing. Centring on the link between price and exclusivity, Groth and McDaniel (1993) constructed the Exclusive Value Principle as a framework which helps in developing marketing strategies that construct brand exclusivity. Groth and McDaniel (1993) claim that the Market Price for a product is a sum of the Pure Utilitarian Value of the product and the Exclusive Value Premium. For luxury goods, the basis of utility consists of excellence of service, product quality, and aesthetic design. Exclusive Value Premium encompasses external factors that encourage luxury goods consumption behaviour, like advertising and promotion campaigns.

Social and behavioural psychology define luxury and the motivation behind luxury goods consumption as being based on 'interpersonal' or 'external' factors, such as attitude, influences, esteem, reference group interaction (Groth and McDaniel 1993) and 'personal' or 'internal' factors, such as feelings and emotions that motivate the consumption of luxury goods (Vigneron and Johnson 2004). Luxury goods are purchased either for status, social recognition, or constructive impression management reasons (Vickers and Renand 2003; Vigneron and Johnson 1999; Mason 1992; Novak and MacEvoy 1990; Brinberg and Plimpton 1986) or for hedonic and pleasure-seeking ones (Fenigshtein, Scheier and Buss, 1975; Vickers and Renand 2003). Lunt and Livingstone (1992) and Matsuyama (2002) investigated mass consumption and personal identity, and the connection between necessity and luxury. For example, two persons with similar intelligence and similar levels of reference can have diverse judgements on the meaning of luxury.

Marketing research has mainly concentrated on the characteristics of luxury in terms of culture and socio-demographics (Dubois and Laurent 1993; Dubois and Duquesne 1993), purchase motives (Kapferer 1998) and life values (Sukhdial, Chakraborty and Steger 1995). Other researchers have presented normative frameworks for the management of wealthy consumers of luxury goods (Dubois 1992; Kapferer 1996; Stanley 1989), focusing largely on the distinctions between luxury goods and non-luxury ones, as well as the definition of salient product characteristics that may possibly be constituted as luxury. Marketing studies have also provided additional frameworks associated with the definition of luxury, for example, Kapferer (1998) distinguishes four categories of luxury brands. Each category centres explicit sets of characteristics perceived by consumer segments:

1. The first segment places ‘beauty of the object’, ‘excellency of the product’, ‘magic’, and ‘uniqueness’, as being the most significant components. Brands that fall into this category are Rolls-Royce, Cartier and Hermes.
2. The second segment ranks ‘creativity’ and ‘product sensuality’ as the most central components, placing less importance on ‘uniqueness’ and ‘product excellence’. This includes brands like T. Mugler, Gucci and Boss.
3. The third group centres on the ‘beauty’ and ‘magic’ of the product, emphasising the classic appeal and the idea that this type of brand will never go out of fashion. For example, Louis Vuitton and Dunhill.
4. The fourth category deems ‘exclusivity’ as one of the most imperative components. The main appeal of this category is the narrow number of consumers who possess or who are able to own the brand’s goods, as well as projecting an exclusive image attainable only by a few privileged people. Examples of this include Chivas (reflecting the connoisseur’s choice).

Vickers and Renand (2003) developed a three-dimensional model highlighting the differences between luxury and non-luxury products which was based on symbolic meanings of luxury brands in terms of functionalism, experientialism and symbolic interaction. Functionalism is defined as product features that ‘solve a current problem’ or ‘prevent a potential one’, such as ‘superior quality and strength, durability, confidence of items replacement’. Experientialism encompasses features that stimulate sensory pleasure and hedonic consumption, such as ‘traditional and exclusive designs’, ‘special richness and tone of decoration’, ‘elegance of days gone by’. Symbolic interaction involves product components connected to status, self-enhancement, and ‘group membership’, such as ‘prestigious name’ or identifiable luxury style. The most up-to-date investigations look at luxury perceptions on a cross-cultural stage, for example, Dubois, Laurent and Czellar (2001) conducted qualitative and quantitative cross-cultural, consumer-based studies in Western Europe, the US and Asia Pacific regions and provided a broad definition of luxury, stating that it is a amalgamation of six dimensions as highlighted in Figure 3.3.

Figure 3.3: Six Facets of Luxury According to Dubois et al., (2001)

Excellent Quality	Exceptional ingredients, components, delicacy and expertise, craftsmanship
Very High Prices	Expensive, elite and premium pricing
Scarcity and Uniqueness	Restricted distribution, limited number, tailor-made
Aesthetics	Price or art, beauty, dream
Ancestral Heritage and Personal History	Long history, tradition, pass-on to generations
Superfluosness	Uselessness, non-functional

Dubois et al's., (2001) definition provides a relatively accurate definition of luxury and provides a useful basis for the term 'luxury designer' which is the adopted terminology for this study, although there are two central disadvantages relating to the research on luxury consumption. In spite of the emergent body of research within this area, a standardised examination of the concept of 'luxury', as seen by consumers is nevertheless absent. A majority of the studies are dedicated to the designers of luxury goods, strategies, or the function of tradition, in summary to the supply side. Not many studies examine the demand side. Researchers frequently highlight a few attributes relating to luxury goods, such as quality and price, as these attributes are usually associated with luxury (Kapferer 1998). The symbolic meaning of luxury continues to be indefinable as authors tend to rely on rather abstract characteristics such as 'dream value' (Dubois and Paternault 1995) or 'superfluosness' (Bearden and Etzel 1982). No systematic reviews have been carried out that offer a comprehensive, consumer-based, empirical explanation surrounding this complex concept. In terms of defining the concept of luxury, the literature on luxury sometimes overlaps and does not operate in isolation. In essence, it can be presumed that the various definitions of luxury offer different dimensions of a single process. Every definition combines various aspects of luxury. A majority of the available theoretical and empirical

research findings concentrate on the attitudes of the more affluent consumers of luxury goods.

The representation of the three main perspectives of luxury is not a vehicle to dismiss any one perspective. None of the perspectives can fully represent the complex nature of the concept of luxury, however, they can identify the process of and influences upon the development of the term 'luxury designer' which is the adopted terminology for this research.

3.6 Luxury Designer Definition

Terminologies that are often linked to luxury fashion products are:

1. **Couture products** are one-of-a-kind tailored to the consumer's measurement. Several consumers may have identical apparel, but there is an extremely elite clientele for these products which is restricted to a few hundred individuals worldwide. The creation of these goods are difficult in nature, due to personalised fittings, pattern adjustments, expensive fabrics and trimmings which contribute to the high price of couture (Goworek 2007).
2. **Designer products** are mass-produced instead of being tailored to the individual consumer, they are less expensive than couture ranges, but the expense of advertising, pattern-cutting, fashion shows, high-quality design, fabric and manufacturing result in the products costing more than high street goods. Examples of designer brands are those that are internationally and commercially successful such as Calvin Klein, Donna Karan and Prada (Goworek 2007). Designer brands aim to become luxury designer brands, but their marketing mix strategies are adapted to the mass market.
3. **Diffusion ranges for high street products** - Many designer brands produce 'diffusion' ranges, where their signature styles are attached to cheaper adaptations of key catwalk collections such as DKNY (Donna Karan), CK (Calvin Klein) and Versus (Versace). These ranges can be extremely lucrative, trading on the prominence and image communicated by the brands' more luxurious and expensive collections. During the 1990s the diffusion system was adopted by several British designers, creating collections together with major high street retailers and mail order companies. For example, Marks and Spencer used designers such as Betty Jackson and Paul Smith as design consultants. Debenhams also have ranges that are priced much lower and have higher quantities than those at designer level, but are more

expensive than the standard in-house Debenhams collection, including Star by Julien Macdonald and J by Jasper Conran. The benefit of 'diffusion' ranges to the designers is that their work reaches a much wider consumer market therefore the profits generated from these lines help fund their catwalk collections (Goworek 2007).

4. **High street products** gain inspiration from designer collections. High street retailers develop their own adaptation of major catwalk trends - often within the same season (Goworek 2007). For example, Primark dresses the masses.

This study focuses on handbags and the term 'luxury designer' will be used throughout this study and is defined as encompassing outstanding quality, high aesthetic value, and experiential emotions. Luxury designer can also be described as embodying two levels: (1) Symbolic (2) Utilitarian. At the symbolic level, consumers view luxury designer brands as representing status, beauty and an opulent lifestyle. At the utilitarian level, it can be perceived as encapsulating the functional accomplishment intrinsic to luxury designer brands such as considerable intangible worth, an enduring positive brand image which is deemed as being at the forefront of design and technological success, utilising high-quality materials while exhibiting attributes exclusive to luxury designer brands. Luxury designer brands are distinctive with high-quality differentiation and precision in product design, which are associated with tangible benefits contributing towards concrete ownership among many consumers.

3.7 Values of a Status Consumption

Brands construct value for the purchasers by offering benefits of identification from onlookers, establishing positive emotions, supporting self-expression, together with an inclusive feeling of having personal 'good taste' in brand choice (Langer 1997). Status brands are deemed to have superior quality, luxury or status credited to them and their consumption. Status increasing brands may possibly be employed to make a positive impression on others by using the brands attached symbolism. Value-expressive brands also aid consumers to express their values to others (Munson and Spivey 1981); luxury brands are positioned to preserve the imagery of exclusiveness by conveying status and prestige to the brand-user (Zinkhan and Prenshaw 1994). Byrne (1999) claims that the possession of goods is one of the best indicators of social success and status, and demonstrates that individuals are more prone to purchasing and displaying goods rather than services in an attempt to prove their status and

success. Status is the concept of goods denoting success, and the belief that an individual 'has made it' in society (Langer 1997). Alternatively, from the marketers point of view:

"the established status of a brand defines the basic stability of the brand" and equity in it (Motameni and Shahrokhi 1998, p. 284).

Hirsch (1976) and Frank (1985) employed the terms 'nonpositional' and 'positional' goods to distinguish goods that express status from those that do not. 'Nonpositional' is related to products whose value is not extensively influenced by interpersonal associations. 'Positional' is related to products whose value to any one person is calculated in connection with what products are owned by others. Mason (1998) emphasised that, in a modern society, status cannot be achieved via the consumption of generic commodities alone. Twitchell's (1998, p.175), perception of product branding claimed that consumers are in a "golden age of brands."

In an exploration into status consumption of cosmetics, Chao and Schor (1998) found that women were more prone to paying high prices for branded lipsticks even though all lipsticks are fundamentally the same. The same women were less prone to pay high prices for branded facial cleansers, which are less evident to others in social situations. Chao and Schor (1998) concluded that the visibility of a product shapes the status of a product and consumers' motivation to pay for it. Schor (1998), in the chapter *"The visible lifestyle: American symbols of status"*, stated that lipsticks, clothing, cars, watches, and living room furniture are signifiers of one's social position. Schor (1998) refers to articles from fashion and marketing magazines and quotes from company executives to sustain her statement. Another concept that has been related to status consumption is vanity. In a study carried out by Durvasula, Lysonski and Watson (2001) on cross-cultural differences in vanity, the researchers defined vanity as a psychological concept that illustrates a person's extreme interest in physical appearance or achievement. They established a vanity measure comprising four dimensions: physical-concern, physical-view, achievement-concern, and achievement-view, which were comparable dimensions in Eastern and Western cultures. In addition, they also found the achievement-vanity dimension to be present in American culture where consumers exercise consumption as a way of exhibiting conspicuous consumption, success or status.

Brands are progressively being viewed as significant trappings when establishing one's identity, as well as offering a sense of accomplishment and distinctiveness to purchasers. Successful luxury designer brands have marketplace acknowledgment and economic achievement which is supported by the value consumers place on them. The economic advantage of a company is demonstrated by the strength of its brand name, which permits differentiation and competitiveness (Nykiel 1997). This highlights the importance of brands and the value of comprehending how brands achieve status and success. Academics have turned their attention to consumers and their consumption of status brands (see Bell et al., 1991; Eastman et al., 1999; Miller 1991; Ram 1994; Underwood 1994). Researchers have encouraged a better understanding of the relationship between status brands and consumers, how consumers utilise status brands in their lives and the status that derives from exhibiting the self through brands, (see Eastman et al., 1999; Mason 1992; Motameni and Shahrokhi 1998; O'Shaughnessy 1992).

“Some of the meaning of products can be found in the status value they have as a result of other people's estimation of the extent to which they express the status of their owners”
(Eastman et al., 1999, p. 2).

Eastman et al's (1992) statement provides reasoning as to why consumers attach importance to particular brands through the perceived 'status value' regarding these brands as 'status symbols'.

“The more a society focuses on economic status differences, the more emphasis it will place on symbolic goods that mark those differences” (Wong and Ahuvia 1998, p. 431).

Another explanation of how consumers employ products for social status is discussed by Scitovsky (1992) who states that belonging to a group of people is an essential part of psychologically satisfying humans. People emulate group members in an attempt to be accepted as a group member themselves. Scitovsky (1992) goes further by claiming that the desire for status includes more than a guarantee of group membership. People also look for distinction and identification within their groups and endeavour to achieve this (Scitovsky 1992). In relation to differentiation many brands have specific images and associations which surround the symbol or brand name. These may vary among diverse social classes and subcultures (Grans 1974). Status commodities offer rewards to both consumer (e.g. hedonistic benefit, strengthened perceived status ranking by others) and producer (e.g. growth

in market share and profits). The significance of status cannot be overlooked given the noteworthy price premiums and economic value of status products, thus it is vital for marketers to appreciate and comprehend how consumers construct brand symbols and brand images that are status focused. Such knowledge will permit luxury designer brand producers to boost market share, enhance income generation, recover returns on brand investment and achieve sky high profits.

3.8 Communicating via Consumption

It has been disputed that acquisition, possession and consumption are actions that occur by means of creating impressions or identity control. According to Belk (1978), this is an interactive process relating to both the image of products consumed and the individuals consuming them (Marcoux et al., 1997). This clarifies how belongings develop into a manifestation of who we are and/or how we would like others to perceive us and that individuals view their goods as a component of or an extension of themselves. Belk et al. (1982, p. 4) claim that people:

“communicate non-verbally and achieve satisfaction of self-expression through consumption.”

This notion implies that a connection is present among the sorts of commodities we use, our self-image and how we communicate this to others. Kohli and Thakor (1997, p. 207) emphasise this with the following illustration,

“We don't buy jeans - we buy Levi's; we don't buy sun-glasses - we buy Ray Ban and we do not buy water - we buy Perrier.”

The status-enhancing worth of belongings is:

“abetted by promotions which emphasize that you are what you wear (eat, drive, watch, think)” (Bell et al., 1991, p. 245).

These revealing concepts can be used by luxury designer marketers, especially when the brand seems to be congruent with the target market's self-image.

The consumption of luxury designer commodities conveys a story about the consumer. Luxury designer products convey symbolic meanings about the consumer. Luxury designer brand names, style of clothing and choice of accessories act as a code, a sign that is beamed out to others around us. Via the possession of luxury designer goods one can communicate social values, sexuality and countless other facets of identity. Material objects exemplify a structure of meanings, which permit consumers to convey and communicate with others (McCracken 1988). By changing clothing one can alter attitudes and spread different meaning (Dittmar 1992).

The symbolism connected to commodities implies certain images about an individual. For example, a Rolex watch, authentic or counterfeit, worn by a bus driver, carries the meaning of being a counterfeit. Even though symbolic meanings are attached to luxury designer goods, one item alone may not exhibit a meaningful depiction; ultimately, it coincides with other objects and conveys the fundamental story related to that individual. Acquiring luxury designer products can assert individual identity as well as a sense of belonging to a reference group. Individuals belonging to affluent classes of society communicate their economic advantage by their purchase behaviours, which are made apparent by the consumption of luxury commodities which act as status symbols (Dubois and Duquesne 1993).

3.9 The Consumption of Luxury

There are two consumption patterns relating to the symbolism of luxury goods: Snobbism and Bandwagon (Dubois and Duquesne 1993). In Snobbish behaviour, consumers have a tendency to purchase less of the product if others are purchasing it as well (Dubois and Duquesne 1993). Snobbish individuals tend to be elite and affluent members of society who focus on highlighting their social distinction. They often purchase new or rare high-priced commodities as which are identified as 'inaccessible luxury goods'. The acquisition of these sorts of luxury products is a technique which permits an individual the opportunity to escape and differentiate themselves from the democratisation of luxury products (Allérès 2003). In Bandwagon behaviour, consumers tend to purchase commodities as a result of other people also purchasing them (Dubois and Duquesne 1993). Those falling into the category of Bandwagon are middle class and have a tendency to emulate the elite. They purchase accessible luxury goods. For example, accessories and perfume offer them the chance to access luxury brands. The acquisition of these sorts of luxury products is a way to get closer

to the upper class (Allérès 2003), which relates to the idea of conspicuousness: to consume conspicuously is to acquire these products that others presume to be luxurious.

Conspicuous consumption is consumption where pleasure is derived from audience reaction (Mason 1981). This is backed by Kapferer (1997) who claims that the visibility of luxury is necessary, as it ought to be seen, by the consumer and by others. That is why luxury designer brands make their signs, logos, emblems detectable. It is essential that luxury designer brands are recognised worldwide.

“Luxury defines beauty; it is art applied to functional items” (Kapferer 1997, p.78).

(Goffman (1951) states that status symbols have to be displayed by the ‘right’ individuals or else the conspicuous consumption develops into suspicious consumption. For example, in modern societies once the perception of conspicuous consumption changes, (bandwagon effect) luxury products no longer stand out (Bourdieu 1979). Purchasers of luxury designer brands project cultural signals which transform them into a paradigm of aspiration among others (Commuri 2009). Consequently, they become items of ‘infocopying’ (Henrich and Gil-White 2001), in which some purchasers with a variety of economic situations match those behaviours, even if they do not have the same level of disposable income (Commuri 2009).

Luxury brands take advantage of the phenomenon of non-functional demand. Using Leibenstein’s (1950) analysis of the ‘Bandwagon effect’ which results in an increase in demand as a result of others consuming the product, leads luxury retailers benefitting from an increase in profits. In essence, it is rising consumption that will inescapably move it to the subsequent stage, the ‘Snob effect’ where demand reduces due to the fact that so many others are purchasing a specific product. This leads to luxury retailers selling newer goods, at a higher price to achieve the next stage of the ‘Veblen effect’ where demand increases when the price is higher rather than lower. This is an inevitable cycle where the luxury product moves to the first stage of the ‘Bandwagon effect’, then the ‘Snob effect’ and lastly to the ‘Veblen effect’, although this cycle may not be applicable to every luxury designer product because products also have symbolic functions (Levy 1959).

3.10 Summary

The theoretical and empirical developments relating to the literature on luxury offers insights into the complexities involved in the definition of luxury. The three main definitions of luxury derive from economic, psychological and marketing perspectives. Each of these have been subjected to limited empirical study and restricted conceptual developments, but has offered a different, yet overlapping exploration into the term luxury. This has led to fragmentation and made the concept of luxury complex and difficult to understand. However, it can be argued that these diverse perspectives facilitate in the progression of knowledge and call for a synthesis of existing concepts. For the purpose of this study, the three main definitions of luxury have provided a conceptual basis in the development of the term luxury designer. Luxury designer brands are principle assets for a company, expressing the company's core beliefs and values while the consumption of luxury designer commodities has generally been linked to the display of one's status. Luxury designer products encapsulate premium prices, quality, as well as possessing the ability of projecting an idea of exclusivity, reinforcing the products' success in design and uniqueness. The literature relating to the consumption of luxury goods highlights various patterns of behaviour, but mainly stresses the importance placed on luxury products as symbols of social and personal identity. The messages conveyed by luxury products can influence the selection of one product over another; this is especially relevant in the context of this study which investigates the purchase of luxury designer handbags and counterfeit handbag versions among women in London. The emergence of counterfeits has grown massively and will be discussed in the following section.

Chapter 4

Chapter 4 – Literature Review of Counterfeits

The major counterfeited brands in 2006 were: Louis Vuitton, Gucci, Burberry, Tiffany, Prada, Hermes, Chanel, Dior, Yves Saint Laurent, Cartier (Ledbury 2007 p. 9).

4.1 Introduction

The preceding chapters have:

1. Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.
2. Reviewed the concept of fashion and outlined accepted definitions, perspectives and concepts of fashion through a comprehensive outline of established theories.
3. Reviewed inconsistencies relating to the definition of luxury, and explored the concepts that distinguish and characterise ‘luxury’ and ‘luxury designer’. In addition, a discussion into commodities communicating individual identity was outlined.

This chapter delves into the phenomenon of counterfeiting and centres on the UK which is the main focus of this research. The chapter begins with a review into the inconsistencies relating to the definition of counterfeits and provides a comprehensive background into the phenomenon of counterfeits. A review into counterfeiting in the luxury designer brand industry highlights the development, scale, impact, producers and recipients of counterfeits.

4.2 Introduction to Counterfeiting

Counterfeiters are driven by huge profits and mark-ups that are seemingly better than drug trafficking (Blakeney 2009). The counterfeiting industry has grown significantly as a result of globalisation and consumers’ needs and wants such that counterfeited commodities are transported around the world. The Rogers Review stated that in 2006 criminals within the United Kingdom made £1.3 billion from intellectual property crime (mainly counterfeits), with £900 million going towards organised crime (Rogers 2007). Within the EU approximately 20 per cent of the sales of shoes and clothing are counterfeit (Blakeney 2009).

Not a lot of information is known about counterfeit luxury designer goods. Assessments and evaluations of calculating the trade in counterfeits vary in relation to coverage and methodology, but one obvious trend has emerged every year, trade is on the rise. A number

of contributing factors have endorsed this increase. Globalisation of world trade has widened consumer wishes and demands, the accessibility of a vast assortment of goods and the growing desire for luxury designer commodities makes them appealing for counterfeiters to exploit. Additionally, the formation of free markets has supported the sales process, once commodities have come into the European free market, they can flow without hindrance across the borders of its member states. Another contributing factor to counterfeiters is the fact that in many countries, there are relatively few or in some instances non-existent penalties for counterfeiting, in spite of diverse EU and worldwide efforts to strengthen policies and consolidate legislation across borders. Those countries that have stern legal penalties such as Italy, which has criminalised the purchase of counterfeits, still have a minimal degree of law enforcement. Lastly, counterfeiting is progressively becoming appealing due to elevated levels of profit and lower levels of risk (Wall and Large 2010).

4.3 Defining Counterfeits

Counterfeits have numerous synonyms such as ‘replicas’, ‘fakes’, ‘imitations’, ‘knock-offs’, ‘me-too’, ‘copycat’, ‘palmed-off’, ‘pirated’ and ‘look-alike’ products (Kaikati and LaGarce 1980). Additional synonyms consist of ‘copy’, and ‘overrun’; although these terms differ slightly in meaning they do not alter the problems that businesses face (Wilke and Zaichkowsky 1999). The various definitions and understanding of what makes a counterfeit product has been investigated in a number of studies. Some researchers view counterfeits as theft intending to deceive the consumer (Green and Smith 2002), which is an illegal practice. In contrast, other researchers view counterfeits to be more complex in nature. Phau et al., (2001) highlight five major kinds of counterfeits which are presented in Table 4.1 and clearly demonstrates that some of the definitions of counterfeit highlight different insights into the same terminology. Misunderstandings between terminologies exist, for example, piracy and imitation are used to refer to counterfeiting rather than the other way around. In addition, some articles have implemented different terms to refer to the same practice, for example Gentry et al. (2001), Ang et al. (2001), Kapferer (1995a), and Foxman et al. (1990). To determine which definition of a counterfeit is accurate is beyond the scope of this research.

Table 4.1 Defining Counterfeits

Terminology	Definition
Deceptive counterfeiting	This includes the manufacturing of duplicates that are identically packaged, have identical labels and trademarks. They are copied in an attempt to appear like the genuine products. Consumers are deceived and naively accept a counterfeited commodity (Grossman and Shapiro 1988; Kay 1990; Cordell et al., 1996).
Piracy/non-deceptive counterfeiting	This is when the product does not defraud the consumer. The consumer is fully conscious that the product being purchased is not the genuine article, as a result the consumer is also a collaborator in counterfeiting (Grossman and Shapiro, 1988; Bloch et al., 1993; McDonald and Roberts, 1994; Cordell et al., 1996).
Imitations also known as copycats	Goods are comparable in material, shape, colour, and name and resemble the genuine article (Wilke and Zaichkowsky, 1999). Brand imitation is intended to ‘look like’ and make consumers ‘think of’ the genuine brand, a counterfeit product is intended to ‘be like’ the original (d’Astous and Gargouri 2001).
Grey market	This portrays the unlawful sale of clothing production overruns by legally contracted manufacturers (McDonald and Roberts 1994). This issue relates to the supply side rather than consumer interest.
Custom-made copies	Are imitations of trademark designs of branded products made by genuine craftsmen. The only missing thing is a brand name or emblem of the original (Phau et al., 2001).

The term counterfeit or counterfeiting has been defined in a number of ways by practitioners and researchers. Without a doubt the terms can be confused with imitations and look-alikes. In line with the findings of Phau et al. (2001), it is recommended that a clearer separation of counterfeits is need before researchers conduct any investigations.

The definition of a counterfeit product used in this research is taken from Chaudhry and Walsh (1996): counterfeit goods are those bearing a trademark that is indistinguishable from

or identical to a trademark registered to another company and infringes on the rights of the holder of the trademark (Scrivener Regulation). This definition proves to be coherent with the stance adopted by researchers and practitioners of previous investigations (e. g. Bamossy and Scammon 1985; Grossman and Shapiro 1988a; Kapferer 1995; Chaudhry and Walsh 1996; Bian and Veloutsou 2006), and this definition corresponds well with the context of this study.

Grossman and Shapiro's (1988) categorisation of counterfeiting is broadly accepted among academics, and offers a clear distinction between deceptive and non-deceptive counterfeiting. Deceptive counterfeiting occurs when consumers assume that they are purchasing a genuine branded product, which then turns out to be counterfeit; Green and Smith (2002) acknowledged four characteristics of deceptive counterfeits: (1) Consumers are oblivious that they are purchasing counterfeit products; (2) Counterfeits exhibit potential health and safety risks; (3) Governments suffer quantifiable losses from counterfeit operations; (4) Genuine branded companies are subjected to a loss of sales and/or brand equity. Non-deceptive counterfeiting occurs when consumers recognise that the branded product is not authentic. The purchaser is made aware of this by specific information cues, such as quality, purchase location, price or materials used to make the products.

This study focuses on non-deceptive counterfeit handbags, the term 'counterfeit product/versions' will be used throughout this research to coincide with the definition of non-deceptive counterfeiting.

4.4 The Counterfeit Phenomenon

Luxury designer brands are not the only victims of counterfeiting; an extensive assortment of consumer products such as food, soap, spirits, and pharmaceutical products (Stewart 2003), and software (Chaudhry and Walsh 1996) have faced the fate of being counterfeited. The Anti-Counterfeiting Group (ACG) estimates that those UK industry sectors affected by counterfeiting make a loss of around £11billion per annum. Results from a consumer survey in the footwear and clothing market found that £3.5billion would have been spent on genuine goods in a year, if the existence of counterfeits were not readily available. As a result, retailers and traders suffer an immense loss, which also affects the industry, the economy and has a negative impact on local communities. (http://www.acg.org/guest/pdf/Scale_of_Counterfeiting.pdf accessed 03.04.10).

The implicit problems associated with counterfeiting can have extensive societal penalties in the form of loss of tax revenue. Research conducted by the Anti-Counterfeiting Group in 2000 approximated that €7.6 million in tax revenue was lost by European governments due to counterfeiting in the clothing and footwear industry (Blakeney 2009, p.7; ECAP II 2007, p.13). In addition, a survey done in 1999 approximated that counterfeiting was by and large accountable for “a reduction of Gross National Product (GNP) of £143 million a year and resulted in a £77million increase in Government borrowing” (Blakeney 2009; p.7; ECAP II 2007, p.13). In relation to luxury designer fashion goods, the safety of goods is also an issue. For example, purchasers may face health and safety risks by purchasing counterfeit luxury designer fashion commodities. The chemicals used to treat materials and produce these counterfeit goods may be toxic or abrasive (Wall and Large 2010).

Sales of counterfeited commodities are thought to be around \$300 billion globally (Gentry et al 2001; Chaudhry and Walsh 1996). Precise data on the extent of counterfeit products are unavailable due to the fact that companies routinely approximate the quantity of counterfeited commodities based on the number of seizures and drops in the market (Bian and Veloutsou 2006). The growth of trade in counterfeit goods has grown steadily, as a result of the internationalisation of the economy, sophistication of technology, and the development of communication infrastructures (Commission of the European Communities, 1998). European companies have lost between 400 and 800 million Euros within the Union and up to 2000 million Euros outside the EU (Commission of the European Communities, 1999). According to The International Chamber of Commerce-Commercial Crime Services (CCS), counterfeiting accounts for 5-7% of world trade, which is approximated to be worth \$600 billion per annum.

The Iguazu area of the Three Corners border region between Paraguay, Brazil and Argentina has been acknowledged as a breeding ground for counterfeiting as well as other illegal activities (International Intellectual Property Alliances 2005), although Greater China is still known as being responsible for high proportions of counterfeiting activity (Balfour 2005). In 2006, EU Customs reported that 86% of all the goods detained were shipped from China. US figures from Customs suggest that approximately 73% of products seized each year derive from China (including trans- shipments from Hong Kong). China is not alone in its operations of counterfeits; trademark owners are gradually discovering counterfeit distribution operations and production in the Middle East, Russia, India, the former Soviet

Republics, the Philippines, Africa and some Latin American countries. In conjunction with these findings, the persistent and extensive transshipments of counterfeits via strategic trading centres, such as Paraguay and the United Arab Emirates (UAE), seem to be operating fundamentally unchecked (www.a-cg.org accessed 03.04.10).

4.5 Inconsistencies Associated with Counterfeiting

Trying to measure the effects of counterfeiting is problematic. Green and Smith state (2002, p.91):

“Assessment of the losses associated with counterfeiting varies widely. Such variation is understandable given the illegal nature of this activity, which the necessity of using some forms of surrogate indicators, such as the extrapolation of seizures by police or customs authorities. Further ambiguity arises when there is no agreement about the factors that should be taken into account when calculating the scale of counterfeiting. Should it be measured by the production costs of counterfeits, sales lost by associated brands, damages to brand equity, total sales of counterfeits, or some combination of measures?”

Figures surrounding the counterfeit industry are inconsistent due to the lack of transparency on how these figures have been calculated. The dependability of these statistics has been criticised due to the lack of empirical evidence (Salmon 2005). The vagueness surrounding the losses associated with counterfeit activity varies. There is no conformity about the aspects that should be considered when determining the extent of counterfeiting. For example, should these losses be measured by damages to brand equity, the production costs of counterfeits, total sales of counterfeits, or sales lost by related brands? McDonald and Roberts (1994) state that the figures associated with losses made as a result of counterfeit products should incorporate unemployment levels in countries where non-counterfeit goods are produced, social costs linked with lost government tax revenues, and the adverse consequences of the consumption of risky counterfeits.

4.6 Counterfeiting in the UK

According to Kay (1990) the UK is one of the major recipients of counterfeited products in the world. The Anti-Counterfeiting Group (ACG) claimed that as a result of counterfeited commodities, the cost to the UK economy was estimated to at least £2.8 billion in 2001; this number escalated to around £10 billion in 2003 (ACG Survey Report 2004).

England has been highlighted as having poor regulations against counterfeiting, making it the European middle ground for counterfeiting (Fake!, 2001). One study revealed that approximately 80% of people in Britain have purchased counterfeit products at some point in time; around 77% have bought a counterfeit product in the last six months. The counterfeit industry has been approximated to be worth \$6 billion every year (Fake! 2001). In May 2005, UK Customs worked together with a Europe-wide operation for two weeks. Tonnes of counterfeit garments, millions of counterfeit branded cigarettes and 29,000 counterfeit batteries were seized in the UK. (http://www.a-cg.org/guest/pdf/Scale_of_Counterfeiting.pdf accessed 03.04.10). In April 2007, Customs foiled a plan to smuggle counterfeit designer sunglasses valued at £2.5million via Felixstowe docks. The counterfeit sunglasses were of brands such as Armani, and D&G. These counterfeited goods had been shipped from China and arrived in a container ready to be sold at markets in coastal towns in Lincolnshire (http://www.a-cg.org/guest/pdf/Scale_of_Counterfeiting.pdf accessed 03.04.10)

Trading standards officers seized counterfeited products valued at over £1m in one day from West End shops in central London. Four premises in the West End were visited by officers to repossess these goods, which was part of a week-long ‘Operation Scrooge’ to free the streets of counterfeit commodities ahead of Christmas. It has been forecasted that product counterfeiting has grown over 10,000 per cent in the last two decades, which has been encouraged both by consumer demand and insufficient resources allocated to UK law enforcement.

4.7 The Amount of Seizures in the EU

Germany has the largest amount of seized counterfeit products in the EU with 16,220 cases followed by the United Kingdom (7,490 cases) and France (7,237 cases). The preceding tables highlight the findings (Santos and Ribeiro 2006).

Table 4.2 Ranking of Host Countries with the Most Counterfeit Products, by Number of Cases Registered in the External Border of EU15 (2000/2004).

Countries	2000/2004		Ranking
	N	%	
Germany	16,220	31.9	1
United Kingdom	7,490	14.7	2
France	7,237	14.2	3
Netherlands	4,374	8.6	4
Spain	2,996	5.9	5
Belgium	2,721	5.3	6
Austria	2,272	4.5	7
Italy	2,090	4.1	8
Denmark	1,506	3.0	9
Ireland	1,345	2.7	10
Sweden	1,293	2.5	11
Finland	653	1.3	12
Luxembourg	359	0.7	13
Portugal	213	0.4	14
Greece	135	0.2	15
Total	50,904	100.0	

Source: Taxation and Customs Union Directorate-General, 2005. (Santos and Ribeiro 2006)

Table 4.3 - Three Most Counterfeited Brands (Number of cases), by Product Type (2000/2004)

Product Type	Years	1	2	3
Clothing and accessories	2000	Nike	Adidas	Ralph Lauren
	2001	Nike	Adidas	Vuitton
	2002	Nike	Adidas	Ralph Lauren
	2003	Vuitton	Nike	Burberry
	2004	Vuitton	Nike	Addidas

Source: Taxation and Customs Union Directorate-General (2005). (Santos and Ribeiro 2006)

The table above shows the three main counterfeited brands by product, for the 2000-2004 cycles. Most counterfeit merchandise of clothing and accessories seized at the external

borders of the EU tended to be Armani, Rolex watches, Vuitton bags, and Ralph Lauren Polo shirts (Santos and Ribeiro 2006). Table 4.4 highlights that the majority of clothing and accessories products originated from Thailand.

Table 4.4 - Counterfeit Countries, by Product Type (2000/2004).

Product Type	Years	1	2	3
Clothing and accessories	2000	Thailand	Czech Rep.	Turkey
	2001	Thailand	China	Turkey
	2002	Thailand	Turkey	China
	2003	Thailand	China	Turkey
	2004	China	Thailand	Turkey

Source: Taxation and Customs Union Directorate-General, 2005. Notes: UAE –United Arab Emirates; USA-United States of America. (Santos and Ribeiro 2006)

Various parts of the world vary in their legal acceptance of counterfeits. For example, courts in the state of New York governed that it is suitable to sell ‘knock-offs’, as long as they do not possess the trademark of the item that is being replicated (Barnett, 2005). As a result, it is officially permitted to buy and possess counterfeit products in New York, unlike France, where it is illegal to possess counterfeit products, whether a consumer knowingly or unknowingly purchases these goods (Fake! 2001).

4.8 Counterfeiting Background

This study focuses on non-deceptive counterfeiting which is rampant in luxury designer brand markets (Nia and Zaichkowsky 2000). One of the first recorded items being counterfeited were paintings which faced the problem of being commonly counterfeited in the late Ming Dynasty (1368-1644) in China; only one in ten of the paintings were thought to be genuine (Clunas 1991). Counterfeiting was listed in an English statute of 1352 as one of the ‘seven heads of treason’, which was liable to be punishable by hanging or burning at the stake. Reports from the mid 1790s claim that women were being burnt at the stake for counterfeiting coins. American law developed a comprehensive concept to stop product counterfeiting in the 1800s, but this law was confined to currency counterfeiting. All-

inclusive trademark legislation (The Trademark Act of 1870) was passed in the United States in 1870 (Bian 2006). These findings indicate that counterfeiting had been prominent for a number of years. According to Harvey and Ronkainen (1985), counterfeiting developed into a problem during the 1970s.

4.9 Brands Becoming Victims to Counterfeiting

Brands are assets for companies, and the affiliated brand equity is the result of years of hard work. Brands are nevertheless becoming victims of the worldwide phenomenon of brand counterfeiting, where cheap impersonations of the brand are sold to consumers (Green and Smith 2002). Brands mature over time and are developed carefully in order to capture an eminent position in the minds of consumers; this is also supported by high levels of loyalty and trust amongst intermediaries and consumers (Green and Smith 2002).

Brands are transparent assets that require consistent attention and nurturing. Success often leads to imitation especially amongst strong global brands. Some reproductions are lawful and can be viewed as being positive to consumers and society as they may result in innovation and better price variations (Green and Smith 2002). In contrast, a threatening form of external imitation resides in the form of illegal counterfeit product versions made by illicit producers, whose sole aim is to sell counterfeit commodities to consumers (Green and Smith 2002). Penz and Stöttinger (2003) suggest that when exploring consumer motives for purchasing counterfeit product versions, it is important to investigate purchasers' perception of brands. Brands are influential items to a company and purchasers, as they combine functional values that are rationally assessed, with emotional values that are affectively weighed up (de Chernatony 2001). Depending on the market, up to 70% of earnings can be accredited to the brand (Perrier 1997). The most important assets that many companies own are intangible ones, i.e. the brands they own (Green and Smith 2002; Meters-Levy et al. 1994). For example, in 2005 Levi's was estimated to be worth US\$2.26 billion, (Berner and Kiley 2005). The purpose of investing in brand development is to construct an identity around services and products which become accepted, acknowledged and valued by purchasers, which is what shapes customer loyalty (Levy and Rook 1981). A profitable brand is an identifiable person or place, product, or service, where the purchaser or user perceives significant, unique, and sustainable added value which corresponds to their needs (de Chernatony and McDonald 1998). Purchasers have recognised that a particular brand

signifies unique features, better quality, style and/or exceptional service; successful branded commodities frequently demand a higher price in the marketplace.

A counterfeit product version must replicate a trademarked brand (Cordell et al., 1996). If branded products did not attract consumers, they would not face being counterfeited (Bloch et al. 1993; Cordell et al., 1996). Harvey and Ronkainen (1985) claim that successful branded products possess high levels of attractiveness to counterfeiters; this is probably why successful brands like Chanel, Rolex and Louis Vuitton become primary targets for counterfeiters.

4.9.1 Counterfeiting in the Luxury Designer Brand Industry

From an economic point of view of luxury designer products, there is Veblen's (1934) theory of 'conspicuous consumption' which relates to luxury designer brands/products. Veblen (1934) acknowledged that luxury designer goods are of value, due to their high price, high-quality and fairly low utility. They are purchased and used as a social statement which socially positions the purchaser (Veblen 1934). Thus, luxury designer products do not conform to the usual laws of supply and demand, which imply that the demand for products is inversely related to their cost (Henderson 1922) and that they are purchased mainly for usage and replaced when worn out. The price elasticity of demand for luxury designer products is positive rather than negative; for example, consumer desire for a product enhances as the explicit role of price increases. This inverse development has been labelled as the 'Veblen effect' and the goods are often referred to as Veblen goods (Eaton and Eswaran 2009). With luxury designer goods, an increase in price enhances their status, and consumer perception of the status associated with such goods. Equally, as the price of luxury designer goods decreases, then so does their exclusivity, as a result this reduces aspirations for such goods. Thus, the aim of counterfeiting luxury designer goods is to ascertain the perception of and desire of exclusivity and to depict supposed high value by deceiving consumers into buying counterfeits (Wall and Large 2010).

In an attempt to understand the purpose of counterfeiting luxury designer commodities, it is vital to distinguish between the copying of fashion designs (design piracy) and counterfeiting of luxury designer fashion goods, as they involve different laws relating to copyright, design and trademark. Brand counterfeiters reproduce the designs of the goods, as well as copying all of the endorsed brand marks in an attempt to pass them off as genuine. Additionally,

fashion cycles and sales of luxury designer goods have a fast turnaround which is quicker than the legal procedures of intellectual property on luxury designer fashion commodities, which are particularly weak, either legislatively or in terms of the degree of enforcement (Wall and Large 2010). Raustiala and Sprigman (2006), concentrated on design piracy: the overlap and importance of the opinions concerning fashion design piracy highlights two areas of discussion in this chapter.

Fashion design counterfeiting and brand piracy play significant roles in manipulating consumer desire for luxury designer goods, by emphasising product obsolescence and increasing the rapidity of turnover of the fashion cycles which is supported by researchers such as Veblen (1934) to the works of Liebenstein (1950), and then Barnett (2005) and Raustiala and Sprigman (2006) on design piracy. Essentially, consumers who purchase luxury designer products aim to be ahead of the pack in fashion. Liebenstein (1950, p.199) labels this idea as the 'snob effect'. For example, as soon as the market becomes oversupplied by a particular branded product or design, the (snob) consumer category speedily purchase other elite products (Barnett 2005; Raustiala and Sprigman 2006; Howard 2009).

4.9.2 The Counterfeit Market in Luxury Designer Fashion

Davenport Lyons (Ledbury Research) commissioned market research in 2005/06 and summarised developments in the consumption of counterfeit versions of luxury designer products. A survey of over 2,000 consumers and several focus groups were carried out, and Ledbury approximated that over 43% of all consumers purchase some variety of luxury designer product per annum. Items include clothing (28%), shoes (22%), watches (12%), jewellery (11%) and leather goods (10%). Ledbury's market research also revealed consumer brand preferences: Yves Saint Laurent (11%), Chanel (11%), Burberry (6%), Gucci (6%), Dior (6%), Prada (4%), Tiffany (3%), Bulgari (2%), Louis Vuitton (2%), Cartier (2%) and Hermes (1%) (Ledbury 2007, p.9). The Ledbury Research also approximated that in 2006 around three million consumers may have purchased a counterfeit product which endorsed one of the 'top ten' luxury designer brand names, and this figure remained unchanged a year after the study. Consumers tend to purchase counterfeit products from market stalls, although 29% of consumers purchase from internet auction sites like eBay. Ledbury also found out that a majority of counterfeit products bought in the United Kingdom are purchased after being imported into the country.

The majority of consumers purchase counterfeit goods purposely; while approximately 31% of consumers have been deceived into purchasing counterfeits that they assumed were genuine at the point of sale (Ledbury 2007 p.21). Significantly, consumers of counterfeit goods also purchased more than one thing. In 2007, 55% bought clothes, 32% bought shoes, 24% bought leather goods, 20% bought jewellery, and 26% purchased watches. The major counterfeited brands in 2006 were: Louis Vuitton, Gucci, Burberry, Tiffany, Prada, Hermes, Chanel, Dior, Yves Saint Laurent and Cartier (Ledbury 2007 p. 9). 55% of all purchases of counterfeits were low-cost goods, highlighting the fact that 45% were comparatively expensive. In addition, Ledbury's research findings also revealed that purchasers of counterfeits ranged across a wide demographic scope, which weakens the notion that consumers of counterfeits are low-income consumers (Ledbury 2007).

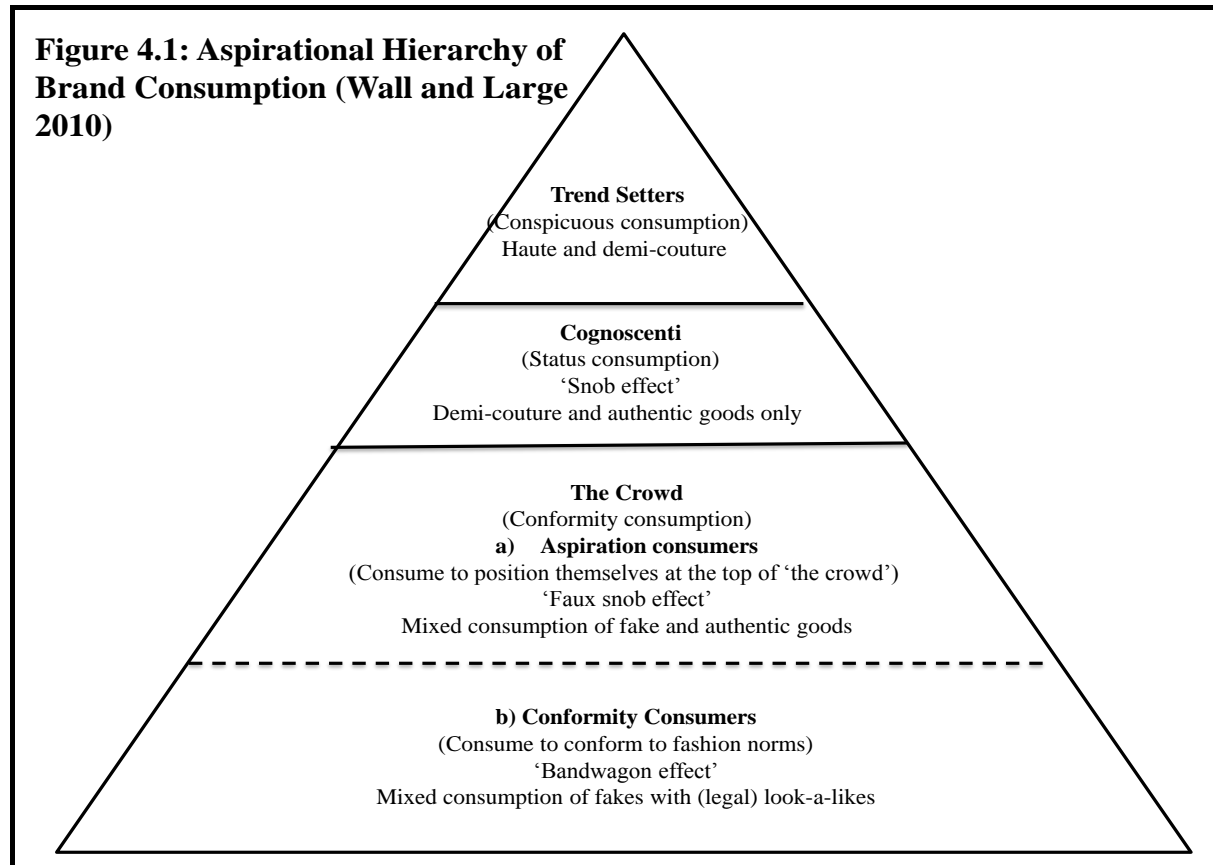
Interestingly, Ledbury's results reveal that a great deal of the consumption of luxury designer goods is in the United Kingdom. Ledbury estimated that about one in eight consumers in the United Kingdom purchase counterfeit luxury designer products and that a majority of these purchasers also buy genuine luxury designer commodities. With regard to the previous examination relating to income groups, this result strongly suggests that purchasers are opting for luxury designer products for the brand symbol as well as for the product's use, supporting Barnett's (2005) and Raustiala and Sprigman's (2006) thesis (after Liebenstein, 1950) that the consumer's prime incentive for purchasing branded commodities is to place themselves socially. Consumers' socially placing themselves is additionally reinforced by Ledbury's results, highlighting the fact that the buyers of counterfeit products also bought genuine products, but were also more likely to have purchased genuine luxury designer goods in total than consumers who solely purchased authentic products. Purchasers of counterfeits were also found to spend more on counterfeits.

According to Ledbury the main grounds for the higher expenditure on counterfeit goods relates to an improvement in "*the actual and perceived quality of those fakes*" (Ledbury 2000, p. 21). Thus, an additional explanation is possibly related to the quality of counterfeit goods (and passing-off capability) improving, while another factor may be related to the level of social acceptance in purchasing counterfeit goods. Ledbury's result revealed that 64 per cent of consumers of counterfeit goods willingly "*admit to friends and peers that they buy fake*" (Ledbury 2007, p.21).

Ledbury also found that the percentage of the population who perceive that fashion lookalikes harm brands decreased from 47 to 39 per cent over a 12-month period (Ledbury 2007, p.21). This discovery acknowledges that purchasers are buying the brand, or brand design, installed in a standard product type. Another side of the argument may be linked to the fact that margins of acceptability are essentially vague given the fact that the fashion industry condones fast turn-around by transferring fashionable creations from the catwalk to the high street in a couple of days. For example, catwalk shows, can be streamed to global viewers permitting budding counterfeiters with immediate access to novel fashion ideas (Alexander 2010). However, consumers of branded products are unlikely to have a thorough awareness of the latest fashion creations to inform their preferences, consequently the main underlining factor is related to the fact that brands steer the desire for consuming luxury designer goods. As a result, the social worth linked to brands is the main motivation behind consumption; although it also implies that the acquisition of counterfeit goods is not exclusively determined by Liebenstein's (1950) 'snob effect', because individuals who are knowledgeable about fashion such as elite consumers who pride themselves on knowing 'what is' and 'what is not' the genuine item—would instantly expose them. The 'snob effect' essentially pertains to consumers of genuine luxury designer goods subject to the 'Veblen effect', where consumers purposely purchase goods at high prices in an attempt to attain an elite social position in society. Ledbury Research also disclosed a consequential market, including 'fashion norm compliers' which is what Liebenstein (1950) labels as the 'bandwagon effect' (Barnett 2005, p.1389; Liebenstein 1950, p.189). The 'bandwagon effect' is categorised by consumption characteristics that are encouraged by the desire to fulfil up-to-date fashion norms. For example, brands and their symbols are actively purchased in an attempt to fit in with 'the crowd', which is an entirely dissimilar approach from intentionally positioning oneself conspicuously above it (Wall and Large 2010).

The 'bandwagon effect' may be subject to a factor of inconsistency between 'high' and 'low' levels of counterfeit good purchasing patterns because it does not sufficiently explicate the varied consumption pattern of consumers that purchase both luxury designer goods and counterfeit product versions. If consumer consumption behaviours are motivated by the need to conform, why do some consumers purchase authentic luxury designer goods over the cheaper counterfeits, when such items are 'passable' for the 'real' thing? Ledbury's findings provide an answer to this question, as their research uncovered a third group of consumers recognised by Barnett (2005, p.1386) who imitated the 'snob effect' via assorted patterns of

counterfeit and authentic brand consumption. These ‘aspirational consumers’ are inclined to conform with modern fashion standards and have a desire to be part of a group but also want to place themselves within an elite group by displaying some genuine branded symbols and replicating a ‘faux snob’ effect. The aspirational hierarchy of brand consumption is depicted in Figure 4.1.



From Ledbury’s findings it can be assumed that that the market for counterfeit luxury designer goods can symbolise an aspirational hierarchy that is separated by numerous consumer sub-groups, with somewhat dissimilar characteristics and motivations. At the top of the hierarchy are the trend setters who are the reference group that others aspire to be like. They are generally attractive celebrities, who establish trends and whose consumption patterns are frequently highlighted by magazines and other media sources. They are categorised by their conspicuous consumption behaviours, which relates to Veblen’s (1934) concept. The trend setters usually purchase Haute Couture products which are usually free as they are offered by influential fashion brands as a method of promoting their designs and collections. Underneath the (conspicuous) trend setters on the consumption hierarchy are the cognoscenti, these consumers are elitist and their consumption behaviours are fuelled by the desire to exhibit status symbols. They make up a major section of the market for luxury

designer fashion goods and will simply purchase authentic luxury designer goods, valuing themselves on their ability to distinguish between what is authentic and what is not. They are intentionally high status purchasers who are similar to trend setters, but view themselves as completely separate from those who purchase to conform. Underneath the cognoscenti are ‘the crowd’; these consumers essentially purchase fashion goods to conform to fashion norms. It has to be stressed that ‘the crowd’ essentially mix and match a variety of fashion products to produce ‘a look’. Although, it does suggest that the mix of products which these choices are made from to achieve the ‘look’ are mass-market productions.

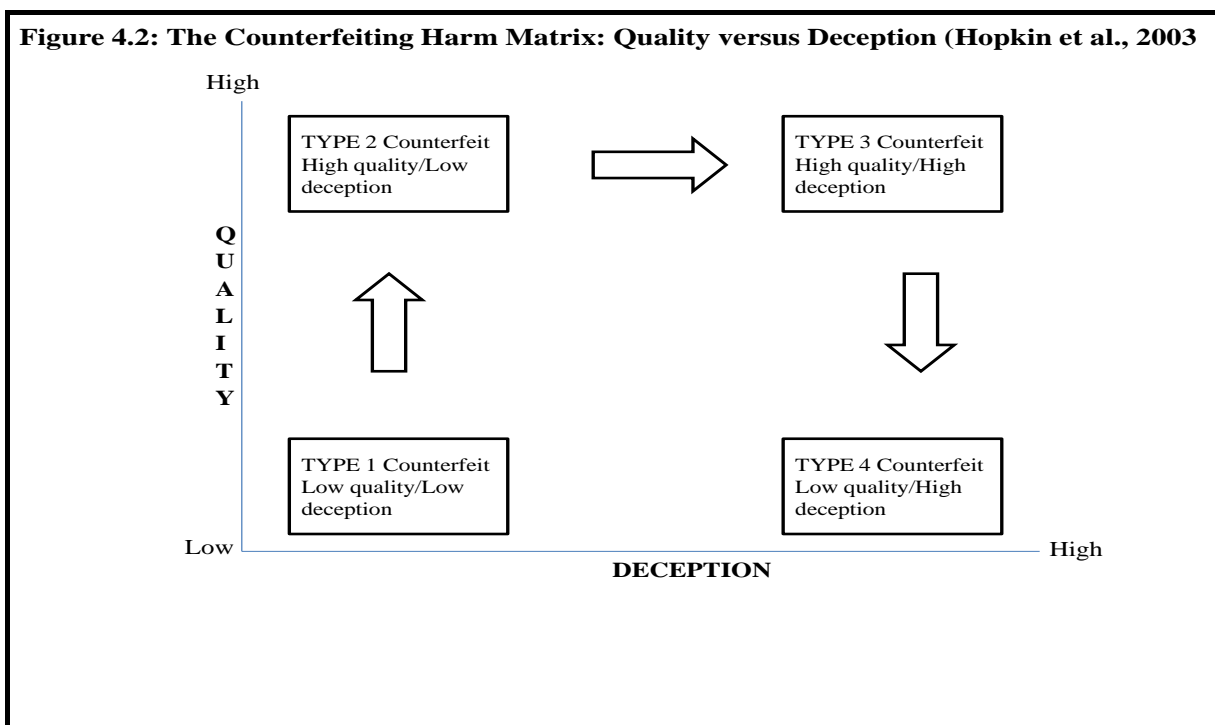
‘The crowd’ are separated into two separate sub-groups. The first are the ‘aspirational consumers’, who seek to be at the pinnacle of ‘the crowd’ and may possibly share the same objectives as ‘the cognoscenti’, but are mainly trying to override fashion norms—they also have an inclination to mix authentic goods with counterfeits. The second sub-group are the ‘conformity consumers’, who correspond to dominant fashion norms in an attempt not to look dissimilar from others—they may combine counterfeits with authorised look-a-likes. The aspirational and conformity consumer groups make up ‘the crowd’, who exhibit a moderately high level of support for counterfeit luxury designer commodities. The model above endeavours to classify the key inclinations towards the consumption of counterfeits, although there are other small groups of consumers labelled as ‘ironic’ consumers, who purchase counterfeits for their outlandish value, either as ‘gag gifts’ for friends and family or collect such items for themselves. The hierarchy illustrated in Figure 4.1 also implies that brand consumption behaviours are a lot more complex than the conventional perception of counterfeit consumption might suggest. The next section delves into the consequences of consuming counterfeits.

4.10 The Impact of Consuming Counterfeits

When gauging the how genuine a branded commodity is, consumers rationally assess the appearance, style and feel of the item together with the retail environment and its price. However, the rationality of their decisions to purchase or not to purchase is also influenced by their emotional connection to the brand and, as explained previously, consumers want to convey particular messages to others via their consumption behaviours. Therefore, the main aspects affecting choice are the general degree of deception and the product’s quality (Hopkins et al., 2003). There is a connection between deception and quality; this is supported by the wide variety of quality counterfeits, spanning from counterfeits manufactured from

inexpensive materials that are deliberately made to have the ‘look and feel’ of authentic items, and perhaps sold as ‘seconds’ or end-of-line goods in an attempt to mislead purchasers at the point of sale. At the level of quality these counterfeits do not compare with identical replicas that are carefully reverse-engineered copies that are frequently manufactured to high standards to mislead the consumer into believing that they are purchasing an authentic product at a top price. The production quality of counterfeits has improved significantly, which can cause a problem for consumers when attempting to discriminate between the counterfeit and the genuine item (Gentry et al. 2006). Occasionally, counterfeit reproductions may not be obvious due to the fact that they are product over-runs manufactured by the same production procedures as authentic items and possess identical design specifications, but are not sanctioned by the brand owner. These over-runs frequently enter legitimate supply chains as authentic goods, as they are not counterfeit goods, but neither are they approved goods, and any legal issues are solely related to contractual agreements rather than criminal issues. The correlation between quality and deception reveal various forms of counterfeiting in terms of the level of damage they cause. The typology in Figure 4.2 highlights a range of counterfeit categories that exhibit the variations from the main variables and their individual bearings. It is important to bear in mind that the majority of counterfeits will fall between two or more of the categories.

Figure 4.2: The Counterfeiting Harm Matrix: Quality versus Deception (Hopkin et al., 2003)



Type 1 goods are likely to be flawed copies, of low-grade manufacture, even though the branded logo is made apparent, they do not attempt to mislead the purchaser. Therefore, they bear fewer hazards to the purchaser and debatably to the brand owner, as compared to Type 4 counterfeits, which are of low quality and are purposely made to deceive the buyer. Luxury designer goods are generally identified by their style, look and feel, as well as their high price and retail surroundings. For example, not many consumers purchase a \$5 Breitling watch or Gucci purse from a makeshift market stall in a location infamous for counterfeiting such as Canal Street in New York (Barnett 2005, p.1381) or Petaling Street in Kuala Lumpur (Chua 2007; Mancuso 2007). Particular indicators such as low quality, low price, and sometimes sellers advertising their items as 'fake Breitling watches' clearly signify an unauthenticated item. Baudrillard (1994; 1998) claims that counterfeits can sometimes successfully turn into the 'real thing' because they become desirable objects within themselves.

Type 2 'counterfeits', are goods that are high in quality and low in deception. For example, sports clothes and trainers retailing at discount stores or in marketplaces. In this setting the counterfeiter exchanges such items more on the quality of the goods rather than the authentic brand, purchasers are fully aware of the origins and tend to be content with their items as they receive good value for money. Sometimes these counterfeits are labelled as 'knock-offs', and often purchasers are after a design, style or look, rather than the authentic product. This category of counterfeiting relates to design piracy. The conventional perception is that brand owners lose out through knock-offs.

Type 3 counterfeits are extremely deceptive, but are also of high quality. In 2007, Ledbury Research found that the general quality of counterfeit luxury designer commodities was improving. These counterfeits present a diverse series of challenges as they are less prone to damaging the purchaser, and consumer expectations are usually matched by the quality of the goods. If purchasers are not made aware they may assume that they got a 'good deal'. Identical reproductions and product over-runs fall into this category.

Type 4 counterfeits cause the most concern as they are of low quality and are extremely deceptive in appearance. This category of counterfeits misleads consumers and poses an economic threat given the fact that mostly these goods are relatively expensive, which may lead to negative feelings towards the brand owner especially if the goods do not live up to expectation. As a result, a loyal customer may be lost. The Ledbury findings are mapped on

to the (Figure 4.2) matrix which shows that, 64% of all counterfeits are Types 1 and 2 (Ledbury, 2007, p.21). Approximately 6% are Type 3 (high deception, high quality), and 31% of counterfeits are Type 4 (high deception; low quality) which represent the largest danger to consumers. Type 3 & 4 counterfeits represent the majority of lost sales.

The market success for counterfeit products depends on consumers' longing for luxury designer brands (Hoe et al 2003; Penz and Stottinger 2005). Modern counterfeiters replicating luxury designer branded products make it hard for customers to distinguish between a genuine versus a counterfeit product (Delener 2000). Advanced technology has also contributed to the availability of counterfeits, for example, one clothing counterfeiter used an electronic scanner to fake the logo of a high-status manufacturer, which allowed the image to be moulded and manipulated (Delener 2000).

The counterfeit industry is thriving due to worldwide marketing which has produced high international demand for luxury designer brands. Technology advancements in developing countries, lenient regulatory policies and low salaries make it an appealing production option. Product counterfeiters are able to manufacture inexpensive copies of popular brands to markets where there is the demand (Bush, Bloch and Dawson 2001). EU Customs statistics highlight the fact that sectors of luxury goods and clothing are still exposed to the problem of counterfeiting which increased in 2006 (http://www.a-cg.org/guest/pdf/Scale_of_Counterfeiting.pdf accessed 03.04.10).

The market is being flooded with poor-quality goods (Type 4 counterfeits particularly, but also large numbers of Type 1), which manage to please some primary demand, but the danger to luxury designer brand owners is that some purchasers may be discouraged from buying authentic goods due to the market being saturated by counterfeits, which ultimately results in brand dilution leading to the 'snob effect'. There are numerous examples of this occurring in the luxury designer brand market, such as the association made between the prestigious brand, Burberry, and 'chav' culture ('council house and violence', 'Cheltenham average', 'charvors'—depending upon interpretation, see Hayward and Yar 2006, p.15). Louis Vuitton (LVMH) also experienced a severe knock to their elite status after counterfeit bags filled the high streets. The appeal of counterfeits has had a dramatic impact in Europe, for example, Louis Vuitton had to be totally removed from the Italian market in the 1970s due to not being able to compete with the counterfeit market (Grossman and Shapiro, 1988). Louis Vuitton's

brand image deteriorated in the early 1990s as a result of the soaring numbers of counterfeits being sold. The company dealt with the problem by regularly reporting seizures to customs and maintaining relationships with authorities in a number of countries globally (www.fashionville.co.uk/louis-vuitton/ accessed 21.02.11). The problem of counterfeiting in the luxury designer brand industry is linked to the industry itself. For example, in the US dilemmas of this nature are compounded due to its legal system which safeguards functionality but not the style or design (Hilton et al., 2004). Counterfeited products are generally made from mediocre materials, but are frequently created with the same moulds, designs and specifications as genuine brands (Parloff 2006).

4.11 Overview of Past Studies on Counterfeiting

Most studies relating to the study of counterfeiting centre on consumer perspectives. For example, Cordell and Wongtada's (1991) exploratory study found that students favoured counterfeit over genuine goods and did not express any concern for legality or public welfare issues. It has been suggested that counterfeits permit consumers to acquire the status and quality aspects of genuine branded products (Grossman and Shapiro 1988) and that counterfeiting can harm the status and reputation of genuine brands (Wilke and Zaichkowsky 1999). As a result, an examination of the purchasers' views and attitudes towards counterfeit product versions and luxury designer products is important.

Nevertheless, academic research exploring consumers and counterfeits is still somewhat inadequate with descriptive explanations. For example, researchers have tried to profile consumers who purchase counterfeits. Earlier research results suggest that demographic characteristics do not have a consistent relationship with the purchasing or the intent to purchase counterfeit product versions. Bloch et al. (1993) claimed that age and household income are not useful criteria for differentiating between purchasers of counterfeits and purchasers of genuine branded clothing. Tom et al. (1998) claimed that counterfeit-prone purchasers were younger and earned less than purchasers of genuine products in every phase of purchase behaviour (pre-purchase, purchase, and post-purchase). Phau et al. (2001) suggested that low spenders on counterfeit branded clothing were young, with blue-collar jobs, low monthly wages, lower education level, and had no children; while high spenders on counterfeit branded clothing were aged between 25-34 with white-collar jobs, higher education levels, higher wages, and had children. Other studies have presented inconclusive findings. Wee et al. (1995) discovered that even though household income and educational

level influenced consumer purchase intentions, age did not appear to affect consumers' intentions of purchasing counterfeits. Additionally, past research findings have discovered that consumers of counterfeit products are more likely to view their purchase as being less risky and less fraudulent (Ang et al. 2001). Some researchers have stated that consumers have a clear understanding about the likely consequences of counterfeit product versions in the marketplace and are conscious of the manufacturers' loss of goodwill and profits, and are fully aware of the loss of jobs in the country of production (Bamossy and Scammon 1985; Bloch et al. 1993). Thus, it would appear that the ethical dimension is obvious enough to consumers (Nia and Zaichkowsky 2000; Nill and Schultz II 1996), after all counterfeiting is, by definition, theft (Green and Smith 2002).

Some consumers criticise the deception of counterfeits and those who purchase counterfeit products versions (Hoe et al. 2003), while others are prepared to purchase counterfeit products when they are available (Hoe et al. 2003). Previous studies have suggested that 17% to 38% would readily purchase counterfeit products such as purses, watches, clothing, CDs, software, perfumes and videos (Bloch et al. 1993; Wee et al. 1995; Tom et al. 1998; Phau et al. 2001). However, it has been suggested that counterfeit-prone consumers vary by product types (Wee et al. 1995; Tom et al. 1998). Subjective findings propose that price could be the core factor driving counterfeit purchase intentions (Dodge et al. 1996; Bloch et al. 1993). Other researchers have disputed this view. For example, factors such as appearance, attitude, brand status, perceived fashion content, educational level, household income, image, purpose and quality, and retailer conditions have all had a considerable effect on consumers' intention to purchase counterfeits (Wee et al., 1995; Cordell et al., 1996; Albers-Miller 1999; Phau et al., 2001). The customer's ethnocentrism and the genuine manufacturer's country of origin mutually affect consumer perception of risk and attitudes towards counterfeit product versions and are consequently factors which form purchasers' evaluations, feelings, and counterfeit purchasing decisions (Chakraborty et al., 1996). In addition, negative views about counterfeit product versions, such as the high breakdown rates of counterfeits as well as the country of origin of counterfeit product versions can diminish consumers' purchase intention (Chakraborty et al., 1997). Researchers state that a rise in the expected cost, such as penalties, could reduce consumers' readiness to purchase counterfeit products (Harvey and Walls 2003). In contrast, it has been suggested that if a price discount is high, the financial risk is reduced, whereas social risk escalates (Penz and Stöttinger 2005). These authors also assert that

consumer self-identity, price consciousness and the purchasing of counterfeit products had little to no effect on the intention to purchase counterfeits.

Researchers have found that consumers do not regard the accessibility of counterfeit product as negatively influencing the acquisition genuine luxury designer brands (Nia and Zaichkowsky 2000). Consumers also believe that both counterfeit products and genuine branded products are fun and worth the money paid (Nia and Zaichkowsky 2000). Interestingly, consumers perceive counterfeits as being less reliable (Bian and Veloustou 2006); they view counterfeits as inferior substitutes that present less value for less cost, but regard this as an acceptable compromise (Gentry et al., 2001). The most recent cross-cultural investigations have revealed that purchasers from different countries may have different opinions of counterfeit products. Despite the fact that China is one of the largest culprits in the manufacture of counterfeits (Hung 2003), Chinese consumers have an even lower attitude towards counterfeit products than British consumers (Bian and Veloustou 2006). Numerous researchers have investigated various factors driving the increase of counterfeiting (e. g. Harvey and Ronkainen 1985; Grossman and Shapiro 1988; Cordell et al., 1996). It is generally viewed that purchasers play a fundamental role in the counterfeit trade and willing consumer involvement has been witnessed globally (Cordell et al., 1996). If consumers did not purchase counterfeit products, counterfeiting would not be a problem (Roberts 1985; Charkraborty et al., 1996). Therefore, consumer demand for counterfeit products has led to the problem of counterfeiting.

4.12 Summary

The counterfeiting situation both globally and in the UK is growing as highlighted in this chapter. The UK is one of the main recipients of counterfeits. This chapter provides a review of the phenomenon surrounding this industry and suggests that counterfeits are heavily impacting luxury designer brands. Research on consumers' assessment of counterfeits is limited. In addition, not many studies have investigated counterfeits from the perspective of counterfeit product versions of luxury designer products or have been product specific. This study explores various antecedents which influence why women in London purchase luxury designer handbags and counterfeit handbag versions which lacks conceptual and empirical underpinnings.

The study of counterfeits from the consumers' perspective is crucial. In particular, an exploration into why women in London purchase luxury designer handbags and counterfeit handbag versions, perceptions of luxury designer handbags as opposed to counterfeit handbag versions, and how these perceptions of these two versions may subsequently influence consumer purchase behaviours. The findings will provide companies with a true understanding of their customers. Very little work has simultaneously modelled consumer purchase behaviours from the context of non-deceptive counterfeiting and luxury designer products.

The following chapter will explore the literature on commodities and consumption, highlighting significant concepts related to the understanding of consumption behaviours. The next chapter will also provide the theoretical underpinnings of this research.

Chapter 5

Chapter 5 - Literature Review on Commodities and Consumption

“...the product steps outside this social movement (of production, distribution, and exchange) and becomes a direct object and servant of individual need.” (Marx, 1973, p.89)

5.1 Introduction

The preceding chapters have:

1. Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.
2. Reviewed the concept of fashion and outlined accepted definitions, perspectives and concepts of fashion through a comprehensive outline of established theories.
3. Reviewed inconsistencies relating to the definition of luxury, and explored the concepts that distinguish and characterise ‘luxury’ and ‘luxury designer’. In addition, a discussion into commodities communicating individual identity was outlined.
4. Reviewed inconsistencies relating to the definition of counterfeits and provided a comprehensive background into the phenomenon of counterfeiting and its influence on the luxury designer industry in relation to its development, scale, impact, producers and recipients of counterfeit products.

This chapter begins with a review into consumer culture and commodities as constructs applicable to individual identity. This is followed by a comprehensive review of consumption theories relating to status seeking and pleasure. This chapter provides a conceptualisation of commodities and applicability of these frameworks within a broader discussion and provides the focus of this research, which concentrates on understanding the symbolic dimensions attached to the consumption of luxury designer handbags and counterfeit handbag versions.

5.2 Introduction into Consumer Culture and Commodities

It can be assumed that luxury designer commodities are a sign of status. Baudrillard’s (1981; 1988; 1998) writings claimed that the tangible characteristics of commodities are not as significant as social and cultural meaning within a coded world of objects. The exchange of commodities and services increases the semiotic understanding embedded in the commodity’s intrinsic ability to project meaning. Baudrillard’s (1981; 1988; 1998) writings viewed the action of consumption as not having much to do with the act of fulfilling needs

and wants, instead being associated with the composition underpinning meanings within the cultural and social worlds where commodities exchange and denote meanings semiotically. The consumption of culture can be understood differently; for example, advertising, television programmes and shopping centres are all modes of consumption where meanings and pleasures are presented and sold as experiences (Dunn 2008).

Consumerism is a broadly shared philosophy which stresses strong attachments towards the act of consumption, which is linked to a way of life, focusing on the principle of material possession and commercial distractions resulting in happiness and personal accomplishment (Dunn 2008). The idea behind consumerism and materialism relates to how individuals view themselves within a social context, which is very much associated with the experience of the self and others. This, in turn, is associated with the notion that life's meaning is linked to purchases, ownership, and use of commodities and what these commodities imply about the individual. This ideology is particularly important and can be related to the purchase, ownership, and use of luxury designer handbags and counterfeit handbag versions, as different handbag categories may reveal similar or different consumer perceptions.

It is self-evident that consumer culture is saturated in consumerism. It is essential to describe the differences between the two. Consumer culture is the structure of meanings, connotation, interpretation, and practices that arrange consumption as a way of life. Consumerism is an ideology that connects individuals to this structure. Consumerism changes the acquisition of commodities into the foundation of identity (Dunn 2008). The identity constructed by luxury designer and counterfeit products provides meaning which are transferable to the act of consumption which may formulate an individual's self-concept.

5.3 Introduction into the Background of Consumption Theories

Established theories of consumption have uncovered a critical understanding of consumer culture. The status-seeking theory, stemming from Thorstein Veblen's *The Theory of the Leisure Class* (1934) and prominent writers such as Packard (1957) and Galbraith (1958) viewed modern consumerism as a constant status competition among members of diverse social backgrounds. In comparison, Bell (1978) and Lasch (1979) defined consumerism as a major foundation of self-seeking hedonism, generating self-importance, social isolation, and a corrosion of the work ethic. These perspectives oversimplify the practice of consumption overlooking significant questions relating to the correlation between commodities and

subjects. These theories are sceptical as they focus on the general background of consumerism and consumption in a capitalist society, disregarding the need for a fair grasp of the action of consumption in the pursuit of self identity (Dunn 2008). This is especially important in the context of luxury designer and counterfeit brands which has progressively altered consumer choices, desires, wants and general consumer purchase behaviours. Consumption of luxury designer handbags and counterfeit handbag versions project a collection of meanings. Although, it has to be stressed that the complex nature of commodities as objects, materialise in different ways to individuals and societies.

5.4 Background into the Semiotics of Commodities: Baudrillard's (1981) Theory

Baudrillard's (1981) theory consisted of adapting structuralist semiotics to the understanding of commodity fetishism, thus linking cultural and economic models of commodification. His findings led to his famous concept of the 'commodification/sign form'. He highlighted the commodity as an item not only for economic exchange but more significantly as a semiotic exchange, an item which denotes meaning(s). The Baudrillard's (1981) model views commodities as resembling 'texts' functioning as elements of an overall 'text', which forms a commodity culture. As a result, commodities form fundamental sign systems; their meanings establish implicit associations. Commodities obtain a semiotic character, a sign which denotes the status of a commodity. Commodities are communicative objects, apparatus of semiotic meanings, and 'signs'. As a result commodities merged into a system of cultural illustration functioning separately from the commodity's practical and economic functions (Baudrillard 1988; Kellner 1989).

Baudrillard's (1981) major contribution to the a theory of commodity structure was his interpretation which highlighted commodities as functioning indicators exchanging themselves as signifiers, the exchange of commodities involving a semiotic system, where 'things' in the market act similarly to 'words' in a language. In addition to this, commodities become self-referential; as signifiers they attain meaning within the system's own distinct order and pre-determined boundaries which Baudrillard (1981, p.147) labels as "the law of the code". Baudrillard (1981) views consumption practices as being less to do with the result of economic production but rather the result of implicit disclosure of its sign system.

In support of Baudrillard (1981), Veblen (1934) viewed commodities as a system of disparity in which a commodity indicates separate social positions. Both Baudrillard (1981) and

Veblen (1934) perceive commodities as indicators of social standing. For example, commodities such as luxury designer handbags are positioned in the consumer market which corresponds to a practice of preset distinctions via labels, collection and price which convey information about the position of their owners. Although Baudrillard (1981) pays little attention to class variations, his semiotic view of commodities differs from Veblen's (1934) class-based conspicuous consumption which will be discussed in the next chapter.

5.5 Background into the Commodification of Commodities: Marx (1973) Theory

Marx (1973) studied the fulfilment of practical human need and draws attention to the conceptual continuity of production and consumption as a unified practice. In the *Introduction to the Grundrisse*, Marx (1973) divides production and consumption systematically, explaining them as starting and finishing points, where the product is presented to the consumer by distribution and exchange. Marx (1973) sees the non-economic stages of consumption, referring to its psychological, biological, and socio-cultural aspects.

"In consumption", he claims, "the product steps outside this social movement (of production, distribution, and exchange) and becomes a direct object and servant of individual need."
(Marx, 1973, p.89)

As a result, consumption is an independent and distinct condition in the entire course of money, through which commodities develop into 'objects of gratification' for the consumer. Marx (1973) isolates consumption as having a distinctive position in the course of production, and views consumption as an action positioned both inside and outside the productive structure. He claims that consumption is:

"not only as a terminal point but also as an end-in-itself" (Marx, 1973, p. 89).

Marx (1973) further develops his analysis, perceiving consumption and production in a particularly rationalistic approach, claiming that each is 'immediately' displayed in the other as 'opposite (s)'. He points out that production and consumption are two sides of the same coin of economic life and that neither could survive without the other. Nevertheless, for Marx (1973), production is the prevailing economic consequence. He believes that production determines consumption and:

"creates for the products the subject for whom they are products," it "reproduces the need" whereby production is centred on (Marx 1973 p. 91- 92)

Marx (1973, p. 92) assumes a productivist stance, claiming production creates not only the 'object' but the 'manner' and 'motive' for consumption.

Marx (1973) views consumption simplistically by concentrating merely on the theory of production. But his concept is an essential indication of the central relationship between consumption and production in determining consumer culture (Dunn, 2008). Marx (1973) nevertheless fails to see that the production of commodities does not guarantee success in the consumption of all commodities in every product category. The notion of branding, fashion, design, innovation, and imitation are not mentioned, which play an important part in the exchange of luxury designer and counterfeit products. Nevertheless, Marx's (1973) views are helpful in understanding the systematic process of production and consumption.

5.6 Background into Consumption: Simmel's (1990) Theory

Frisby (1988) explains Simmel's (1990) theory on the expansion of a money economy as the root of modern social order coordinated by the practice of exchange. In *The Philosophy of Money*, Simmel (1990) considers the influence of the money economy on social relations and intelligence, claiming that money initiates the impersonal elements of extraction and calculation into the full scope of cultural and social life. Simmel (1990) depicts particularly isolating social environments, resulting in the:

"processes of fragmentation, atomization, objectification, reification, and standardization brought about by the division of labor" (Frisby 1990, p. 27).

Simmel (1990) views commodities as having the ability of satisfying individual needs and desires. The attributes of a commodity culture tackles a:

"specific form that the value of objects requires,... differentiation and particularity... (and)... a certain comprehensiveness, frequency and permanence" (Simmel 1990, p.72-73).

Commodities possess meaning and significance as a result of their status being exchangeable and fulfilling needs and desires. While the consumption of products offers value and satisfaction to consumers, exchange allows consumers a broader option in which commodities offer self-development and self-expression as well as a means of enhancement. The difficulty with this view is the way individuals identify themselves in the world of modern cultural possessions, which allows the creation of personal significance and functional relationships with commodities (Miller 1991). Simmel's (1990) perspective

stresses the intangible domains attached to the consumption of commodities where commodities offer non-verbal, personal self-development mechanisms.

5.7 Background into Status-Seeking Theories

Veblen's (1934) theory of emulative spending has been adapted by numerous economists and other social scientists throughout the economic growth of the affluent Post-World War II time period (Dunn, 2008). An escalation in mass-produced consumer commodities throughout this era has led to demands of conformity. This has further led to a model of emulating behaviour among those belonging to higher social rankings, transformed by an inclination to 'fit in' or 'keep up' with members of a particular social stratum (Schor 1998, p.8). In essence, 'fitting in' and 'keeping up' are two sides of the same coin, highlighting a change in the nature of consumer expenditure towards the purchase of positional commodities (Frank and Cook 1995; Hirsch 1976) as well as class structures.

In contrast, the Marxian (1973) perspective of consumption focused on the result of increasing production levels. Marx's (1973) work determines a definitive logical association among economic production and socio-cultural life. Commodities are perceived as the central structural correlation of advanced capitalism, shaping social relations and cultural structures of consumer behaviour and self-identity. Status-seeking theory attempts to deal with the social meaning of commodities as objects, perceiving consumption as a way of expressing social class structures.

Comprehending the inconsistency of materialistic values, James Duesenberry (1949, p. 28) argued that as:

“one of the principal social goals of our society is a higher standard of living...the desire to get superior goods takes on a life of its own”.

Galbraith (1958) claimed that the force toward higher degrees of consumption had to be associated directly to output levels:

“the more that is produced the more that must be owned in order to maintain the appropriate prestige”. Galbraith (1958, p. 126)

Galbraith (1958, p. 128-9) describes competitive spending as a purpose of production instead of demands towards social differentiation:

“As a society becomes increasingly affluent, wants are increasingly created by the process by which they are satisfied,” a process labelled *“the dependence effect”*.

Veblen (1934) placed the burden of desire on the practice of social comparison, while Galbraith (1958) viewed status competition as self-defeating due to increased production levels leading to constant changes towards the material value of status. The difference between Veblen (1934) and Galbraith (1958) is interesting. Given the fact that disparity among social classes is not as evident in society today, Galbraith’s (1958) perspective provides a strong basis for the consumption of luxury designer handbags and counterfeit handbag versions in which consumers purchase such items in an attempt to collect status. One of the most prominent writers on status seeking was Packard (1959) in his writings in *The Status Seekers*. Packard’s (1959) account focused on the social and cultural transformation which characterised distinct modes of status behaviour in the US. Packard’s (1959) notion followed in the same direction as Veblen (1934), he perceived economic wealth as a result of a “crumbling of visible class lines” (Packard 1959, p. 5). This breakdown of class caused Packard (1959) to consider there to be a fixation with status, the: *“scrambling to find new ways to draw lines that will separate the elect from non-elect”* (Packard 1959,p. 6).

Packard (1959) saw the affluence in the fifties as a concern about the individual’s position in social class hierarchies, and saw consumers purchasing in ways that would reinstate a sense of hierarchy (Dunn, 2008).

5.8 Status-Seeking Consumption Theories

Material items commonly act as markers of social position, conveying and communicating an individual’s place and position in society. Commodities have acquired great significance as signs of social identity and distinction (Dunn, 2008).

The emergence of an industrial society and the culture of economic success have noticeably inflated the social purpose of material objects. The status-distinguishing roles of commodities have led to consumption practices that are comparative and competitive (Schor 1998), which has transformed commodification practices into a new and developing social class structure. The idea that consumption behaviours are exchanges of class has been a basis in the sociological study of stratification. This perspective deems the main social purpose of

commodity consumption as a means of distinguishing an individual's status within a hierarchically ordered structure. Consumption behaviours can act as a way of supporting status assertion in a modern, changing social structure (Dunn, 2008).

5.9 Background into Consumption Related to Class: Bourdieu's (1984) Theories

Similar to Veblen (1934), Bourdieu (1984) perceives culture as a structure or sign highlighting social differences. Bourdieu (1984) tries to incorporate cultural and class analysis, by characterising class in accordance with the consumption of goods. Bourdieu's (1984) examination of goods appoints them as objectifying and legitimising class disparity and signifying changing oppositional relations among classes. Material belongings can form the foundation of social inequality:

"these material differences are experienced and represented dispositionally as cultural distinctions" (Swartz 1997, p.179).

Bourdieu's (1984) ideas on class signify a key contribution to the concept of sociological consumption. He seems to focus on the structured classification of social arrangements, which leads to a very basic and unchanging model of cultural consumption. Class systems differ significantly; his framework ignores the trend of mass consumption and target marketing. This makes his investigation particularly debatable for advanced societies with blurred class distinctions, such as the UK. Nevertheless, Bourdieu (1984) contributed to the cultural foundation and functions of commodity exchange, demonstrating how social hierarchy is retained via patterns of consumption.

5.10 Background into Conspicuous Consumption: Veblen's (1934) Theory

Conspicuous consumption derived from the influential essay by Veblen, *The Theory of the Leisure Class* (1934) which examined social class practices. Veblen (1934) defined the rich by their conspicuous consumption behaviour, which he viewed as extravagant spending which projected wealth and success. Veblen (1934) viewed conspicuous consumption as the only successful way of conveying affiliation into higher social rankings, especially at a time when clear declaration of social identity was important as a form of "reputability", which was particularly reliant upon the "display of goods" (Veblen, p.86), he states:

"Since consumption of... goods is an evidence of wealth, it becomes honorific". Veblen (1934, p.74)

This highlights a trend related to Weber's (1958) perception of status groups, where the role of material possessions signifies an individual's social position within a society. Veblen's (1934) most important contribution to the theory of consumption was his reasoning on the social dynamics of conspicuous spending, and his declaration that this form of conduct establishes a system of emulation. Given the importance of his theory to this study, Veblen's (1934) theory has provided the backbone in understanding the consumption of luxury designer handbags and counterfeit handbags; therefore it is of value quoting the following:

“The leisure class stand at the head of the social structure in point of reputability; and its manner of life and its standards of worth therefore afford the norm of reputability for the community. The observance of these standards, in some degree of approximation, becomes incumbent upon all classes lower in the scale. In modern civilized communities the lines of demarcation between social classes have grown vague and transient and wherever this happens the norm reputability imposed by the upper class extends its coercive influence with but slight hindrance down through the social structure to the lowest strata. The result is that the members of each stratum accept as their ideal of decency the scheme of life in vogue in the next higher stratum, and bend energies to live up to that ideal. On pain of forfeiting their good name and their self-respect in case of failure, they must conform to the accepted code, at least appearance” (Veblen 1934, p. 84).

In a society of unclear class positions, standards created by higher social brackets are likely to be infiltrated by those of lower social rankings. This ultimately leads to a society of exceptional wealth and privilege disappearing. Although it can be argued that it is higher ranking social groups that offer a benchmark or ideals. Ultimately, Veblen (1934, p.84) is referring to a sense of need for impeccability, reputability and recognition among all classes, a need to illustrate “good repute”, a state reliant on “pecuniary strength”. A requirement for good repute is founded on financial achievement which cultivates emulative behaviour in those individuals within close reach, particularly those belonging to the next highest echelon. This is Veblen's (1934) exemplified description of the American culture of achievement, and the central determination to climb the ladder seeking legitimate class identity. The achievement ideology is explicit in the assortment of possessions, which is expressed in the form of comparative consumption behaviours. According to Veblen (1934), the public exhibition of goods acts in a twofold manner, by fulfilling the psychological need for social approval and offering an indication of class differentiation (Dunn 2008).

Veblen's (1934) theory of conspicuous consumption and status symbols formed and shaped an analytical basis that has been the essential to sociological studies of consumer behaviour. The fundamental principle behind Veblen's (1934) theory of conspicuous consumption is that individuals consume commodities to compete with other people. Fashion, clothing and accessories are used as symbols of social status and prestige. Veblen's theory clarifies the purpose and meaning of fashion, which clearly differ from the purpose of using clothing for modesty and protection.

Veblen (1934) asserted the models of pecuniary taste as incorporating three different elements, conspicuous consumption, conspicuous waste and conspicuous leisure; all three factors are interconnected and reliant on each other. Conspicuous consumption functions as a way of impressing others and society as a whole, and this can be achieved by the display of purchasing power which is expressed in fashion. Conspicuous waste is comparable to conspicuous consumption. The display of excess wealth can be exhibited by giving away or otherwise disposing of belongings. Conspicuous leisure is observable confirmation that an individual has a life that is detached from all menial jobs, clothing demonstrates sumptuous classification showing the wearer as a member of a higher social class or a dependent of the leisure class: for example, a sumptuous ruff around the neck during the early seventeenth century (Veblen 1934).

Veblen's theory of conspicuous consumption or competitive emulation is particularly relevant today. For example, people copy those belonging to higher status groups or may compete with others within their own social group. An individual may also decide to copy someone they esteem independent of his or her status. Such emulation results in competition, although the motivating issue is different. For example, the ability to be fashionable is something that is envied, desired and appealing; or else, it would not be copied or adopted. Fashion is a process of expression of a method of conspicuous consumption. Bourdieu (1984) presents a very similar analysis. He examines the environment of cultural practices in industrial societies, and reveals that practically all consumption behaviours are associated with social differentiation. Veblen's (1934) theoretical position on fashion centres on institutionalisation of the leisure class via the power of consumption. He highlights three components of fashion:

1. Fashion centres on the wearer's ability to convey their level of wealth. This is further supported by the notion of conspicuous consumption, where expenditure on clothing provides a salient marker of an individual's economic wealth. Therefore, if an item of clothing is not deemed expensive it is regarded as mediocre and undeserving.
2. Fashion indicates that an individual actively takes part in productive physical work to earn a living, for example, the uniform worn by a manual worker. A fashionable garment is seen as being an emblematic of a higher class if it is less functional and practical.
3. Fashion is up-to-date.

The first and second points made by Veblen (1934) provide some useful insights into the understanding of fashion and conspicuous consumption. However, in relation to the consumption environment the second statement is not relevant today as it does not clearly define the notion of fashion.

As previously stated, Veblen's (1934) theory has provided a central focus for this study. Interestingly, Veblen (1934, p. 31) predicts a further progression in social dynamics as they relate to class structures and its unevenly positioned members. For example, as soon as an individual attains a higher position via consumption, this additional benchmark falls short of offering any extra fulfilment than the preceding acquisition, developing into a "*point of departure for a fresh increase of wealth*", thereby setting off a whole new desire for additional commodities. Since the goal of accumulation is to rank higher than others, this dooms the individual to a state of "*chronic dissatisfaction*" Veblen (1934, p. 31). He offers an insight into comparative theory highlighting the insatiability of desire, claiming that the hunt for reputability concentrates on "*invidious comparison*", which is almost unattainable (Veblen 1934, p.32). The fulfilment of desire via comparative status achievement results in an unattainable contest (Dunn 2008). As a result, consumers continually purchase commodities as a way of outdoing each other's status and visible achievements.

The concept behind conspicuous consumption suggests a relationship between economic and social class. In spite of Veblen's (1934) reliance on class distinctions and inequalities, this view of consumption can be functional when attempting to differentiate modern social groupings; for example, the fact that there are unavoidable deteriorating hierarchical boundaries. By addressing individual factors, social consumption, attitudinal factors, post consumption related emotions as antecedents which influence real-life consumption

behaviours, insights into these dimensions may reveal important empirical facets to this study.

5.11 Hedonism Linked to Consumption

At a cultural level, the growth of consumerism provided a meaningful advocacy for pleasure seeking as a foundation of personal and social relations and lifestyles (Gabriel and Lang 1995). The necessity to evade the routine of work and production led to a new ideal of hedonistic self-gratification (Fox and Lears 1983). Consumer culture has revealed an aestheticization of daily life where satisfying fantasies and feelings encircled by leisured purchases, possessions, and the use of sleek, ostentatious commodities have turned into the merits of economic achievement and success (Dunn 2008).

A well-known argument in the debate on consumer hedonism is Bell's thesis *The Cultural Contradictions of Capitalism* (1978) which highlights the historical move from production to consumption, generating a hedonistic culture while damaging the ethical foundations of the modern capitalist economy. Bell (1978, p. 23) states:

"The cultural, if not moral, justification of capitalism has become hedonism, the idea of pleasure as a way of life".

Bell (1978) claims that the growth of consumerism produces oppositions involving the objectives of hedonistic self-satisfaction, which relate to rewarding hard work and productivity, which is vital for a healthy economy. Bell (1978) argues against Marx's (1973) observation of progressive economic forces cancelling out the deteriorating and obsolete bourgeois 'superstructure'. Alternatively, Bell (1978) perceives a culture of self-gratification progressively ahead of the development of productive capabilities in the economy. For Bell (1978, p.33), culture governs "supreme" and its application overtakes that of the productive, political, and even technological areas of society. Bell (1978) maintains the view that consumption leads to self-pleasing outputs. This emotive projection is intangible in nature, individualistic to every person, and is related solely to commodities. By stressing the hedonistic factor, Bell (1978) constructs a convincing rationale for the importance of social life and consumer culture (Dunn 2008).

5.12 The Pleasures of Consumption

Campbell (1987) viewed the pleasures of consumption as being entrenched in the imaginative processes of the self, where inner emotions produce a sensation of pleasure enclosed in the meanings and expectations connected to numerous items and experiences. Pleasures formed in the imagination are expressed by daydreaming. Campbell (1987) claims this state of mind demonstrates a hedonistic consumer mentality. Therefore hedonism in modern consumption is conveyed by the action of consumption (Dunn 2008).

Campbell's (1987) explanation views the pleasure-seeking nature of modern consumption originates from the 'ethic of feeling' that derives from a Romantic ethic supporting the suggestion of pleasure for its own sake. Campbell (1987) perceives the existence of consuming pleasure materialising next to the necessity to produce through discipline and hard work. Additionally, it appears that Romanticism accumulates hedonism and "an aesthetic attitude toward life" (Gabriel and Lang 1995, p.107), presenting novel processes of emotional response that could function as a basis for an aestheticization of the modern world of commodities. This offers significance and rationality to the pleasurable side of consumption. For Campbell (1987), the desire towards pleasure in modern consumerism centres on a division of individual desire from collective need. This hedonic, pleasure-seeking side of consumption is one dimension which is individually experienced. In comparison, Veblen's (1934) and Galbraith's (1958) views of consumption focus on collective behaviours. As a result, emotion in consumption is of key interest to the context of this study and Chapter 6 highlights further details of the emotional aspect of consumption. Particular questions about the deeper psychological dynamics and outcomes of consumption are vital in clarifying consumer motivation as well as attempting to describe the conscious and important aspects of women in London purchasing luxury designer handbags and counterfeit handbag versions.

5.13 Summary

The consumption of commodities relates to tangible objects which express meaning and value to consumers and onlookers. Commodities offer non-verbal, visual communication which makes social statements. This chapter examined the central concepts of consumption, by exploring the various processes shaping perceptions and conscious meanings of commodities. The chapter began with an analysis of consumer culture that focused on the structure of meanings and interpretations connected to commodities. This was followed by a

comprehensive review of consumption theories, demonstrating the multifaceted dimensions of commodities.

Commodities represent a complex combination of social meaning, identity, and gratifying desires that provide a degree of fulfilment. In the context of this research, it can be assumed that luxury designer handbags and counterfeit handbag versions are symbols contributing to the world of branded consumption. The following chapter presents the conceptual model and hypothesis in line with theoretical frameworks which provide a basis for empirical analysis.

Chapter 6

Chapter 6 – Conceptual Framework and Supporting Theories

“We consume even as we work to make money in order to consume” (Tatzel 2003, p.405).

6.1 Introduction

The preceding chapters have:

1. Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.
2. Reviewed the concept of fashion and outlined accepted definitions, perspectives and concepts of fashion through a comprehensive outline of established theories.
3. Reviewed inconsistencies relating to the definition of luxury, and explored the concepts that distinguish and characterise ‘luxury’ and ‘luxury designer’. In addition, a discussion into commodities communicating individual identity was outlined.
4. Reviewed inconsistencies relating to the definition of counterfeits and provided a comprehensive background into the phenomenon of counterfeiting and its influence on the luxury designer industry in relation to its development, scale, impact, producers and recipients of counterfeit products.
5. Reviewed consumer culture and commodities as constructs applicable to individual identity. In addition, a comprehensive review of consumption theories relating to status seeking and pleasure was outlined.

This chapter will explore the relevant theoretical frameworks and will attempt to construct a conceptual model explaining the underlying dimensions relating to product evaluations of luxury designer handbags and counterfeit handbag versions among women in London. Extensive research has revealed that there have not been any investigations collectively exploring dimensions of brand meaning, social consumption motivation, attitudinal factors, individual factors, and post-consumption related emotions as part of the evaluative criteria of luxury designer handbags and counterfeit handbag versions. As a result, there has not been a theoretical framework to support this topic. This study attempts to investigate the relevant theories and assess their relevance to this research.

6.2 Conceptual Framework

Handbags have been chosen for the focus of this study as they are widely purchased as well as being a relevant category for the participating population in which counterfeiting is particularly prevalent (Thomas 2007). Both luxury designer handbags and counterfeit handbag versions are highly visible and commonly have either subtle or obvious logos.

This study intends to explore the significant factors influencing consumer purchase intentions towards luxury designer and counterfeit handbag versions, by examining the relationship between several antecedents. The significance of each antecedent will be discussed in further detail as they relate to the outlined conceptual model in this chapter.

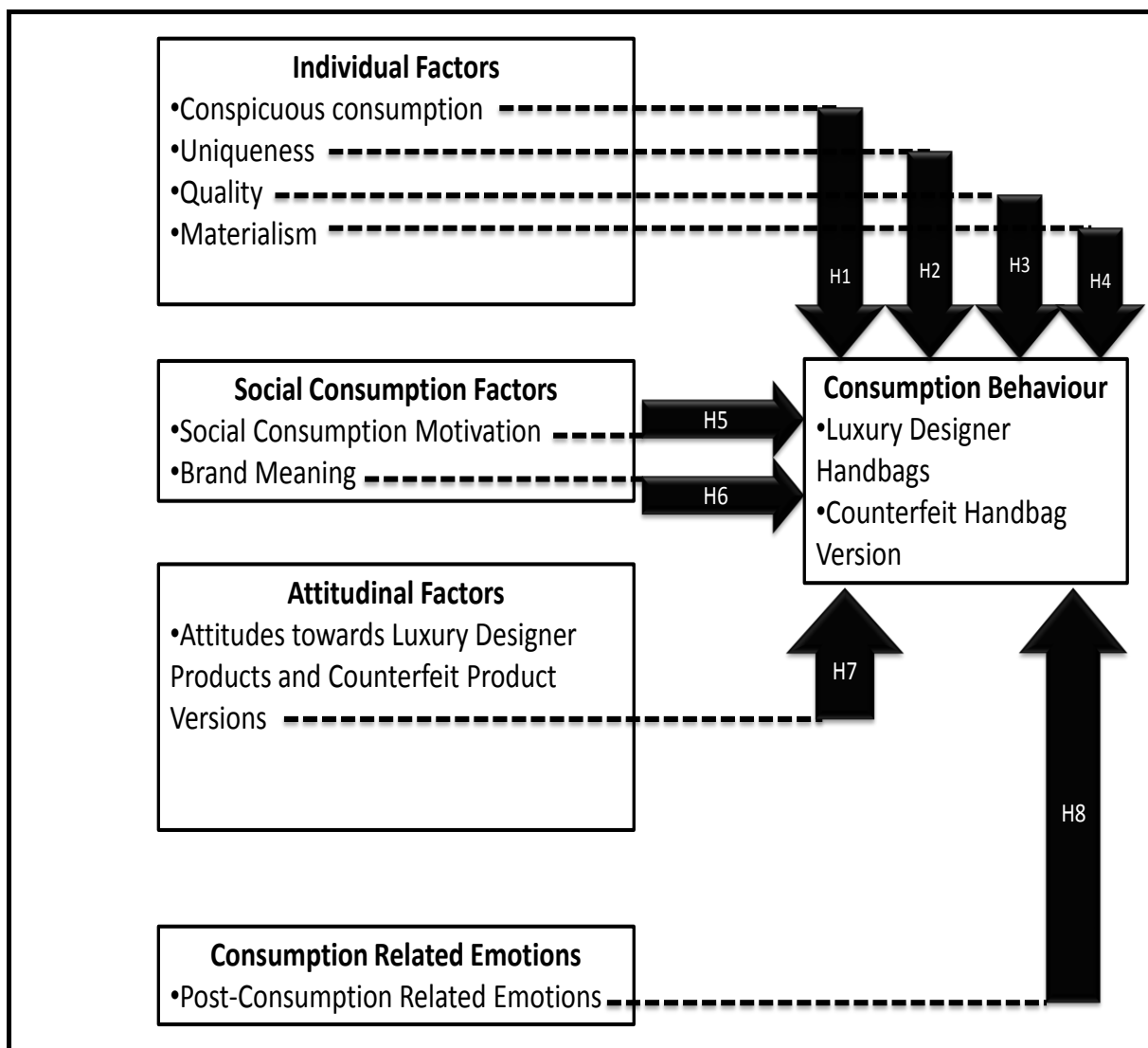
The decisions that women in London make in relation to the selection of commodities involve numerous sub-decisions, which encompass detailed attributes and facets of a product. This research isolates the major antecedents influencing choice in the context of luxury designer handbags and counterfeit handbag versions and measures the effect of the evaluative criteria on product perception. A multi-variable model was used in this research. The study developed the conceptual framework from the perspectives of:

- Individual factors relating to Johnson and Vigneron's (2004) scale of Brand Luxury Index which have been adapted and includes Richins' (1987) materialism scale.
- Social consumption factors relating to brand meaning scales by Aunty and Elliott (1998) which have been adapted, and social consumption motivation relating to Moschis' (1981) scale.
- Attitudinal factors which have been adapted from Bian and Veloutsou (2007),
- Post-consumption related emotions relating to Richins' (1997) scale of Consumption Emotion Set which have been adapted in evaluating the selection process of luxury designer handbags and counterfeit handbag versions.

In effect, the model incorporates several dimensions which act as general motivating influencers in handbag selection. An understanding into the motivations and perceptions that women have towards luxury designer handbags and counterfeit handbag versions is important, as it will uncover the various functions of each consumption process. The information includes components relating to the perceptions, influences and motivations that lead to the consumption of luxury designer handbags and counterfeit handbag versions. As

previously mentioned, four major antecedents were singled out which were based on an extensive literature review, and these were later measured in the questionnaire. This study distinguishes between social consumption factors, attitudinal factors, individual factors, and post-consumption related emotions. These antecedents have related effects on consumer product evaluation, but have not received much attention in previous consumer behaviour literature especially within the context of this study. This research intended to measure the influence of these antecedents on consumption choices within the same product category, and is expected to offer understanding concerning consumer perceptions of luxury designer handbags and counterfeit handbag versions and, as a result, add to the knowledge about consumer behaviour.

Figure 6.1 Conceptual Model – Luxury Designer and Counterfeit Diffusion



6.3 Context of the Conceptual Framework

This research attempts to contribute knowledge to the development of consumer studies concerning product evaluation of luxury designer handbags and counterfeit handbag versions among women in London. Identifying the influential factors linked to consumer values can be used to understand consumer's post-purchase product evaluations and choices of luxury designer handbags and counterfeit handbag versions. The research results could therefore help luxury designer companies to further develop attractive images and successful marketing strategies.

6.4 Individual Factors Relating to the Conceptual Framework

The individual factor antecedent of consumption is significant to this study for numerous reasons. It highlights the inconsistency of affluence controlled by emulative behaviour. Economic affluence inflates commodities to iconic positions, particularly within a framework of declining class differences. Together with economic expansion and a constantly shifting environment of goods, commodities have become markers of qualified achievement. A theoretical connection is thus established with status-seeking behaviour, following Veblen's (1934) theory of conspicuous consumption which centred on status competition. It can be theorised that maintaining status is a result of production and the desire to continuously consume products. An individual's social and physical environment can have an impact on his/her reasons for purchasing a particular product which also influences how products are evaluated. Phau and Prendergast (2000) stated that luxury is a subjective concept attempting to evoke images of exclusivity. With the emergence of counterfeited product versions of luxury designer commodities, the luxury designer brand market faces major challenges in maintaining an exclusive image. The Brand Luxury Index (BLI) measures the amount of luxury in a brand or product. This study looks at the amount of luxury in relation to luxury designer handbags and counterfeit handbag versions. The antecedents which make up the Brand Luxury Index (BLI) include; conspicuous consumption, uniqueness and quality. Materialism was also explored as part of the individual factors influencing the purchase of luxury designer handbags and counterfeit handbag versions and is discussed in the following sections.

6.4.1 Conspicuous Consumption Antecedent Relating to the Conceptual Framework

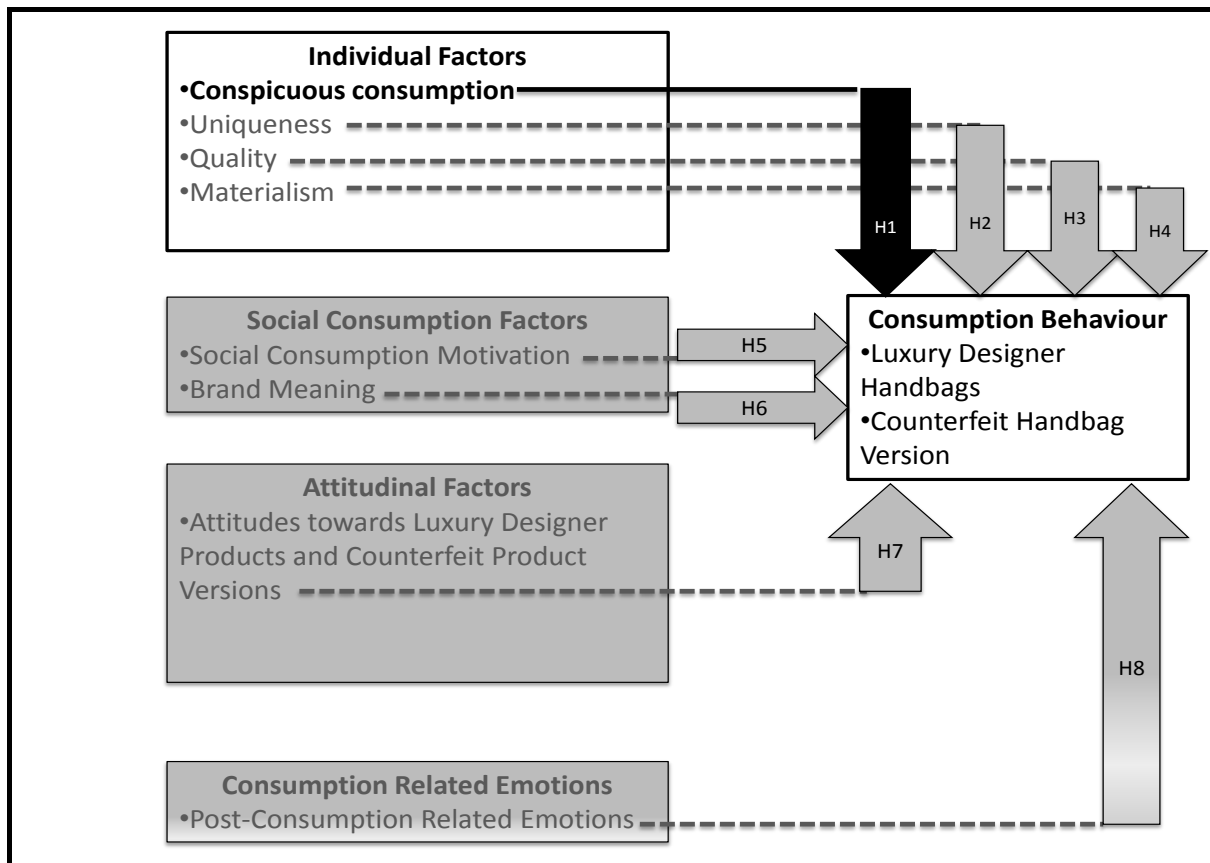
As part of the 'Individual Factor' antecedent, this research also suggests that the dimension of conspicuous consumption as highlighted in the Brand Luxury Index (BLI) by Vigneron and

Johnson (2004) acts as an important element of consumption behaviours. Conspicuous consumption centres on consumers' displaying their affluence via material goods, therefore openly exhibiting their items (O'Cass and McEwen 2004). Veblen (1934) claims that conspicuous consumption also involves consumers spending in order to inflate their self-worth, together with the ostentatious exhibition of wealth (Mason 1981).

Luxury designer brands differ in the degree to which their brand symbol or logo is conspicuous. The emblems of some brands (e.g., Louis Vuitton) are famous and universal, whereas that of others (e.g., Marc Jacobs) are less noticeable visually. Shavitt et al., (1992) implied that certain product categories differ in the degree to which they assist consumers to accomplish their goals; the product category in a particular consumption context confines the functions that can be fulfilled by consumer attitudes. Shavitt et al., (1992) also state that specific brand-level features, such as a brand's unique attributes or positioning within a category, act as a prospective foundation of consumers' product judgments or attitudes. It is proposed that the degree to which a luxury designer handbag and a counterfeit handbag version fulfil a consumer's individual goal is expected to be reliant on brand conspicuousness. The conspicuousness of a product category is a particularly important determinant of the social and symbolic function that can affect conspicuous consumption behaviours. Thus, the following hypothesis was formulated:

H1 - Conspicuous consumption will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Figure 6.2 Hypothesis 1



6.4.2 Uniqueness Antecedent Relating to the Conceptual Framework

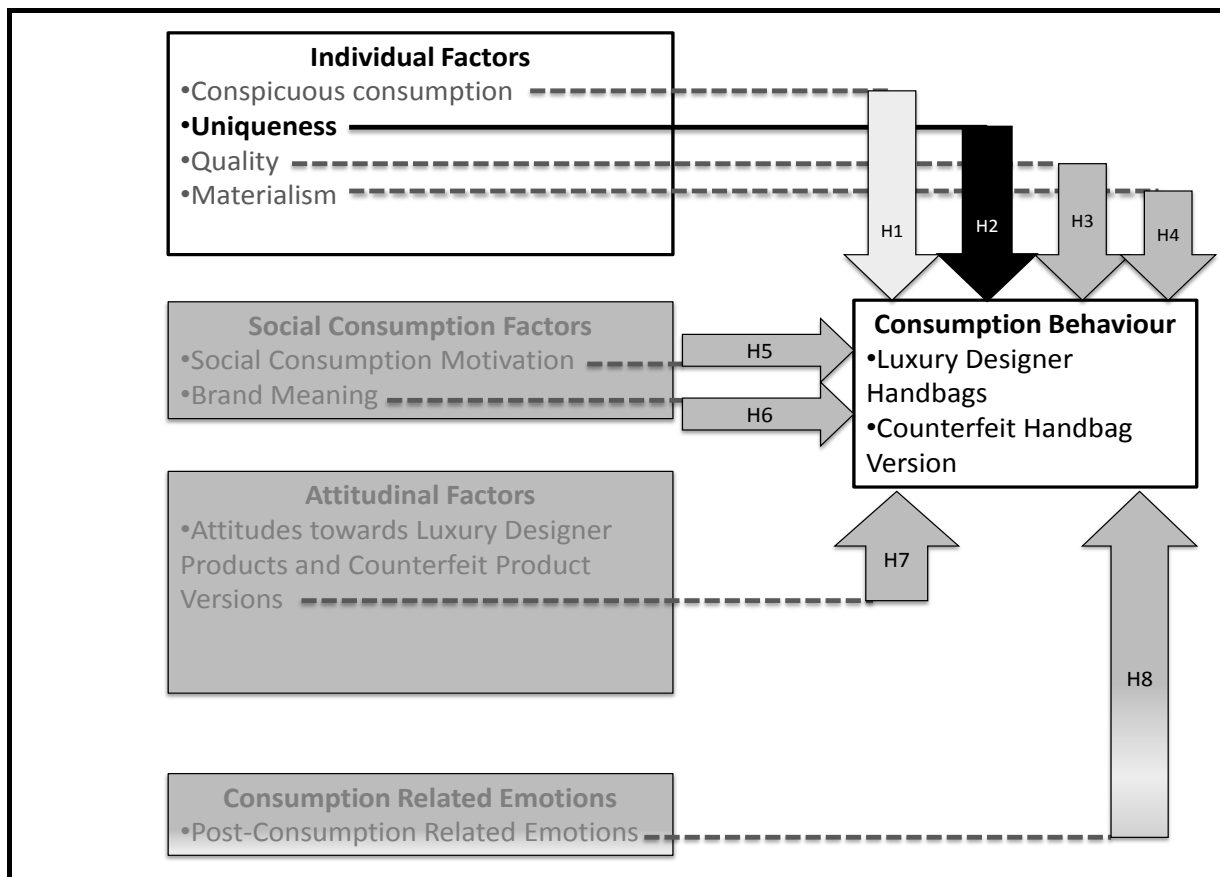
As part of the ‘Individual Factor’ antecedent, this research also suggests that the dimension of uniqueness as highlighted in the Brand Luxury Index (BLI) by Vigneron and Johnson (2004) acts as an important aspect of consumption behaviours. This highlights the need to pursue the product first, as it provides the opportunity to stand out in a crowd and therefore benefit from the limited number of consumers owning the latest product.

"One way in which snobs gain their competency is by serving as an avenue for the entrance of new ideas into their social system" (Rogers 1983, p.282).

Verhallen and Robben (1994) stated that scarcity of products has a positive consequence on demand levels if consumers’ deem the product as being expensive, unique and in demand. Thus, the following hypothesis was formulated:

H2- Uniqueness will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Figure 6.3 Hypothesis 2



6.4.3 Quality Antecedent Relating to the Conceptual Framework

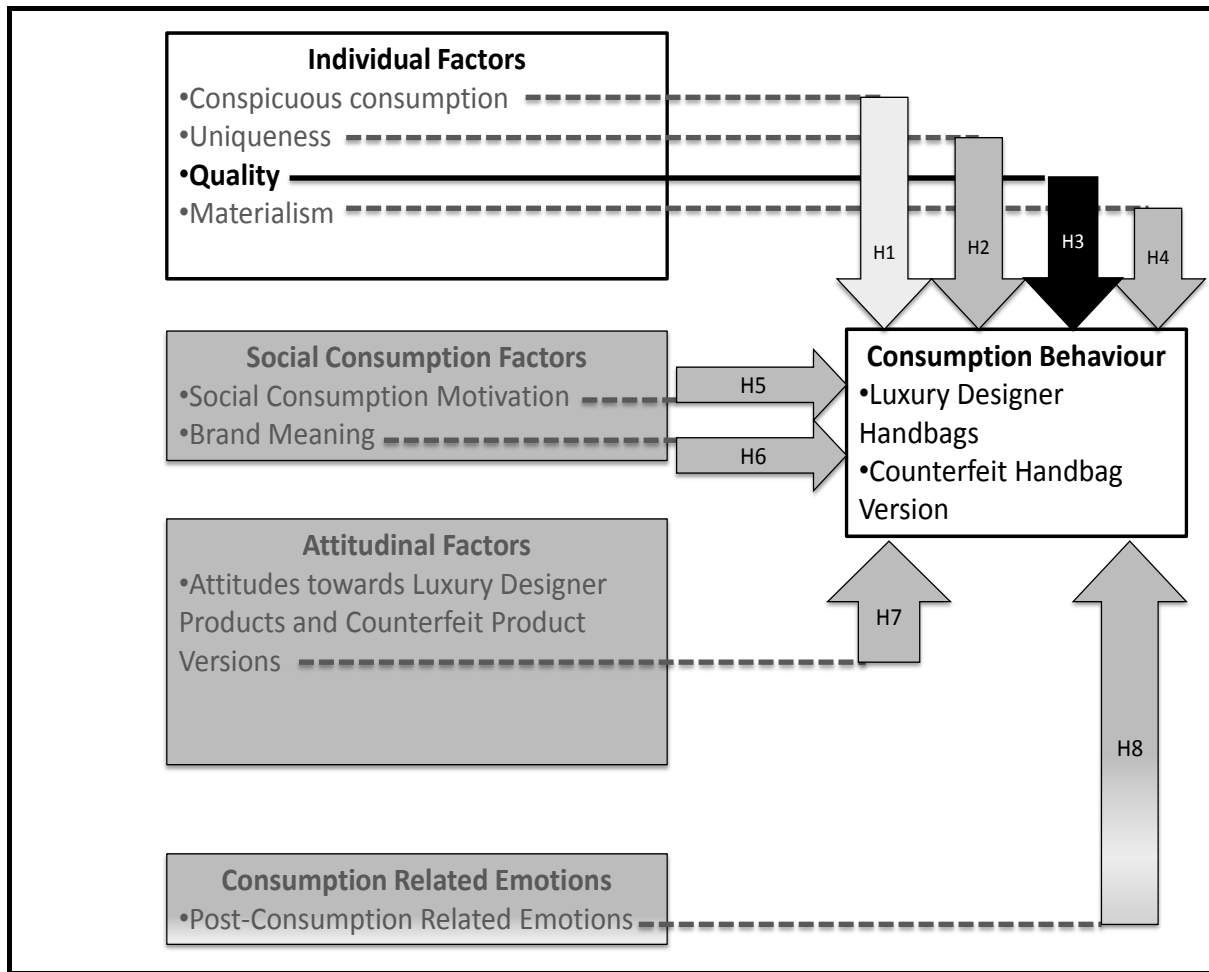
As part of the ‘Individual Factor’ antecedent, this research also suggests that dimension of quality as highlighted in the Brand Luxury Index (BLI) by Vigneron and Johnson (2004) acts as an important element of consumption behaviours. The design aspect of a branded commodity exhibits a concrete indication of quality as well as providing consumers with the confidence of a high standard of product (Prendergast and Wong 2003).

"Excellent quality is a sine qua non, and it is important that the premium marketer maintains and develops leadership in quality" (Quelch 1987, p.39).

Thus, the following hypothesis was formulated:

H3- *Quality will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.*

Figure 6.4 Hypothesis 3



6.4.4 Conceptualisation of Materialism within the Context of the Conceptual Framework

As part of the ‘Individual Factor’ antecedent, this research also suggests that the Brand Luxury Index (BLI) by Vigneron and Johnson (2004) should include Richins’ (1987) materialism scale, to incorporate how materialism guides in the selection of luxury designer and counterfeit product versions, as discussed earlier in Chapter 4. When conceptualising materialism, researchers have established two perspectives. Belk defines materialism as (1984, p.291):

“The importance a consumer attaches to worldly possessions. At the highest levels of materialism, such possessions assume a central place in a person's life and are believed to provide the greatest sources of satisfaction and dissatisfaction.”

Belk (1985) incorporates three domains which he considered to embrace the sphere of materialism- possessiveness, non-generosity, and envy. These subscales highlight the attitude

which a person has towards his or her possessions, aversion to sharing possessions with others, and feelings of pessimism when others have more than he or she. Richins and Dawson (1992) found that a number of studies using Belk's (1985) scale registered low scale reliabilities. In comparison to the way Belk (1985) conceptualises materialism, Richins and Dawson (1992) conceptualise materialism in terms of personal value, therefore, if a person is more materialistic:

"acquisition at the centre of their lives," "view these [possessions] as essential to their satisfaction and well-being in their life", and "tend to judge their own and others' success by the number and quality of possessions accumulated" (Richins and Dawson 1992, p. 304).

These three traits are labelled as acquisition centrality, acquisition as the pursuit of happiness, and possession-defined success. Richins and Dawson (1992) claim that materialistic individuals have a system of fundamental values beliefs and behaviours that distinguish them from those who are less materialistic. Richins (1987) expresses materialism in terms of its function in consumer culture and states that satisfaction in life is not accomplished by social connection or religious intention, or life in general. Instead, possessions and interaction with goods lead to happiness and satisfaction. For some consumers, possessions can act as indicators of success (Richins, 1987). Numerous studies have investigated the sources of meaning that offer value to objects. Dittmar (1989; 1991; 1992) studied possessions deemed valuable by a variety of age and social class groups. Prentice (1987) investigated the favourite possessions of college students. Within the context of marketing, Richins (1994) proposed that consumers with high levels of materialism were expected to classify possessions such as cars and personal appearance products as essential and valuable possessions. Richins (1994) also pointed out that materialism is a value signifying an individual's outlook towards the function that possessions should perform in his/her life. Individuals who possess strong material values put possessions at the centre of their lives, recognise them as a way of reaching happiness, and utilise possessions as markers of their own and others' success (Richins and Dawson 1992). Therefore, materialism is a value strongly attached to possessions and their use in individual expression.

Understanding materialism is essential especially within the context of this study which aims to evaluate luxury designer and counterfeit consumption. Materialists are perceived as concentrating on the consumption of status commodities, as a result materialism and the

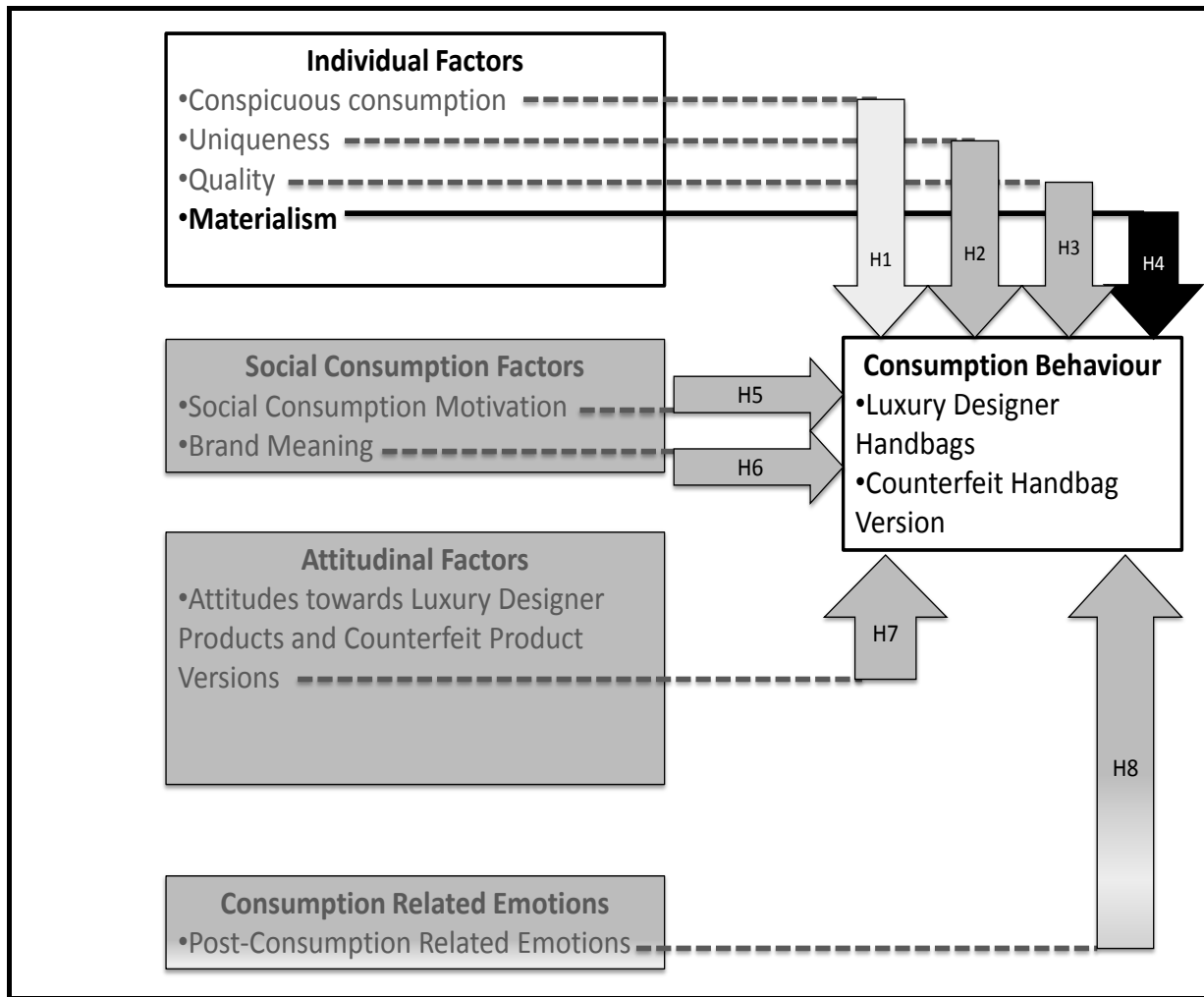
conspicuous consumption of luxury designer goods are frequently connected (Fournier and Richins, 1991; Mason, 1981). This research looks at consumption motivation in a broader sense:

“We consume even as we work to make money in order to consume” (Tatzel 2003, p.405).

This study is interested in investigating the wider motivation of purchasing luxury designer handbags and counterfeit handbag versions. Some luxury designer goods can bestow images of high status; commodities can also communicate other clues about consumers, such as group membership, and other associations (e.g. awareness of the latest advances in technology products, or the latest style of handbags). Commodities can define a person’s self-concept, for example, consumers use products that have meaning acquired from culture which allows them to define themselves (i.e., a product endorsing a symbolic function) or to define the consumer as an individual (i.e., the product has an achievement function) (Hoyer and MacInnis 2007). As a result, commodities can symbolise either consumers' membership, or desired membership to a variety of social groups. Early investigations on materialists have implied that they may value commodities because they can indicate achievements, suggesting that materialists gain pleasure from the act of purchasing the goods, rather than the possession or use of the goods (Richins 1994). As a result, materialists actively acquire goods for the pleasure that is gained as well as their ability to communicate positive impressions to others. Today, the concept of consumption as a quest for pleasure is obvious. Consumption can be positioned as a principle of self-gratification, Richins (1994) claims that highly materialistic individuals may gain pleasure from acquiring or exhibiting their possessions, rather than from actually using them. As a result, it is evident that a relationship must exist between luxury designer handbags and their counterfeit counterparts. Thus, the following hypothesis was formulated:

H4-Materialism will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Figure 6.5 Hypothesis 4



6.5 Conceptualisation of Social Consumption Motivation within the context of the Conceptual Framework

Moschis' (1981) social consumption motivation concept recognises that brands and products communicate significant meanings to other people, and the concept does not just concentrate on the status transmitted by the product. The higher the social consumption motivation, so the more familiar the individual is with social meanings in relation to the acquisition of brands and products. The four-item measure of social consumption motivation looks into what consumers think of brand/product image and the image of people who purchase brands/products. Theoretically, social consumption motivation is different to status consumption. Social consumption motivation goes beyond this by considering formed impressions and incorporates an aspect of conformity and social influence.

In a study examining the motivation of mothers purchasing luxury brands of infant clothing, Prendergast and Wong (2003) hypothesised that there would be a positive correlation linking social consumption motivation and the sum of money spent on luxury brands of infant clothing. Nevertheless, results from their data analysis did not support this hypothesis. Therefore, in opposition to their original hypothesis, Prendergast and Wong (2003) discovered that mothers were not motivated by social visibility of luxury brands; instead they were motivated by aspects of quality, superior design, and the capability of the luxury brand to exhibit their child's character. Prendergast and Wong (2003) were aware that social desirability may have occurred in their study, but, they stated that they attempted to control it. Mothers may have been unwilling to confess their sensitivity to the social meanings of the luxury brands, therefore, opted for 'rational' reasons for their purchase.

6.5.1 Social Consumption Motivation and Brand Meaning in Context

As part of the 'Social Consumption Factors' antecedent, this research suggests that Moschis' (1981) Social Consumption Motivation scale serves as an important dimension of consumption behaviours. Consumers frequently employ commodities as a means of defining and constructing their personal social identity. Commodities are frequently embedded with profound and intricate social or personal meanings; these meanings can rapidly change over time (McCracken 1986). According to McCracken (1986), meanings are conveyed from the culturally constituted world of consumer commodities as well as through advertising and fashion systems. Thus, individuals make purchasing decisions by deciding on the acquired social meaning of goods or brands.

Consumers face particular social pressures which, in effect, encourage people to follow rules or, in some instances, to break them (Swee et al., 2001). A lot of the time, consumers are inclined to use brands and products which are common among their peers. Many consumers conform to society's expectation and the expectations of others with regard to their purchasing decisions, and discover product 'acceptability' by examining and observing the purchasing behaviours of others (Bearden et al., 1989). In environments where there is a high level of conspicuous consumption (Phau and Prendergast 1998), consumers face the demands of purchasing recognised and valued brands. In contrast, those who consider modesty as a good quality will be discouraged from revealing their inclination towards conspicuous consumption (Chung and Fischer 2001) and following fashionable styles. With regards to this

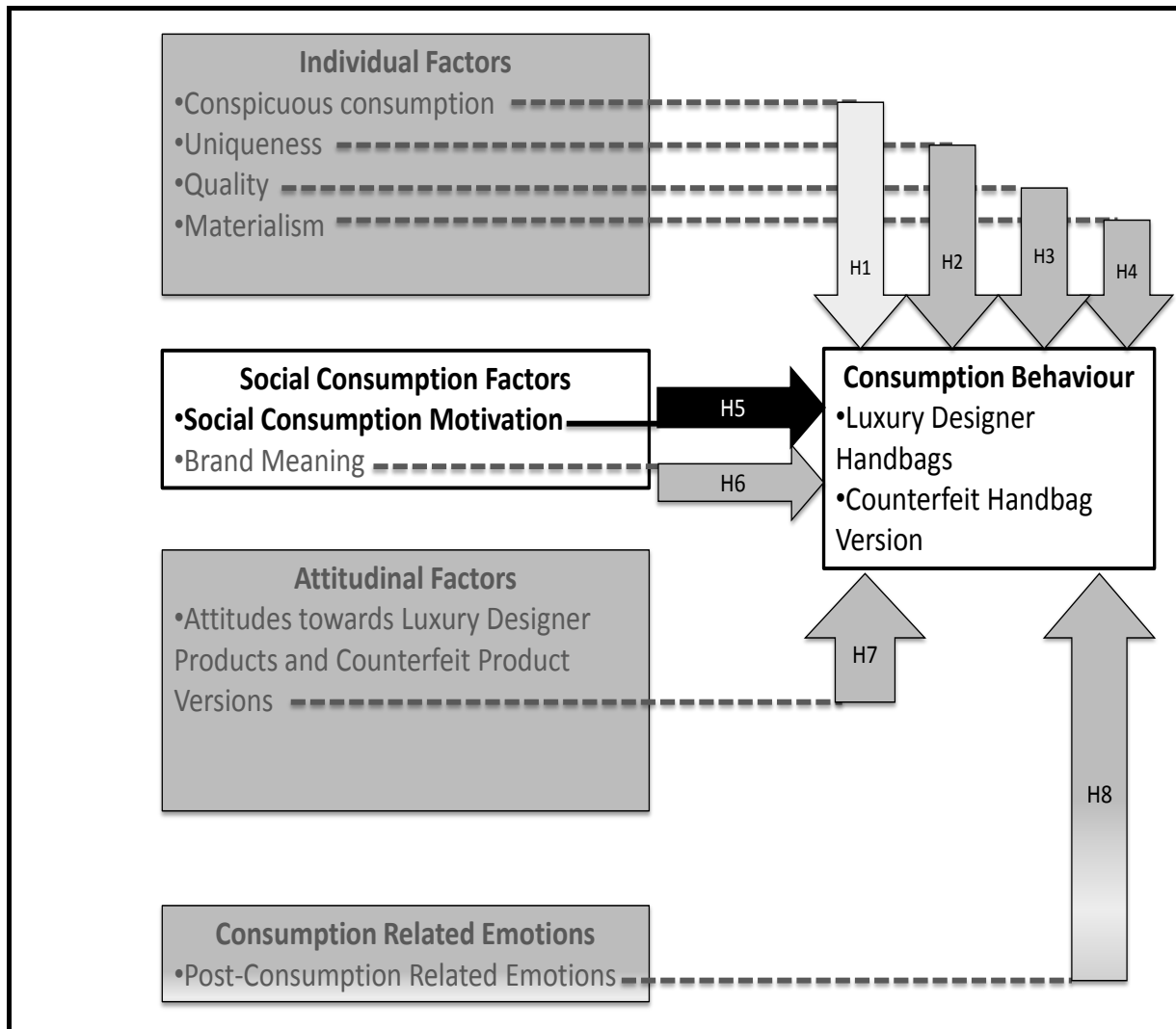
study consumers may evaluate their purchasing decisions as being related to the pressures of 'fitting in'.

Social motivation differs from status consumption and encompasses aspects of social conformity and influence (Fitzmaurice and Comegys, 2006). As previously discussed, consumers' needs are compelled by utilitarian/functional aspects as well as expressive /symbolic motivation (Bhat and Reddy, 1998). Researchers have also stated that, as a product, clothing possesses both dimensions of social identity, utilitarian functions, and symbolic values (Del Rio et al., 2001). Therefore, the choices that consumers make are connected to the needs that they anticipate will be accomplished via the consumption of products. Individuals assess the products' offered attributes differently which may be dependent on their motives for purchasing luxury designer and counterfeit handbag versions.

Similar behaviours can be triggered by rather distinct motives; consumers may want the same handbag item or various other fashion commodities for extremely diverse motives. Therefore, it is essential to shed light on the influences of various consumer antecedents which are used as evaluative criteria when assessing luxury designer handbags and counterfeit handbag versions. Park et al. (1986) highlighted three fundamental categories of consumer needs that purchasers are looking to fulfil via purchasing clothing; these are experiential, functional, and social needs. Solomon (1983) stated that some consumers have high social needs and, as a result, regard socially visible brands or products as a way of offering prestige and exclusivity. Thus, the following hypothesis was formulated:

H5 – Social meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Figure 6.6 Hypothesis 5



6.5.2 Brand Meaning Antecedent Relating to the Conceptual Framework

As part of the ‘Social Consumption Factors’ antecedent, this research suggests that Aunty and Elliott’s (1988) unbranded and branded measurement scale acts as an important dimension of consumption behaviours. Companies endlessly utilise branding strategies as a way of cementing meaning and positive images in the minds of consumers. Brands and branding is not a novel idea, but many organisations are using the tools of branding in more diverse settings (Wentz and Suchard 1993).

To many consumers a brand represents the better choice (Ginden 1993). In contrast, companies view a brand as something consumers recognise and will respond to (The Economist 1988). The ultimate purpose of branding is to construct the product’s image (Cleary 1981). This image affects the perceived value of the product and strengthens the

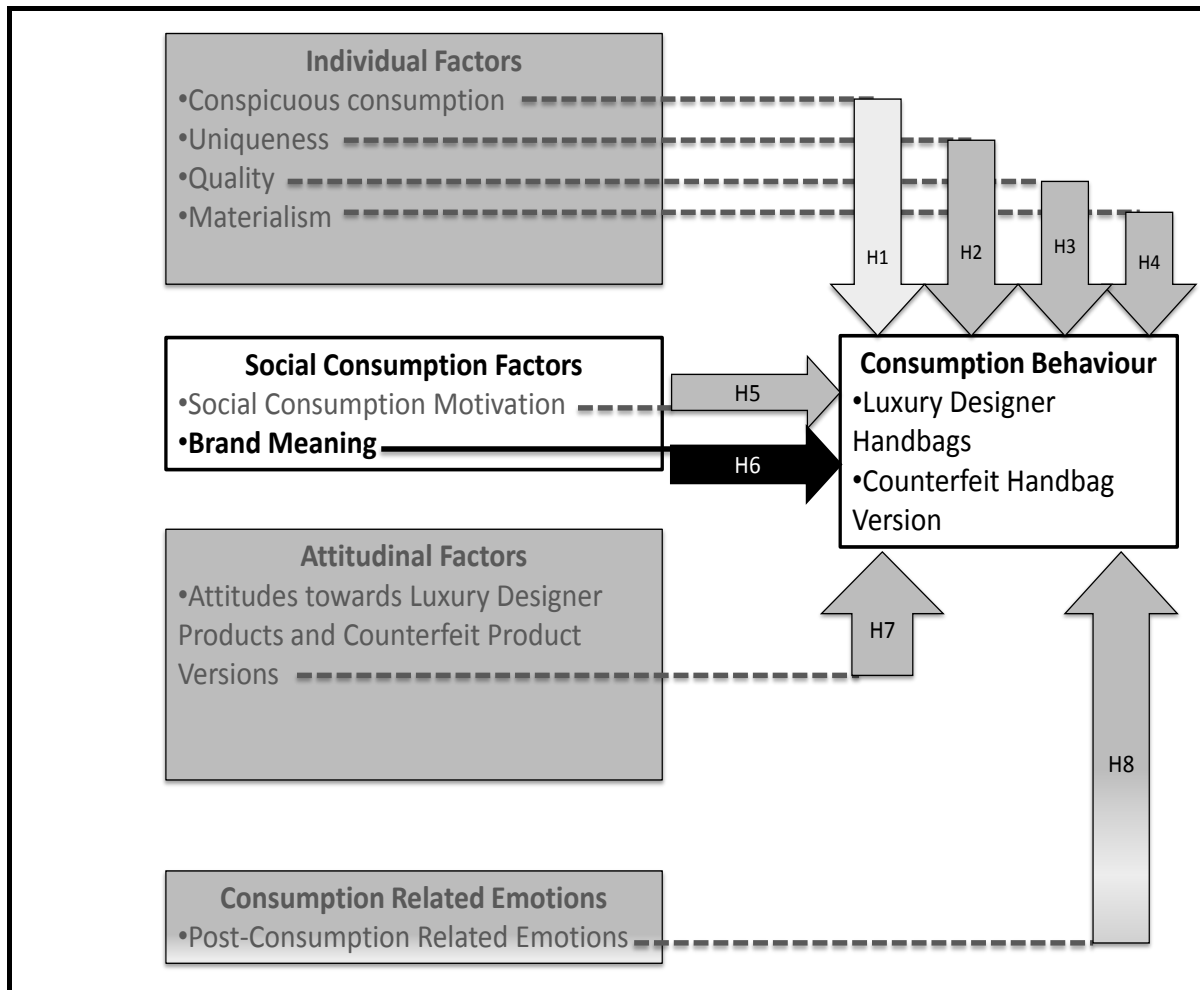
brand's worth to the consumer which can lead to brand loyalty (The Economist 1988). As a result branding in the fashion sector is essential. Fashion consumers look for symbolic and functional benefits which have an impact on their experiences (Leung et al., 2000). These attributes influence their experiences and are compiled by visual and branding statements (Newman and Patel 2004). The combination of branding and visual statements evokes images about a product or brand. These images relate to fashion trends and styles and, in particular, the selection of merchandise that retailers sell (Donnellan 1996).

The consumption of luxury designer brands can hold social meaning, allowing consumers to express to others and themselves their individual and social characteristics through material possessions. Luxury designer brands have instant global recognition, although the desire for these brands has opened up a market for counterfeit product versions. Understanding how women construe brands, how characteristics of branded products such as luxury designer handbags and counterfeit handbag versions possess positive and negative brand meanings provides a clearer understanding of the factors which influence the purchasing decisions of women in London. Handbags are a good example for examining brand meaning as there is an assortment of luxury designer handbags and counterfeit counterparts available.

McCracken and Roth's (1989) research on the interpretation of clothing codes revealed that women are considerably better than men at interpreting the syntax of clothing. This, in essence, highlights that women are more sensitive to fashion cues. Thus, the following hypothesis was formulated:

H6 – Brand meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Figure 6.7 Hypothesis 6



6.6 Attitudinal Factors Relating to the Conceptual Framework

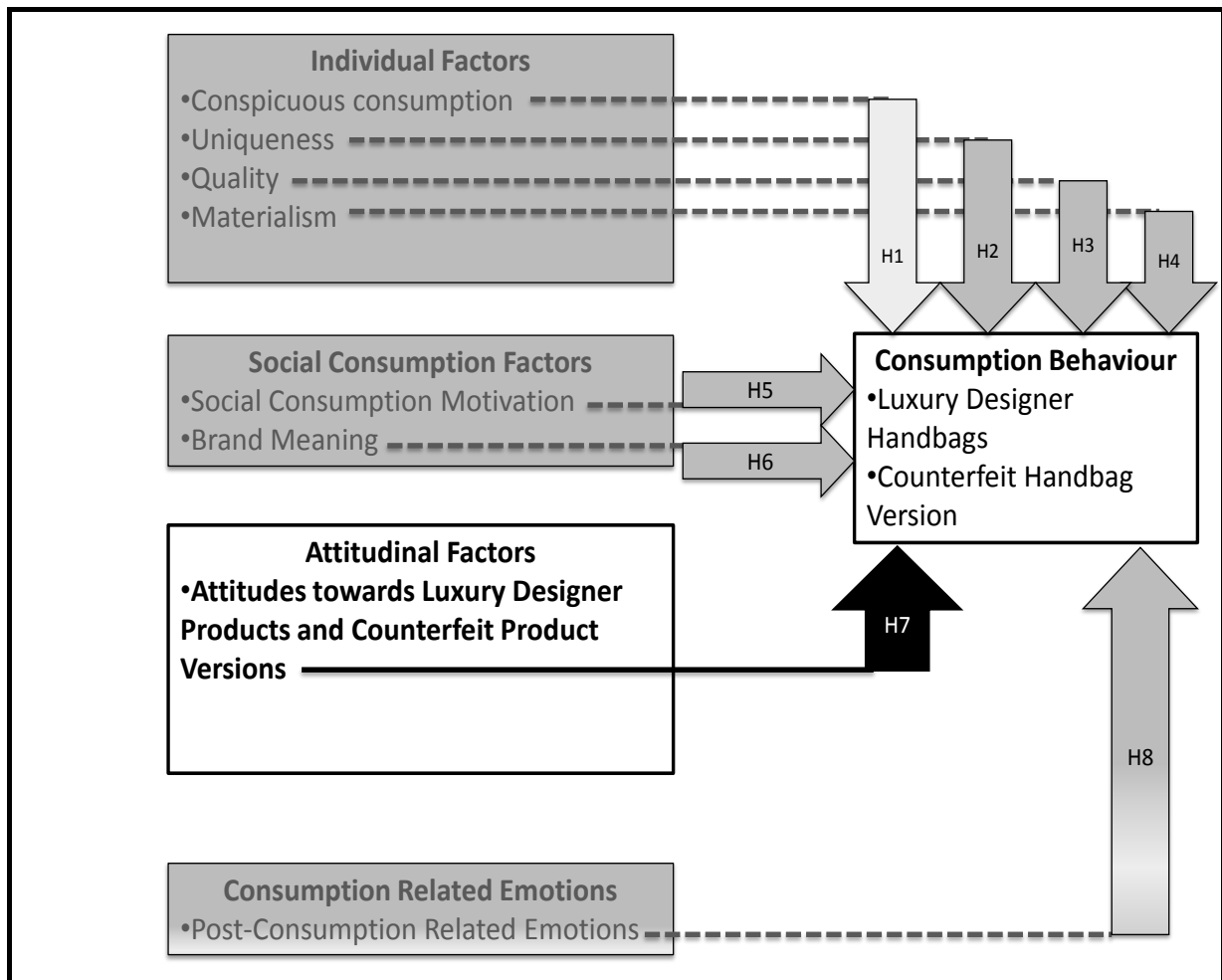
As part of the ‘Attitudinal Factors’ antecedent, this research suggests that Bian and Veloutsou’s (2007) measurement scale acts as an important dimension towards consumption behaviours. By intentionally purchasing a counterfeit product version with status appeal, the purchaser weakens the reputation, status, and quality attributes of the genuine brand (Cordell et al., 1996). Previous studies have revealed explicit economic effects, such as paying lower prices encourage the acceptance of debatable behaviours by consumers (Dodge et al., 1996). Bloch et al., (1993) discovered that consumers would choose a counterfeit object above a genuine product especially when the counterfeit has a price advantage. Although a counterfeit product discredits quality, consumers are still prepared to ignore this as a result of the price reduction. Although not every consumer purchases counterfeit product versions, and among those who do opt for counterfeits, there are variations in the regularity of such consumption practices and distinctions in the significance and/or fulfilment of product attributes in

different product categories (Gail et al., 1998). Consumers are central to the function of counterfeit trade, and consumers' readiness to participate in such consumption behaviours has been exhibited worldwide, from the market stalls in Bangkok to the sidewalks of New York (Cordell et al., 1996). Both consumers, who have consciously purchased counterfeits, and those who have not, concurred that counterfeit products damage the genuine products (Gail et al., 1998). The theory attached to brand equity suggests that consumers favour genuine branded items in comparison to counterfeits. Brand names offer the consumer an extrinsic cue, implying high quality and reducing the search and information stages of the decision-making process (Aaker 1991; Keller 1993).

While other consumers believe counterfeits to be of less value at lower prices, they find it an adequate compromise (Gentry et al., 2001). The purchasing of counterfeits is not considered to be a criminal offence, although the supply and manufacturing side is (Sykes and Matza 1957). Therefore consumers who participate and tolerate counterfeit products are often regarded as being blameless. Gentry et al., (2001) state that high-end counterfeits often possess identical physical quality, although this does not dismiss the fact that genuine branded goods are commonly favoured due to the level of authenticity, uniqueness and originality that counterfeits do not possess, due to their illegitimacy (Wilke and Zaichkowsky 1999). Thus, the following hypothesis was formulated:

H7 -Women do not see a difference between luxury designer handbags and counterfeit handbag versions.

Figure 6.8 Hypothesis 7



6.7 Background of Emotions Relating to the Conceptual Framework

There is no consensus on a definition of emotions among marketing scholars. Bagozzi et al. (1999) defined emotions as mental states of readiness that develop from cognitive assessments of an individual’s thoughts or experiences.

Emotions are generally deliberate (as an object or referent is present), emotions are separate to the conception of mood, which is a general condition produced by a range of factors, and is typically dispersed and non-intentional (Bagozzi et al., 1999). Emotions and mood (and attitudes) are all part of a broad grouping of mental feeling processes, referred to as ‘affect’ (Bagozzi *et al.*, 1999). Consumption emotions have been commonly measured by standardised scales such as the differentiated emotion scale (DES) (Izard 1977; Allen et al., 1992; Oliver 1993; Westbrook 1987), and the Positive Affect Negative Affect Scale (PANAS) (Watson et al., 1988; Mano and Oliver 1993). Other researchers have developed or

modified emotion scales appropriate to the particular context of their investigation (Folkes et al., 1987; Hui and Tse 1996). In the last two decades, marketing researchers have studied emotions induced by marketing stimuli, products and brands (Holbrook and Hirschman 1982). Several investigations relating to consumer emotions have concentrated on consumers' emotional reactions to advertising (e.g., Derbaix 1995), function of emotions on satisfaction (e.g., Phillips and Baumgartner 2002), complaining (Stephens and Gwinner 1998), service breakdowns (Zeelenberg and Pieters 1999) and product attitudes (Dube et al., 2003).

6.7.1 Consumption Emotions within the Conceptual Framework

Initially the research on emotions focused on one or more characteristics of emotions being experienced. For example, perceptual-motor theorists (Darwin, 1872; Duclos et al., 1989; Izard 1977; Leventhal 1984; Scherer 1986; Zajonc 1985; Zajonc et al., 1989) investigated the physiological reactions associated with emotions. Cognitive theorists (Frijda 1987; Ortony et al., 1988; Schacter and Singer 1962; Smith and Ellsworth 1987; 1985) have concentrated on the cognitive appraisals of events that extract explicit emotions. Physical expressions associated with emotions have been the focus of further studies in this area (Ekman et al., 1989). Lastly, adaptive behaviours associated with emotions have also been investigated. There has been agreement that an inclusive understanding of the experience of emotions is feasible by incorporating an understanding of all these assorted mechanisms. For example, Scherer et al., (1962) define emotions as individual patterns of prearranged, integrated processes that comprise antecedents such as physiological and neurological reactions. Psychological mechanisms will dominate the context of this study (i.e. retrospective consumption emotions).

6.7.2 Emotions versus Rational Purchasing Behaviour

There are numerous models and theories which describe the nature of consumption behaviour; a simple typology suggests two conceptualisations:

1. The rational school theory claims that consumers purchase products on particular cues such as price (Schiffman and Kanuk 1994). Consumers generally go through a range of cognitive processes which help to establish the significance of each attribute in a product category, by drawing on information about competing brand attributes, and by using a judgement rule to select the most favourable brands (Bettman 1979). However, various researchers dispute that the rational model is appropriate for commodities where

consumers do not value tangible and utilitarian benefits. As a result, the rational model does not adequately encapsulate the motivation of product consumption which satisfies emotional wants (Levy 1959; Holbrook and Hirschman 1980). Hirschman and Holbrook (1982) claimed that the rational model does not capture the fun, multisensory experience, fantasy, imagery, and emotions associated with the consumption of commodities. Hirschman and Holbrook (1982) view this kind of consumption as being constructed on personal taste and intangible product benefits.

2. In comparison to the rational model, the emotional or hedonic school of thought claims that consumer intentions are emotional in nature. This observation perceives the application of personal or subjective emotions such as taste, pride, wish for adventure, and an inclination for expressing themselves, in consumption decisions (Schiffman and Kanuk 1994). Consumer behaviourists have recognised the importance of both categories of motivation (Katz 1960; Mittal 1983). Empirically, many researchers have observed the presence of these two distinct models and various product attribute categories that influence this motivation (Mittal 1988; Johar and Sirgy 1991). This study aims to delve into the hedonic model.

Schmitt (1999) presented a different slant to management and to marketing. He states that traditional marketing is disappearing. It:

“has been developed in response to the industrial age, not the information, branding and communication revolution we are facing today” (Schmitt 1999a, p.55).

A novel adaptation of marketing is developing which is experiential and concentrates on customer experiences in a holistic manner. In addition to the experiential perspective, it has been noted that consumers are enriched by the function of symbolism. Status-symbol objects have become experiential; objects communicate as symbols as they correlate to status-symbolic experiences (Kelly 1987). Questions of symbolism have been dealt with in regard to additional concepts. For example, an assortment of products can possess symbolic meanings and act as a basis of personal value (Hirschman 1980; Csikszentmihalyi and Rochberg-Halton 1981). The function of emotional responses as a result of consumption experiences in brand evaluation has received some attention (Havlena and Holbrook 1986; Mano and Oliver 1993; Oliver 1992; Richins 1997; Westbrook and Oliver 1991). A common verdict from research studies is that affective reactions are the central results of consumption that strongly correlate to other post-consumption processes (e.g., satisfaction). Nevertheless, it is vital to note that

all these investigations do not govern a product trial phase in the framework of the experimental design, instead consumers are asked to remember their emotional reactions to past product experiences. This study adopts the same approach.

6.7.3 Disparity in Emotions

There have been some attempts to understand the relations between cognition-emotion in branding (Argawal and Malhotra 2005). As claimed by Oliver (1997) and Franzen and Bouwman (2001), in their consumption/satisfaction research, many potential sequences between emotion and cognition can occur. For example, emotion can take place first and cognition second or vice-versa (dual processing). However, there is no conformity of opinion regarding the sequence or causality connecting emotion and cognition (Oliver 1997; Franzen and Bouwman 2001). Past research findings in branding, consumer behaviour, and psychology imply that emotions characteristically stem from cognitive evaluation (Oliver 1997, Franzen and Bouwman 2001) suggesting that cognition possibly exists first and emotion second. For instance, Franzen and Bouwman (2001) claim that though the disparity remains:

“It is often assumed that emotional reactions always stem from cognitive evaluation”.
Franzen and Bouwman (2001, p.32)

Aaker (1996) also suggests that product-related attributes (cognitive elements) may be the main influencers of a brand, claiming that cognitive thinking may have occurred first (via functional/utilitarian grounds) which guides emotional reactions. In spite of this up-and-coming body of research, development on the application of emotions in consumer behaviour has been fraught with ambiguity. First, some academics study all emotions at equal levels of generality (e.g., Izard 1977), while others identify a hierarchical formation in which certain emotions are specific instances of more general principal basic emotions (Shaver et al., 1987; Storm and Storm 1987). Second, there is a dispute relating to the content of emotions, for example, should emotions be considered as extremely broad general factors, such as positive/negative affect (Watson and Tellegen 1985) or pleasure/arousal (Russell 1980). Alternatively, appraisal theorists (Frijda et al., 1989; Roseman et al., 1996; Smith and Lazarus 1993) claim that particular emotions should not be united in broad emotional factors, as every emotion has an individual set of appraisals. Misunderstandings relating to the structure and content of emotions have slowed down the comprehensive understanding and

use of emotions in consumer behaviour theory and empirical investigations (Bagozzi et al., 1999).

6.7.4 Post-Consumption Related Emotions within the Context of the Conceptual Research Framework

This study concentrates on the concept of post-consumption related emotions which can act as one predictor of an evaluative criterion towards the purchase of luxury designer handbags and counterfeit handbag versions. Investigations into post-consumption emotions have not been explored in relation to luxury designer handbags together with counterfeit product versions. Westbrook and Oliver (1991) view consumption emotions as making reference to a collection of emotional reactions, which derive from consumption events. Consumption emotions have also been conceptualised as specific categories of emotional occurrences, such as fear, anger and joy or as partially including numerous dimensions which are inherent to particular emotional categories, such as calmness/excitement, relaxation/action, or pleasantness/unpleasantness (Izard 1977; Plutchik 1980).

Richins (1997) claims that a particular consumption experience involves a considerable collection of varied emotions or ambivalence. Consumer ambivalence has been referred to as encountering several positive and/or negative emotions in one consumption occurrence (Otnes et al., 1997). Consumption-related emotions comprise emotions that arise from the consumption of products exclusive of 'aesthetic' emotions which relate to artistic works such as movies, books, plays, or that they may be stimulated by advertising. For the purpose of this study the term 'post-consumption related emotions' will be applied to include post-purchase possession and use of luxury designer handbags and counterfeit handbag versions.

Consumption emotion is set apart from the associated affective occurrence of mood (Gardner 1985). For example, Cohen and Areni (1991) consider affective-processing systems as incorporating emotions during the consumption experience and these emotions are assumed to result from strong affective markers in the memory. These memory components are assumed to be extremely accessible to existing cognitive processes, especially when, in an assessment of a particular consumption experience, the affective markers are easily recovered and incorporated into the concluding results together with other relevant semantic memories, such as previous expectations or disconfirmation beliefs.

Recent research findings have discovered that at the stage of post-purchase product consumption, consumers experience a selection of emotional responses, such as anger, joy, pride, sadness, excitement, and guilt (Havlena and Holbrook 1986; Holbrook et al, 1984; Holbrook and Hirschman 1982). Emotions are the principal basis of human motivation and exert considerable control over memory and thought processes (see, e.g, Kuhl 1986).

6.7.5 Post-Consumption Related Emotions Antecedent Relating to the Conceptual Framework

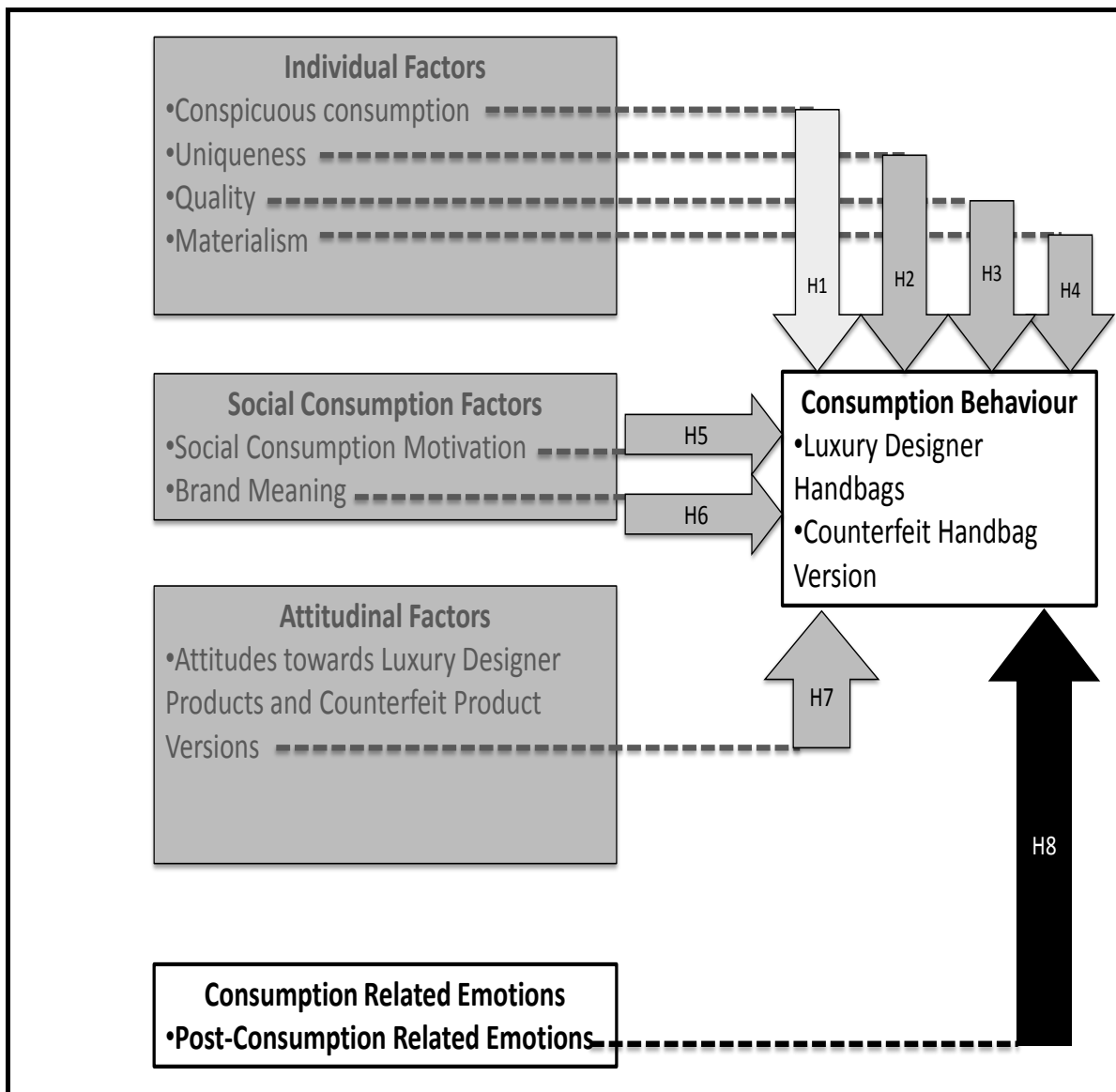
As part of the 'Consumption Related Emotions' antecedent, this research suggests that Richins' (1997) Consumption Emotion Set acts as an important aspect of consumption behaviours. Measuring emotions post-consumption is of particular interest to the focus of this study and its implications in the purchase of luxury designer handbags and counterfeit handbag versions. Emotions within the context of this study have not yet been fully investigated but potentially highlight a dimension which aids in understanding consumer decision-making processes towards the purchase of luxury designer handbags and counterfeit handbag versions, and the findings of this research could also be used to illuminate various other product categories. This could be particularly useful when investigating products that have been purposely purchased as a communicative and significant symbol (Hirschman and Holbrook 1982). Hirschman and Holbrook (1982) believe that consumer behaviour is extremely sensorial and complex. O'Malley (1991) states that only human beings are able to assign feelings and meaning to lifeless, inanimate objects. Commodities and symbols all contribute to the appeal of brands thus branding is not entirely rational. Fashion houses such as Prada should understand this concept and use it as an opportunity to persuade this human attribute, as a means of shaping the esteem and status of luxury designer handbags, by diminishing the appeal of counterfeit handbag versions. This study examines the interaction of post-consumption related emotions between consumers whose last handbag purchase was either a luxury designer handbag or a counterfeit handbag versions, the aim is not to substitute traditional theories of consumption behaviour, but to extend the understanding of purchase decisions of these two categories of handbags as well as offering another perspective.

For clothing and accessories such as luxury designer handbags and counterfeit handbag versions, affective reactions establish the inclination for selecting a product or brand, as consumers search for emotional gratification from these sorts of goods. Hirschman and

Holbrook (1982) encourage the understanding of emotional responses as it helps to explain consumer choice of communicative products such as clothing, and this can also be applicable to luxury designer handbags and counterfeit handbag versions. Richins (1997) states that certain consumption experiences entail a vast array of mixed emotions. Thus, the following hypothesis was formulated:

H8 – Post-consumption related emotions will have an impact on the evaluations of luxury designer handbags and counterfeit handbag versions.

Figure 6.9 Hypothesis 8



6.8 Summary

First, this chapter reviewed a range of related theories. The analysis implies that even though none of the aforementioned theories could be applied to examining the consumption behaviour of women in London in relation to the selection of luxury designer handbags and counterfeit handbag versions, combining the constructs across the model will be appropriate and will help provide a coherent understanding of the research problem. Therefore, the most suitable theories and measurement scales such as the Brand Luxury Index which has been adapted, brand meaning scales, social consumption motivation scales, attitudinal factors which have been adapted and the Consumption Emotion Set which has been adapted have been considered as guiding this current research.

Second, this chapter has acknowledged the antecedents that are expected to influence the evaluation processes among women in London in relation to luxury designer handbags and counterfeit handbag versions. Also, consumption behaviours are expected to differentiate between luxury designer handbags and counterfeit handbag users. Using these factors, a conceptual model of luxury designer and counterfeit diffusion was developed. The proposed conceptual model is based on the assumption that the individual factors, social consumption factors, attitudinal factors, and consumption related emotions depicted in Table 6.1 are accountable and influence the consumption of luxury designer handbags and counterfeit handbag versions, which, in turn, is expected to provide a clearer insight into the evaluative criteria of women in London. The aforementioned antecedents and underlying hypotheses (Table 6.2) are also proposed and need to be tested in order to validate the model. In order to test the hypotheses, the next step was to establish the appropriate research method. Following that, it was necessary to develop a reliable data collection method that could be utilised to gather empirical data from women in London. Completion of data collection led the research to refinement and validation of the proposed conceptual model of luxury designer and counterfeit diffusion.

The following chapter proposes the conceptual model that will be utilised as a foundation for empirical investigation.

Table 6.1 Conceptual Model – Luxury Designer and Counterfeit Diffusion

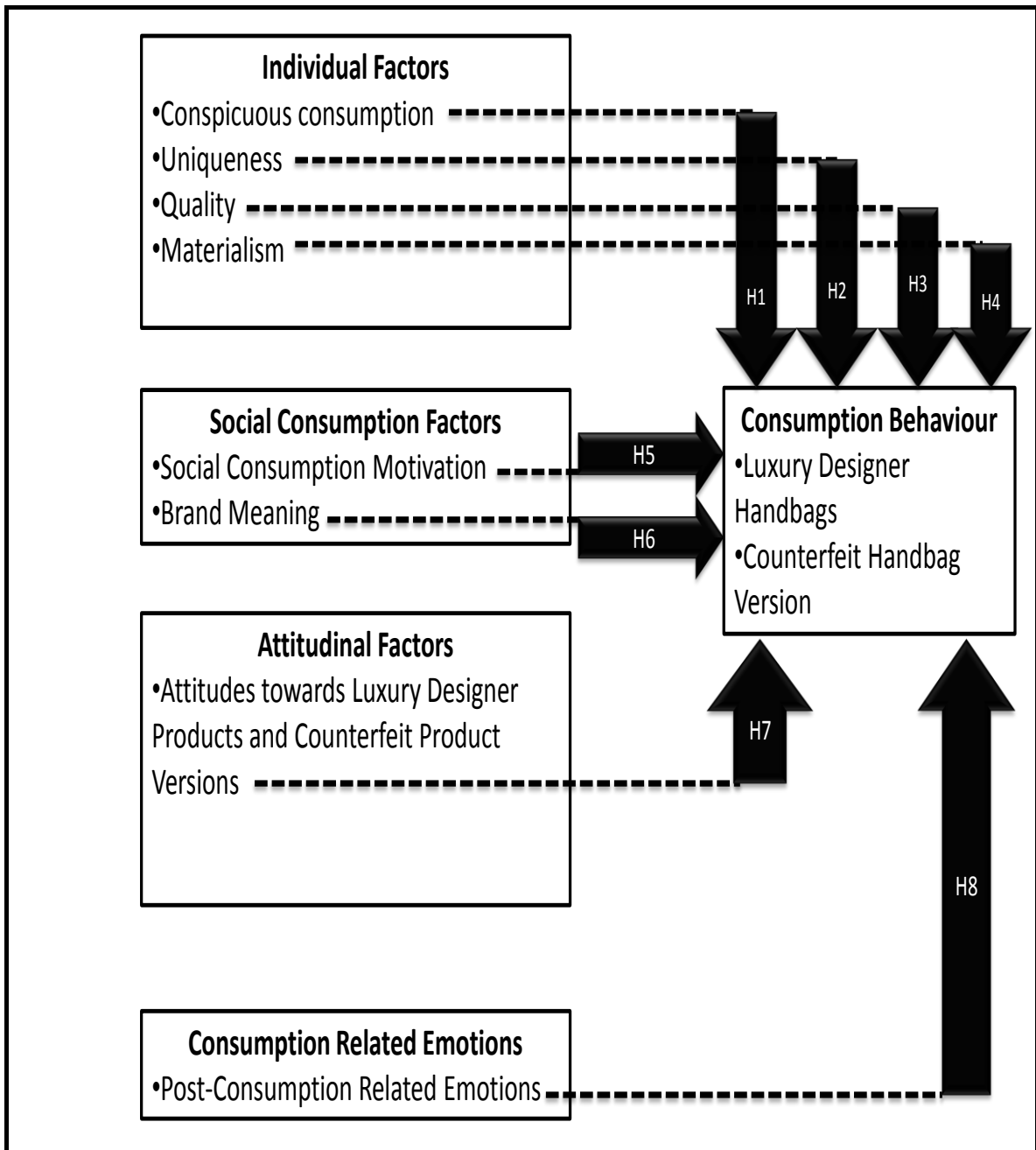


Table 6.2 – List of Hypothesis

Investigated Antecedents	Code	Hypothesis Content	Authors
Individual Factors- Conspicuous Consumption	H1	Conspicuous consumption will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Johnson and Vigneron (2004); Veblen (1934); Mason (1981)
Individual Factors- Uniqueness	H2	Uniqueness will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Johnson and Vigneron (2004); Rogers (1983); Robben (1994)
Individual Factors- Quality	H3	Quality will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Johnson and Vigneron (2004); Quelch (1987)
Individual Factors- Materialism	H4	Materialism will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Richins (1987); Belk (1984); Richins and Dawson (1992)
Social Consumption Factors - Social Consumption Motivation	H5	Social meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Prendergast and Wong (2003); Moschis (1981); Fitzmaurice and Comegy (2006)
Social Consumption Factors - Brand Meaning	H6	Brand meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Aunty and Elliott (1988); Cleary (1981); Donnellan (1996)
Attitudinal Factors - Attitudes towards Luxury Designer Products and Counterfeit Product Versions	H7	Women do not see a difference between luxury designer handbags and counterfeit handbag versions.	Bian Veloutsou (2007); Cordell et al., (1996); Bloch et al., (1993)
Consumption Related Emotions - Post-Consumption Related Emotions	H8	Post-consumption related emotions will have an impact on the evaluations of luxury designer handbags and counterfeit handbag versions.	Richins (1997); Westbrook and Oliver (1991); Cohen and Areni (1991).

Chapter 7

Chapter 7 –Methodology

7.1 Introduction

The preceding chapters have:

1. Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.
2. Reviewed the concept of fashion and outlined accepted definitions, perspectives and concepts of fashion through a comprehensive outline of established theories.
3. Reviewed inconsistencies relating to the definition of luxury, and explored the concepts that distinguish and characterise ‘luxury’ and ‘luxury designer’. In addition, a discussion into commodities communicating individual identity was outlined.
4. Reviewed inconsistencies relating to the definition of counterfeits and provided a comprehensive background into the phenomenon of counterfeiting and its influence on the luxury designer industry in relation to its development, scale, impact, producers and recipients of counterfeit products.
5. Reviewed consumer culture and commodities as constructs applicable to individual identity. In addition a comprehensive review of consumption theories relating to status seeking and pleasure was outlined.
6. Explored the relevant theoretical frameworks related to the construct of the outlined conceptual model, explaining the underlying dimensions relating to product evaluations of luxury designer handbags and counterfeit handbag versions among women in London. Extensive research highlighted the main antecedents of, individual factors, brand meaning, social consumption motivation, attitudinal factors, and post consumption related emotions as part of the evaluative criteria.

This chapter puts forward the research approach and methodology to be used in the empirical research. It proposes an explanation of the research methodology and sample selection, and briefly outlines the statistical techniques used for data analysis, all of which are essential to accomplishing the research objectives of this study. The previous chapters have emphasised the importance of investigating luxury designer, counterfeits, and fashion simultaneously rather than in isolation, which requires further empirical research and the generation of theoretical frameworks. The focus of this research is the examination of post- consumption perceptions and evaluations of luxury designer handbags and counterfeit handbag versions. Personal surveys were conducted as a method of data collection, and as a way of tackling the

‘research gap’. The rest of this chapter serves to explain and rationalise the methodological approach implemented as part of the empirical research of this study.

7.2 The Philosophical Debate

Easterby-Smith, et al, (2004) proposed that the correlation involving theory and data is a subject which has been discussed by academics and emphasises the significance of developing an understanding of central philosophical research matters. Easterby-Smith, et al. (2004) suggested that an insight into philosophical matters assists in refining research designs, encouraging the researcher to think about what kind of facts and data they are searching for, and how the data ought to be collected and interpreted as part of the evidence. Numerous academics (Hughes and Sharrock 1997; Hussey and Hussey 1997; Gill and Johnson 2002; Easterby-Smith, et al. 2004; Weber 2004), have claimed that the two most prevalent research philosophies are positivism and interpretivism. Many research philosophies exist, focusing on the theories of either positivism or interpretivism, while some rely on realism which comprises the elements of both (Blumberg et al., 2005).

7.2.1 Positivism

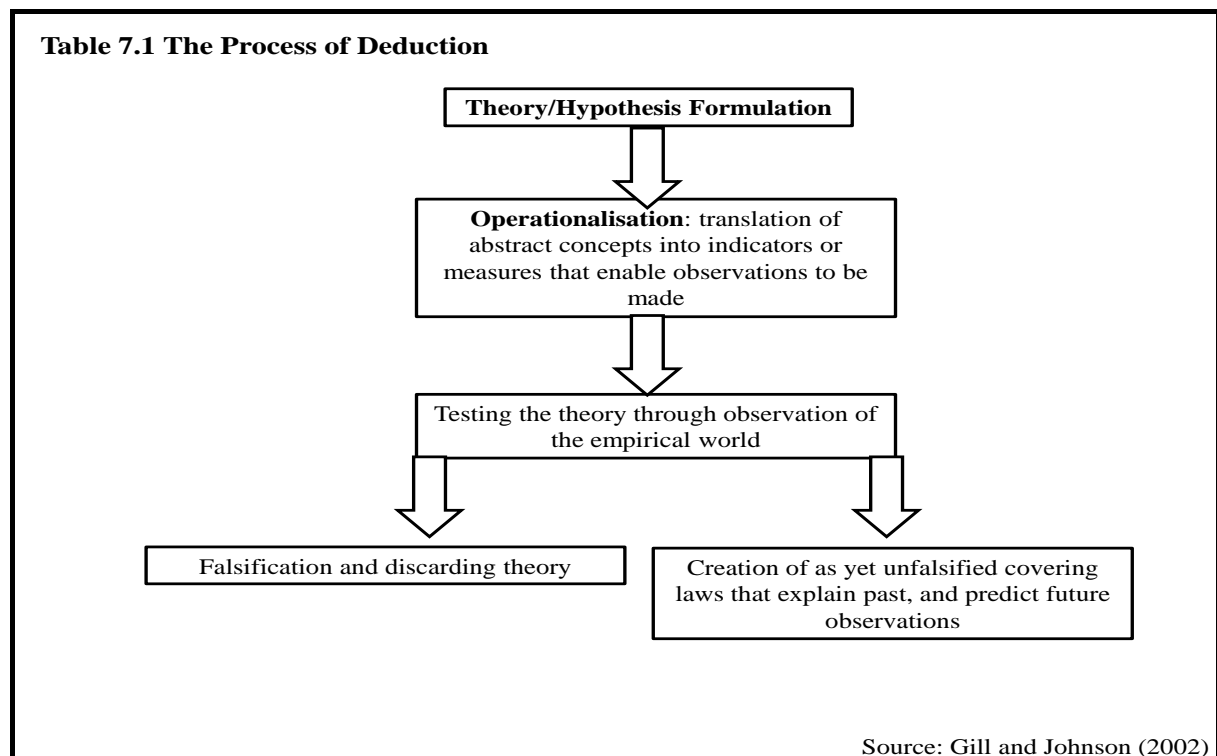
Positivism can be defined as:

"The key idea of positivism is that the social world exists externally, and that its properties should be measured through objective measures, rather than being inferred subjectively through sensation, reflection or intuition. "(Easterby-Smith et al., 2004, p 28)

The positivism stance is prevalent in management and marketing research (Alvesson and Deetz 2000; Collis and Hussey 2003; Gill and Johnson 2002) and focuses on the goal of distinguishing principles which characterise individual consumer behaviour (Collis and Hussey 2003). Thus, knowledge is widened via objective observation, logical deduction, and measurement (Wass and Wells 1994). Gill and Johnson (2002) state that positivism stems from the eighteenth century, and is generally described as a scientific method, and a philosophy implemented by the natural sciences in an era in which it was thought that social or human research ought to emulate scientific and logical method. Hughes and Sharrock (1997) believed that positivism considered the social world as being observed by assembling objective realities which are peripheral and cannot be influenced. As a result, two researchers examining an identical phenomenon will deliver matching evidence concerning aspects

which are characteristically linked with issues concerning reliability and validity (Healy and Perry 2000).

Positivists view the social world as existing externally and being observed objectively, which permits the researcher to be independent, assuming the responsibility of an objective analyst (Blumberg et al., 2005; Easterby-Smith et al., 2004). Consequently, positivists state that people and their behaviours are factors which can be substantiated and explored in isolation. Therefore, the only justifiable systems of knowledge are either logical or empirical; overlooking feelings and value judgements, this perspective accepts knowledge only if it can be empirically tested and validated, thereby acknowledging only facts. According to Hughes and Sharrock (1997), positivism has been mainly implemented in a scientific approach, commonly founded on concepts or hypotheses, and interpreted into empirical statistics which can be measured objectively. According to Gill and Johnson (2002), positivists frequently use deduction as a research technique, which involves the development of both conceptual and theoretical constructs before testing via empirical observation. The researcher determines which concepts are most important to the theory under examination, provides a system for making clarifications and determines measures to represent the occurrences of the concepts. As a result, this permits the testing of the hypotheses. The process of deduction is demonstrated in Table 7.1.



Easterby-Smith, et al. (2004) claimed that positivists are impartial from what they are observing. From a positivist perspective it is claimed that the researcher and reality are detached elements and the research object has intrinsic worth that exists independently. The researcher is impartial, objective and removed, and without emotional participation if any validity is to be established and if any research figures are true measures of reality (Blalock 1982; Easterby-Smith et al., 2004; Weber 2004), thus ensuring the study is replicable and the research findings can be repeated (Weber 2004).

Weber (2004) declares that positivists generally obtain great quantities of statistical data which are examined to distinguish principal regularities and confirming theories. Hughes and Sharrock (1997) state that positivists in social science generally opt for questionnaires and surveys as techniques of data collection. Gill and Johnson (2002) found that the method of testing and establishing information and theories as being more central to positivist research rather than an examination associated to the foundation and significance of the tested theories. Conventionally, marketing research has focused on the positivist research paradigm and has viewed it as the most dependable and legitimate technique of research (Hughes and Sharrock 1997), given that qualitative research methods have now achieved reliability and credibility in providing understanding of human behaviour (Goulding 2005; Gummesson 2003; Milliken 2001; Wilkgren 2005).

7.2.2 Interpretivism

Easterby-Smith, et al. (2004) proposed that the focus on positivism has led to a new concept in social science, which is that the minimal principles incorporated in positivism is not adequate to the understanding of multifaceted social phenomena and objective observation, and is not feasible in a world built by human actions and behaviour. Interpretivists do not view reality and the world as being objective, instead it is socially structured, and the researcher is included in what is being observed, given that the social world is observed by considering what meanings individuals' give to it, and by interpreting and deciphering such meaning from their own perspective which leads to investigations into a social phenomenon which can only be understood by considering it in its entirety (Hughes and Sharrock 1997; Easterby-Smith et al., 2004; Blumberg et al., 2005).

Collis and Hussey (2003, p.54) state that:

“It is impossible to treat people as being separate from their social contexts and they cannot be understood without examining the perception they have of their own activities.”

Blumberg, et al. (2005) believe interpretivists try to recognise and understand subjective realities by presenting interpretative justifications, which are meaningful to the context of the research. A social phenomenon is multifaceted in nature and the generality of the findings is not a principal matter. According to Weber (2004), the methodological theory of interpretivism means that the researcher and reality are undivisible, and that an understanding of the world is purposely established via an individual's lived experience, together with the analysis of research objectives. Interpretivist researchers do not objectify people and their behaviour; instead they try to discover methods which permit development by understanding and gaining knowledge from the context within which the behaviour occurs (Jankowicz 2005). Interpretivists suggest that research is motivated by human interests, that the research method ought to be less controlled than that proposed by positivists, and that the researcher plays a role in what is observed and occasionally collaborate in the actual observed situation (Blumberg, et al. 2005), permitting them to acquire important understanding into human behaviour, rationale and subjectivity via what Hughes and Sharrock (1997) refer to as an imaginative reform or empathy.

Therefore, opposition to the positivist stance which centres on a deductive approach, focusing on hypothesis testing and contributory analysis, understandably shifts the researcher from a deductive approach to an inductive approach, which concentrates on developing a conceptual and theoretical construct before empirical research is carried out. Theory is the result of induction, progressing from observation of the empirical world to the creation of theories about the world established from what has been observed (Gill and Johnson 2002). The major data collection method within interpretivism and the construction of theories are the quantitative data collection methods of ethnography and action research (Gill and Johnson 2002). Table 7.2 highlights the distinctive characteristics between the positivist and interpretivist ideologies.

Table 7.2 Basic Characteristics of Positivist and Interpretivist Paradigms

	Positivism	Interpretivism
Basic Beliefs	The world is external and objective The observer is independent Science is value Free	The world is socially constructed and subjective The observer is part of what is observed. Science is driven by human interests
Researcher Should	Concentrate on facts Look for causality and fundamental laws Reduce phenomena to simplest elements Formulate hypothesis and test them	Focus on meanings Try to comprehend what is happening Look at the totality of every situation Develop ideas through induction from data
Favoured Methods Include	Operationalising concepts so that they can be measured Taking large samples	Using multiple methods to ascertain diverse views of phenomena Small samples investigated in depth over time.

Source: Easterby-Smith et al., (2004)

Easterby-Smith, et al. (2004) argue that the focal ideas of both methods are composed from a assortment of theories, and cannot be deemed as general ideas to those who accept either perspective, since many researchers purposely merge methods drawn from both perspectives. Blumberg, et al. (2005) claims that the selection of any paradigm has implications relating to how investigations will be carried out. It is the researcher's job to judge which paradigm to opt for. The positivist paradigm suggests the world can be explained by objective facts, in which the constructs are generally operationalised via quantitative methods, therefore facilitating comparisons, or, as interpretivists suggest, that subjective meaning and understanding of a phenomenon can be used to discover what is happening in an explicit situation, thus every observation is subjective. Preferably numerous sources and diverse methods should be used to collect information on a phenomenon. Gill and Johnson (2002) combined a range of research methods from each philosophical perspective, which permits for differentiation between the research methods. They recommended a mixture of the various research methods within the two schools. This collective method permits for different

measurements of the same phenomenon which strengthens construct validity (Blumberg et al., 2005; Milliken 2001; Reige 2003).

7.2.3 Positivism and Marketing Research

Donnellan (1995) states that marketing researchers tend to pursue the positivist philosophy by testing concepts with established quantitative techniques. Milliken (2001) claims that the dependence on positivist methodologies is the result of historical context, in which American researchers have habitually implemented a scientific research approach, principally as a way of attaining credibility among other academics. In reality, quantitative research techniques present numerous advantages. They permit economies of scale, speed in data collection, allow for subgroup sampling and comparisons, and offer the possibility of conducting research on a representative sample of the population (Webb 1994; Milliken 2001; Churchill and Iacobucci 2002).

In contrast, Baker (2000) claims that the positivist research stance inflicts possibly incorrect reasoning with regard to the subjects studied via the use of determined, ordered questioning. As a result, market research has faced criticism for focusing on the measurement of business behaviour, rather than the feelings, motivations, and attitudes which may lead to a particular behaviour (Frankfort-Nachmias and Nachmias 2000). Sampson (1996) also claimed that within the subject of marketing the impracticable nature of qualitative research relates to the degree of data and the complexity of analysis (Milliken, 2001). Numerous marketing academics (Christopher et al., 1991; Gronroos 1994; Milliken 2001) suggest an expansion of research perspectives to offer an enhanced understanding of human relations and experiential characteristics of marketing problems. Furthermore, Baker (2000), Milliken (2001) and Gummesson (2003) have claimed that there is a growth in the numbers of market researchers combining qualitative research approaches, with the use of open questions and comment sheets within principally quantitative studies, in an attempt to gain a wider insight into the human facets of business behaviour. Hussey and Hooley (1995) contest that quantitative methods in marketing and business research present an array of prospects to investigate data again and expand new understandings into particular marketing phenomena.

The purpose of this research is to analyse, identify and describe the antecedents that affect choices of women in London concerning their last handbag purchase, whether luxury designer or counterfeit. The study draws on an extensive pool of knowledge concerning

luxury, fashion, and counterfeits together with additional concepts relating to the development of the study. The aim of the study is not to put forward completely new concepts, but to propose how existing theories can be structured to obtain an enhanced conception of the phenomenon under investigation. Hunt (2002) discriminates between research discovery and research justification. This study falls in the domain of discovery rather than justification. Hunt (2002) states that discovery can either be inductive or deductive, while recognising that research does not strictly follow the convention of pure induction. Hunt's (2002) argument stresses the dynamic nature of research, he states it is unfeasible for a researcher to study everything relating to a certain phenomenon which would be the result of a study following only inductive research. This study centres on some prior assumptions and models which guide the study towards the main focal points significant to the phenomena under investigation.

Deduction is usually used to eliminate false propositions and to confirm correct propositions (Burr 1973), whereas phenomenological and constructivist researchers employ inductive methods in an attempt to create knowledge (Glaser and Strauss 1967). According to Taylor et al (2002, p.315):

“deductive reasoning is the conscious movement from a general law to a specific case, while inductive reasoning is the conscious movement from a specific case to a general law”.

Aspects of deduction and induction are regularly incorporated into research practice (Cook and Campbell 1976). Perry (1998) claims that practically all researchers cannot divide between the practices of deduction and induction. Peirce (1839-1914) was an early contributor to the idea that analysis can mix both deductive and inductive characteristics; he developed the term abductive reasoning as an alternative to solely deductive or inductive reasoning (Taylor et al., 2002).

Abductive interpretation can be viewed as having an outlook which contrasts that of deduction and induction which are completely opposite to one another. Abductive research includes deductive and inductive features (Coffey and Atkinson, 1996; Dubois and Gadde, 2002). Abductive reasoning adopts the stance of reorganising existing ideas leading to the development of new information (Erzberger and Prein, 1997), as well as providing additional theoretical insights as 'old knowledge' which is combined with 'new experience' (Ojasalo 1999). This study attempts to unite the extent of knowledge from various streams of literature

with empirical data, while providing new knowledge and empirical data within the context of this research. Abductive investigations rely on theory as opposed to inductive studies. This study concentrates on exploring for complementary theories throughout. By revisiting empirical observations and theory, Dubois and Gadde (2002) consider that understanding both theory and empirical data can aid in expanding the phenomena under investigation.

The starting point of abductive research is the framework, which is subsequently developed and is reliant on the empirical results (Dubois and Gadde 2002). To begin with some understanding of the theoretical concepts should be present, although the main focus of the abductive method is that it is unfeasible to ascertain all the relevant literature at the beginning of the research process (Strauss and Corbin 1990). The developing framework guides the exploration for empirical data which may result in the initial model being changed or expanding (Dubois and Gadde 2002). Results from the data should not be forced to fit defined categories; instead categories should develop from the data (Dubois and Gadde 2002; Glaser 1978). If a defined model is strictly prepared, the researcher may lose sight of significant characteristics in the data or misinterpret informants' perceptions (Miles and Huberman 1994). On the other hand, a loosely structured model may lead to indiscriminate data collection and data overload. Utilising the abductive approach relies on delivering ideas and connecting theory to empirical findings (Coffey and Atkinson 1996).

7.3 Types of Research Design

Research designs are categorised as exploratory, descriptive and causal (e.g. Churchill 1999; Aaker et al. 1997). The main importance in exploratory research is the discovery of ideas and understanding (Churchill 1999; Aaker et al., 1997), seeking for potential assessment alternatives, and related variables that should be considered (Aaker et al., 1997). The function of descriptive research is to offer a true picture of some feature of the market environment (Aaker et al. 1997). When a researcher is attempting to show that a variable instigates or influences other variables, causal research is better suited (Churchill 1999; Aaker et al., 1997). Even though the classification of design types provides a guide into the research process, differences between them are not always fixed (Churchill 1999). For example, particular categories of research design are more appropriate to particular goals than others; alternatively, there may be more than one sort of research design which can be used to suit one intention. It has been implied that:

“the design of the investigation should stem from the problem” (Churchill 1999, p. 99).

7.3.1 The Overall Research Design

This empirical study involved two separate stages: (1) a pilot study for testing the survey instruments and data collection technique (Alreck and Settle 1995), and (2) administration of the final survey to women in London investigating their evaluations and purchase behaviours at the post-consumption stage of luxury designer handbags and counterfeit handbag versions.

1. The first stage of the research consisted of a literature review which resulted in the identification of appropriate dimensions relative to the study, which were later executed in a pilot questionnaire in an attempt to: (1) expand the understanding of the subject matter, (2) improve and adjust the initial research model and hypotheses, and (3) develop the measures for the questionnaire (Churchill 1979). The rationale for the first stage was to explore the wider matters identified within generic luxury literature, counterfeit literature and fashion literature specific to the context of this research. The development of the initial pilot survey provided insights into the first part of the quantitative stage. The main aim of the first stage of research can be summarised as providing a description of factors related to the consumption of luxury designer handbags and counterfeit handbag versions in London. By incorporating the results of the initial questionnaire, this preliminary stage of research endeavours to contribute to the area of knowledge on luxury designer products and counterfeit products from a collective perspective, an area which has been largely ignored within literature.

2. The second stage of the study sees the development of a final questionnaire derived from the reviewed literature and quantitative pilot survey study. The chosen methods are essentially applicable due to the lack of understanding surrounding this research topic which requires a refined investigation. The quantitative results of the initial research stage served as a focus for the second stage of the data collection, which considers:
 - ‘Individual factors’ relating to Vigneron and Johnson’s (2004) scale of Brand Luxury Index which have been adapted and also incorporates Richins’ (1987) materialism scale.
 - ‘Social consumption factors’ which combine two scales, the brand meaning scales by Aunty and Elliott (1998) which have been adapted, and the social consumption motivation relating to Moschins’ (1981) scale.
 - ‘Attitudinal factors’ which have been adapted from Bian and Veloutsou (2007).

- ‘Post-consumption related emotions relating to Richins’ (1997) scale of Consumption Emotion Set which have been adapted in evaluating the selection process of luxury designer handbags and counterfeit handbag versions.

7.3.2 Survey Research Approach

This section offers an explanation of the data collection methods, information on sample selection, design of the questionnaire, and methods of data collection. This study investigates women in London and their evaluations of the main concepts ‘luxury designer handbag’ and ‘counterfeit handbag versions’ which is dependent on their last handbag purchase. The central focus is to establish the key differences and similarities, as well as distinguishing central aspects and relative assessments of these two concepts as there is little knowledge on which to build. There are not many investigations in the context of studies simultaneously investigating luxury designer and counterfeit product versions in the same product category. Ultimately, an exploratory research design is the most appropriate for this study.

This study investigates several different influential dimensions on consumer purchasing behaviour towards luxury designer handbags and counterfeit handbag versions. The findings of this research contribute to:

1. An understanding of women who purchase luxury designer handbags or counterfeit handbag versions;
2. Ascertaining the relationship and disparity among those that purchase luxury designer handbags or counterfeit handbag versions;
3. Clarifying the roles of the antecedents as significant tools in evaluating the perceptions of women in London, relating to the purchase of luxury designer handbags or counterfeit handbag versions.

7.4 Exploratory Research

These aims and objectives direct the focus of this study and have been drawn from the literature review, permitting an exploration of the relationship between the antecedents highlighted in Chapter 6, and providing direction to this study. This study is concerned with the role and purpose of four main antecedents within the handbag sector. The research design for this study is classed as exploratory research and characterised as being an adaptable and evolving method to comprehend marketing phenomena which are essentially complex to measure. Chisnall (2001) states that an exploratory design can discover valid features of

research problems and can support large amounts of data compilation. He states that the preliminary steps provide important insights, lead to a definite understanding of the vital nature and rationale of specific research surveys, and support the improvement of resourceful strategies.

Exploratory research is predominately used in cases where the course of measurement cannot reasonably characterise specific qualities. For example, this research is trying to understand the connection between four central antecedents: (1) Individual factors; (2) Social consumption factors; (3) Attitudinal factors; and (4) Consumption related emotions. Exploratory research can facilitate the formation of suitable variables revealing how they relate collectively i.e. the role of social consumption factors on luxury designer handbags and counterfeit handbag versions. This antecedent may not be quantifiable from the respondent's viewpoint, but quantitative measurements of the antecedents via exploratory research can facilitate further insights.

There are instances where quantitative findings have been employed for exploratory purposes. For instance, within a questionnaire that investigates definite research questions and hypotheses which may offer the prospect of investigating additional associations among questions that have not been initially outlined (Malhotra and Birks 2003). This development is known as data mining, which explores noteworthy links or patterns in a dataset that a researcher or decision-maker may be unacquainted with (Malhotra and Birks 2003). In sum, exploratory research is significant in circumstances where the researcher does not have adequate knowledge to progress with the research, as it is characterised by its flexibility and adaptability with regard to research methods. It rarely includes structured questionnaires, large samples and probability sampling methods, as an alternative researchers are attentive to new ideas and insights (Malhotra and Birks 2003). As soon as a new idea or insight is exposed, a redirection may be investigated in response to that new found direction. Thus, exploratory research can be employed for several reasons:

- To achieve some background knowledge where nothing is acknowledged in relation to the problem in question.
- To identify problem areas and to create hypotheses for additional examination and/or quantification (Malhotra and Birks, 2003).

7.4.1 Suitability of Exploratory Research

According to Malhotra and Birks (2003) when inadequate information is known about the highlighted problem, it is desirable to commence with exploratory research. Exploratory research is suitable for the following:

- When the nature of the problem under investigation cannot be measured in a prearranged quantifiable manner.
- When the question needs to be identified more accurately.
- When research questions or hypotheses have to be developed.
- When significant variables need to be pinpointed and categorised as dependent or independent.

Questionnaires are a major method of primary data collection in quantitative consumer research (Schiffman and Kanuk 1994). This research seeks to develop an understanding of women in London and their relative assessments of luxury designer handbags and counterfeit handbag versions. Therefore, a large-scale questionnaire was designed to distinguish the main antecedents influencing women's product evaluation, and to acquire information about which product attributes women in London had used when making their purchasing decisions. Before initialising the main survey, a pilot study was carried out to test the survey instruments and data collection method.

7.5 Adaptations in Terms of Wording and Phrasing

This pilot study suggested some adaptations in terms of wording and phrasing of the questions, the four major antecedents involved were established as being suitable as they are assumed to influence women in their evaluations of luxury designer handbags and counterfeit handbag versions, but adjustments in wording and phrasing had to be made. To avoid misinterpretations and ambiguities affecting the objectivity and reliability of the questionnaire, the questions were phrased using uncomplicated sentences. At the second stage of the empirical study, a questionnaire was carried out using of face-to-face interviewing to gather the primary data directly from respondents. The survey follows a structured questionnaire design, consisting of a sequence of formal questions intended to measure respondents' disagreement or agreement with a sequence of statements. Standardised questions were administered in an identical manner to all respondents. Based on the extensive literature review, the questionnaire consisted of four major parts relating to the

antecedents under investigation. A short introduction was carried out at the start of questionnaire explaining the objective of this research and assuring anonymity and confidentiality.

Particular product beliefs have been used as dependent variables in consumer attitude studies (Okechuku 1994; Lin and Sternquist 1994; Auty and Elliot 1998a; O'Cass and Lim 2002; Kim et al., 2002). Yet, there is no agreement on the conceptualisation and measurement methods in relation to the context of this study. In this context, profiles of women whose last handbag purchase was either a luxury designer handbag or counterfeit handbag version were based on attributes identified by the literature review which influence the purchase of luxury designer handbags and counterfeit handbag versions, namely:

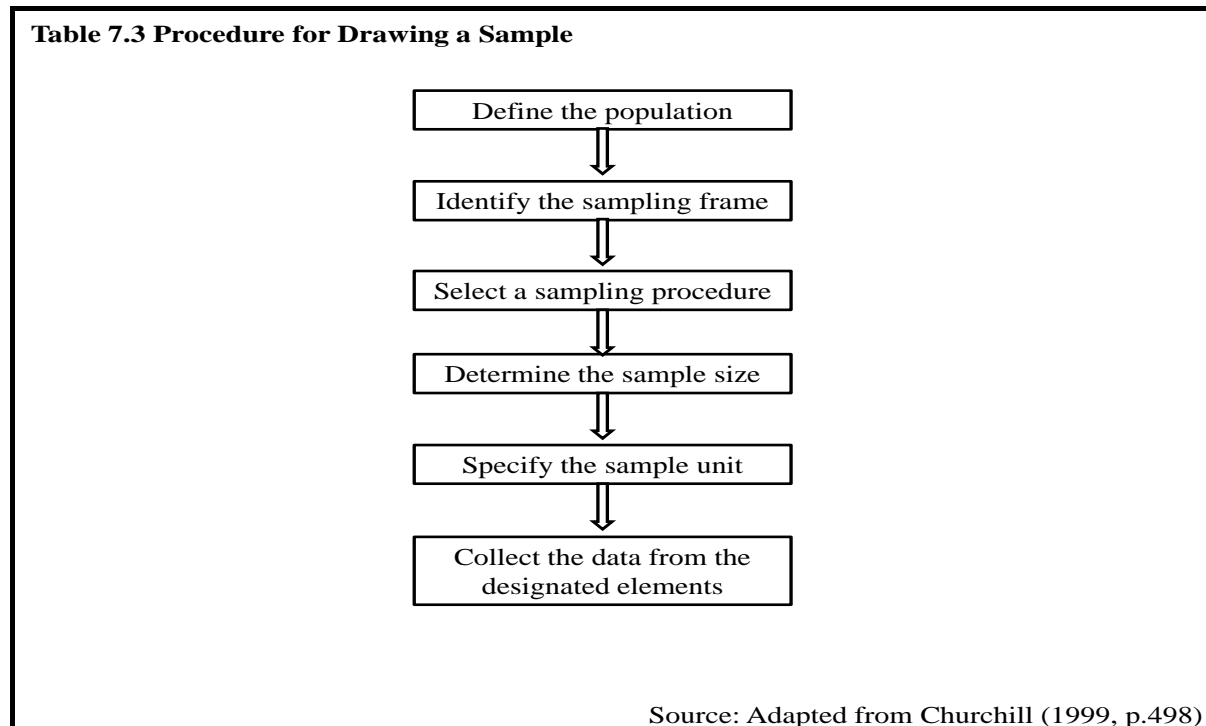
1. 'Individual factors' which look at the Brand Luxury Index and materialism.
2. 'Social consumption factors' which look at social consumption motivation and brand meaning.
3. 'Attitudinal Factors' which incorporate an investigation into consumers purchasing luxury designer handbags or counterfeit handbag versions.
4. 'Consumption Related Emotions' which look at post-consumption related emotions.

These four major antecedents consist of a combination of applicable measurement scales which have led to the development of each antecedent, which were chosen because they were believed to be relevant to the concerns of women in London towards the consumption of luxury designer handbags and counterfeit handbag versions. Each antecedent was measured separately to consider the disparity in women's perceptions and evaluations, and then the relative importance was measured by comparing it with other antecedents, all relating to the last handbag purchase.

The range of significant attributes is reliant on women's purchasing motivation for luxury designer handbags and counterfeit handbag versions. As consumer motivations and influences vary, it is of significance to this study to investigate the relative weight of the four antecedents at the post-purchase phase among women in London who have purchased luxury designer handbags and counterfeit handbag versions. This study analyses women in London and their consumption behaviour in a single product category, fashion handbags. Of particular interest were the independent and common roles played by diverse antecedents and extracting the relative importance of the four antecedents under investigation.

7.6 Sample Design

The sample design which relates to this study is will be deliberated in this section. The discussion outlines sampling procedures suggested by Churchill (1999) which is depicted in Table 7.3. It begins by defining the population and concludes with gathering the data from the chosen method.



7.7 Defining the Population

The definition of a population is expressed as the complete collection of people who are being studied in accordance to the objectives of the research (Burns and Bush 2000). Attempting to identify the population accurately and precisely is significant at the beginning of a research study, as sampling is meant to obtain information about the population (Aaker et al., 1997).

In this research, the target population includes women consumers aged 16 years old and above who reside in the city of London. London was chosen for two reasons. Firstly, the researcher is based in London and London has been ranked at number one in relation to demand levels of fashion handbags (Parker 2005). This results in data collection being more cost-effective. The guiding principles recommended by Aaker et al. (1997) were deliberated in the method of defining the target population. The guiding principles comprised: achieving the research objectives, bearing in mind the alternatives, familiarity with the market,

considering suitable sampling units, identifying plainly what should be excluded, and not over-defining, should be replicable, and consider convenience. Table 7.4 signifies the defined population for this study.

Table 7.4 The Target Population

Population Criteria	Target Population Of This Study
Element	Female consumers
Sampling Unit	London female consumers
Extent	Female consumers aged 16 and over
Time	June-August 2010

7.7.1 Specifying the Sampling Frame

The sampling frame is the population of the studied samples (Churchill 1999). Rice (1997) suggested six conditions for a useful sampling frame encompassing completeness, accuracy, adequacy, being up-to-date, convenience and non-duplication. Completeness relates to all the members of the population involved in a list who can provide accurate information (i.e. addresses). Adequacy is comparable to completeness and relates to a sampling frame including the complete population. Up-to-date merely relates to consistently updating information included in the sampling frame. Convenience relates to a sampling frame that is easily available. Lastly, non-duplication relates to each member of the population appearing on a list no more than once (Rice 1997).

As suggested by Churchill (1999) questionnaires can be dispensed in person, by telephone and by mail survey. A sampling frame is a representation of the target population. It consists of a list or set of directories which isolates the target population. If a list cannot be compiled, then at least some guidelines for categorising the target population ought to be detailed. The main disadvantage of redefining the population and focusing on accessible sampling frames is that the nature of the research problem may be compromised. Another disadvantage of using

accessible sampling frames is that the research results may be generalised and may not complement the target group of individuals recognised in a research problem description. Sample validation accounts for sampling frame error by vetting the respondents at the data collection stage. Respondents can be vetted with regard to product usage demographic characteristics, familiarity, and other features to make sure that they comply with the measure for the target population (Malhotra and Birks 2003). These techniques were applied as part of this research in an attempt to reduce sampling error.

7.7.2 Selecting a Sampling Procedure

Deciding on a sampling method that interrelates with the sampling frame is reliant on what the research can distinguish from a sampling frame (Churchill 1999). The sampling process involves two steps: identifying a sampling method and identifying a sampling plan (Tull and Hawkins 1993). The sampling technique is the method the sample units are chosen from. The sampling plan relates to the operational procedures for the choice of the sampling units (Tull and Hawkins 1993).

A cross-sectional design involves the gathering of information from any given sample of population only once. Cross-sectional designs can be single cross-sectional or multiple cross-sectional (Malhotra and Birks 2003). This research used single cross-sectional design where only one sample of respondents is extracted from the target population, and the information is obtained from this sample once (Malhotra and Birks 2003).

7.7.3 Probability vs. Non-probability Methods

Sampling methods can be separated into the two categories of probability and non-probability samples (e.g. Churchill 1999). Probability sampling means that every member of the population has a chance of being chosen. Non-probability sampling is where the probability of choosing members from the population is unknown (Burns and Bush 2000). Whatever sampling technique is chosen, effort should be put into lessening the sampling error. The choice of using a nail bar in Finchley, London as the basis for sample selection and was established on the three steps (selecting the sampling area and sampling point, station interviewers, sample days of the week and times of day with adequate fair consumer traffic) of sampling measures suggested by Sudman (1980). Convenience sampling was used as part of this research; respondents were selected by their agreement to participate in the personal survey. The interviewer was located inside the nail bar entrance and exit door. Particular

effort was made to make sure the sample collection was not formed on the basis of the interviewer's judgement. The interview attempted to represent a methodical sample from women in a nail bar. Primarily, the design took into consideration the fact that some women would decline to participate in the survey, and the subsequent person was intercepted as a substitute. Personal interviews were carried out over 12 weeks. These measures cannot guarantee interviewer selection bias, but it did aid in decreasing it (Sudman 1980). In spite of the suggestion of considering consumer frequency, the weight of consumer frequency is not taken into consideration in this study. Low cost, better control and flexibility are the main motives for the attractiveness of a nail bar survey method (Hornik and Ellis 1988). Although this research is conducted in a nail bar, the characteristics are considered similar to a mall survey technique. However, despite the advantages it shares with the mall survey technique; it also has similar disadvantages to the mall survey. The disadvantages associated with a mall survey as suggested by Murry et al., (1989) and Gates and Solomon (1982) are the vulnerability to random sampling procedures and high non-response rates.

The next section expresses strategies assumed to diminish non-response rates. Non-response error is the discrepancy among individuals that respond to a survey and those who do not (Tull and Hawkins 1993) which can be a fundamental problem (Aaker et al., 1997; Tull and Hawkins 1993). In comparison with other data compilation methods, mall intercept interviews seem to have elevated rejection rates (Gates and Soloman 1982). In an attempt to develop better response rates, the 'gaze and touch' technique recommended by Hornik and Ellis (1988) was applied, and a likeable verbal method suggested by Hornik (1982), was adopted. As a consumer enters the nail bar, they are allowed to sit down and get comfortable while having their nails manicured or feet pedicured, the respondent is then met by the interviewer who greets the individual and asks whether the subject is a resident of London. The interviewer then introduces herself as a student running a university research assignment and asks whether the consumer would like to participate in a 15 to 20 minute survey interview, ensuring confidentiality.

As a result of the deficiency of practical sampling frames, this study used a nail bar which was chosen as the site for data collection. It can be argued that this is not probability sampling. This study does not reject the restrictions that may be applied to this research. Malhotra (1996) asserted that non-probability sampling can be employed if the research interests focus on the amount of samples that provide a variety of answers or convey diverse

attitudes. In an attempt to attain the advantages offered by probability sampling, this study initiates probability aspects. It is expected that the disadvantages instigated by the use of a nail bar can be compensated by the application of probability techniques.

It is recognised that shopping areas are often chosen for consumer related surveys (Aaker et al., 1997). But unfortunately permission was not granted, after numerous attempts to secure consent in malls like Brent Cross and Westfield. The main reasons for choosing a nail bar for this study are as follows. First of all, it can be assumed that women that participate in the ritual of grooming, tend to be style conscious and consider themselves as being 'stylish' following the latest fashions, enjoy spending their money on beauty, accessories, and clothing purchases. As a result, these women do not perceive anything negative about investing in themselves and on contemporary brands. There is little accurate information about the consumption patterns of women in London, relating to the purchase of luxury designer handbags and counterfeit handbag versions in terms of academic research. The data collection process was conducted practically every day, across 12 weeks. To a large degree it is reasonable to presume that all adults have a non-zero (but not equal) probability of being found in a nail bar. These style-conscious women take a certain degree of pride in their outward appearance and may consider it necessary for them to partake in regular grooming practices. Nail bars provide a range of beauty procedures. As a result, nail bars can attract a variety of women. The use of a nail bar can also attract more people to participate in this research as they are sitting down for long periods of time getting manicures and pedicures; this made the women in the nail bar more approachable and agreeable as they had the time to talk to the researcher, which makes the research management process much easier. Support from the nail bar, to some degree allowed for a better quality of data collection, a higher response rate and reduced the cost entailed in data collection. With regards to the non-probability being selected this instigates various frequencies (Sudman 1980), whether or not it leads to a biased sample may be arguable. For example, preceding research results suggest that there seems to be no reason to construe that the frequency of shoppers is uncontrolled and would cause a biased sample (Dupont 1987). Overall, the use of a nail bar as a location for data collection is regarded as an exceptional method; and the data collection phase was extremely successful. There were a variety of demographic respondents who had purchased luxury designer handbags and counterfeit handbag versions.

7.7.4 Sample Size

There are three frequently used methods utilised in determining sample size, but Fowler (2002) claimed that they are not suitable methods in establishing sample sizes. These three methods comprise deciding the sample size founded on the total size of the target population, determining it on the basis of a recommended standard size, and determining the sample size on an acceptable margin of error. The initial method of determining a sample centres on an unsuitable interpretation that the adequacy of sample sizes relies on the fraction of the population comprised in the sample; for example, a large fraction will make a sample more plausible (Fowler 2002). Although, as the fraction of the population incorporated in the sample is not a component of sampling error estimation (i.e. a measure of the accuracy of the sample), this method is not a suitable method of determining the sample size (Fowler 2002). The second commonly employed method for establishing sample size is to obtain it on the basis of prior investigations; which is unsuitably labelled as a standard survey study (Fowler, 2002). As Fowler (2002) proposes, even though it is suitable to consider the sample sizes of a specific population that studies have measured as being appropriate, the sample size decision must be established on an individual basis. Consideration should centre on the assortment of objectives to be accomplished by a particular study and other connected characteristics of the research design (Fowler 2002). The third method of inappropriate sample size selection is founded on consideration of the margin of error adequate to a particular study, or the sum of accuracy expected from estimates (Fowler 2002). Fowler (2002) disputed that in theory this approach is not incorrect; yet, practically this method offers little help to researchers in sample determination due to a number of factors. The bulk of survey investigations entail numerous estimations and the required accuracy for these estimates are subject to change; thus, it is not appropriate to make a sample size assessment on the need for accuracy of a single estimate (Fowler 2002). In addition, it is difficult to identify an adequate margin of error in advance. This method also assumes that errors only materialise from sampling and disregards the fact that there are numerous other causes of error such as response bias. Consequently, Fowler (2002) suggested that calculation of accuracy founded solely on sampling error is an unrealistic generalisation; therefore developing decisions on sample size is inappropriate (Fowler 2002). According to Fowler (2002), the precondition for establishing sample size is a data analysis plan. Data analysis consists of using statistical techniques such as factor analysis, which is used as part of this study and is discussed in the following chapter. It has been recommended that in order to achieve precise statistical analysis, the

sample size should be over 300 (Stevens 1996). Thus, the total sample size of this study consists of 353.

7.8 Method of Data Collection – Personal Survey

Generally, questionnaires can be dispensed by telephone, in person, and by mail survey (Churchill 1999; Aaker et al. 1997). The kind of questions such as open versus closed questions and the nature of data necessary have significant results on the option of data collection methods (Churchill 1999). If questions are straightforward and instructions are provided in the questionnaire, mail administration can be an appropriate choice over personal interview. Mail administration needs less exertion and can be time-saving and less costly than using interviewers (Oppenheim 2000).

In spite of the highlighted advantages, the mailing technique is not appropriate for this study. Furthermore, telephone interviews reduce the sorts of questions that can be asked to short and uncomplicated ones (Churchill 1999; Aaker et al.. 1997), and therefore are not taken into account for this study. Personal interviews permit respondents to observe the questionnaire and interrelate face to face with the interviewer. Consequently, extensive, multifaceted and diverse questions can be asked (Malhotra 1996). Additionally, personal interviews frequently achieve a high response rate; they present the occasion to correct misinterpretations and manage incompleteness of the questions; and interviewers can assist respondents who have reading or language difficulties (Oppenheim 2000). After evaluating the rewards and drawbacks of a mail survey, telephone survey, and personal interview, it was determined that personal surveys were more appropriate to this study.

7.8.1 Justification for choosing Personal Surveys

Survey techniques are based on the operation of structured questionnaires given to a sample of a population. Respondents may be presented with an assortment of questions concerning their attitudes, behaviour, intentions, motivations, awareness, demographic and lifestyle characteristics. These questions can be asked in writing, verbally, or via a computer, and the answers can be acquired in any of these methods. ‘Structured’ applies to the level of standardisation imposed on a data collection method. In structured data compilation, a formal questionnaire is prepared and the questions are asked in a predetermined sequence. Whether research is categorised as direct or indirect depends on whether the correct rationale is recognised by the respondents (Malhotra and Birk 2003). This research assumed a direct

approach in that the intention of the research was revealed to the respondents or made apparent to them from the questions asked.

In a standard questionnaire, the majority of questions are fixed-response, alternative questions entail the respondents picking from a predetermined collection of answers. Survey methods have numerous advantages; first, the questionnaire is uncomplicated in relation to administration. Second, the information obtained is coherent since the responses are restricted to the alternatives stated. The adoption of fixed-responses decreases the variability in the end result that can be instigated by variation in interviewers. Lastly, coding analysis and interpretations of data are comparatively straightforward. Disadvantages may involve respondents being unable or reluctant to offer the desired information. Respondents may not be consciously aware of their reasons for selecting particular handbags. Thus, they may be incapable of offering correct answers to questions about their motives. Additionally, structured questions and fixed-response alternative questions can lead to a loss of validity for particular categories of data such as beliefs and feelings. The content of the questionnaire deals with measures of all antecedents adopted in the research concept model as highlighted in Chapter 6. In addition to the fundamental questions related to the measure of these antecedents, supplementary questions were asked at the start of the questionnaire in order to ascertain participation such as “*Approximately how many handbags do you own?*” These questions are directly connected to the essential information for participation but are not analysed.

7.9 Evaluation of Survey Techniques

The assortment of questions that can be asked in a survey is reliant on the amount of interaction the respondent has with the interviewer and the questionnaire, in addition to this, the respondent can essentially see the questions. A selection of questions can be asked in a personal survey because respondents can view the questionnaire and the interviewer is in attendance to explain ambiguities. Malhotra and Birks (2003) suggested several advantages of carrying out personal surveys, which are:

1. Sample control is the aptitude of the survey method to obtain the components specified in the sample successfully and competently. In principle, personal surveys suggest excellent sample control. It is possible to manage which sampling units are being interviewed, who is interviewed, and several other facets of data collection, although the researcher has to

prevail over some drawbacks. In relation to this study, the nail bar permitted a reasonable level of sample control. Even though the interviewer has control over which respondents to select it is restricted to individuals who are having a treatment at the nail bar, and women who frequently visit the nail bar have a higher probability of being selected. Furthermore, prospective respondents can purposely evade or instigate communication with the interviewer.

2. The environment in which a questionnaire is completed can influence the way that a respondent replies to questions, for instance, the degree of distraction respondents' face from other people, noise and temperature. The amount of control a researcher has over the context or environment distinguishes diverse survey modes (Malhotra and Birks 2003).
3. Personal interviews permit the researcher to gather great quantities of information. In the context of this study the social affiliation between the interviewer and respondents proved beneficial, as well as the nail bar environment motivating respondents to spend more time with the interviewer.
4. Social desirability is the tendency of respondents to offer responses that they believe to be suitable in front of others, including the interviewer. When a respondent is questioned face to face by an interviewer, they may provide a reply that they think is 'acceptable' instead of revealing how they really feel or behave. The possibility of constructing a strong rapport with respondents may permit the respondent to disclose how they really feel.
5. Even though the interviewer has the capability of constructing bias in the responses extracted from respondents; this is stabilised by the degree of probing that can be achieved with personal surveys. Much deeper probing can be accomplished, within limits.
6. Rapport can be built with respondents; it is the interviewer's responsibility to communicate why the survey is being carried out, with a matching justification for the respondent to spend time answering the questions. Away from motivating respondents to be included in a survey is the requisite for respondents to reply honestly, to reflect upon the questions accurately and not to hurry through the questionnaire.

7. The speed in which a personal survey can be created and distributed to respondents is beneficial to completion of this research.

Former researchers (e.g. Oppenheim 2000) have recommended numerous techniques to enhance response rates. This study employs the following methods as a way of improving response rates.

1. Explanation of selection: The initial study revealed that some individuals presume that they are not suitable for participation. As a result, it is highly probable that these individuals will decline to take part in this research if no reasonable explanation is provided. Therefore, the response rate is reduced by one quarter prior to the research beginning. Additionally, bias is introduced, due to the fact that these individuals may have uncommon perceptions or understandings.
2. Use of egoistic appeal: It is recommended that exercise of egoistic appeals can advance response rates (Bums and Bush 2000). For the purpose of this research, the egoistic appeal employed was: "*Your contribution to this study is greatly appreciated and will add to the success of this study.*"
3. Application of counter-biasing statements: For the purpose of this research the assertion that consumers do knowingly purchase luxury designer handbags and/or counterfeit handbag versions was illustrated on both the cover letter and in the questionnaire itself. It is assumed that exercising this method can make it a lot easier for the respondent to declare potentially awkward behaviour (Churchill 1999), for example, some women may not want to reveal that they have purchased a counterfeit handbag version.
4. Confidentiality: Participants are assured that all the information they give will be dealt with as confidential. In particular, only the researcher will have admission to the data. The following statement appears on the cover letter of the questionnaire: "*All the information supplied by participants will be treated as confidential. Your name will not appear anywhere on the survey*".
5. The definition of counterfeit was placed at the start of the questionnaire, bearing in mind that people may have a diverse perception and understanding of the terminology (Hoe et

al., 2003). This clarification is considered as being significant to guarantee that all respondents acquire a universal perception of what is meant by counterfeit in the context of this study.

1. **Appearance:** There have been numerous experiments with the quality of paper, layout, type face, and colour etc. But, for the purpose of this research a moderately 'conservative' appearance was chosen as it provided a professional look (Oppenheim 2000).
2. **Length:** The complexity of this research highlights the lengthy nature of the research instrument. Due to the influence and impression of the length of a questionnaire on the response rate, the researcher attempted to shorten the questionnaire, while also attempting to make sure that no important information was lost. For example, the questionnaire design was developed using Likert scales. This technique allows respondents to save time reading a statement numerous times. Therefore, respondents only read the statement once but judged it numerous times against different semantics and handbag choices (luxury designer or counterfeit versions) ahead of deciding their answers. This technique makes the questionnaire look simpler and more concise, while ensuring that no information was lost.

7.9.1 Wording of questions Related to the Questionnaire Design

The questionnaire begins with relatively simple questions. This aids in confirming a rapport and instils confidence in the participants to answer the questions (Kahn and Cannell 1957). The questionnaire keeps in line with the logic of the consumer decision-making process, which is also aligned with the outlined conceptual model.

The survey begins with unstructured questions which allow respondents to answer in their own words. They are also termed as free-response or free-answer questions. The open-ended questions are initial questions relating to the topic and allow the respondents to communicate broad attitudes and opinions, which can assist the researcher to understand answers to structured questions. Every time a different topic is presented, a transition statement as well as a bold title is presented to inform the respondent what information is needed in this particular section of the questionnaire. Additionally, specific instructions are highlighted to direct the respondent in their answers.

Likert scales are an accepted form of measurement used to measure attitudes in marketing research (Schiffman and Kanuk 1994). In this research, Likert scales were used as they have been shown to be reliable, are simple to create, and offer better information relative to the extent of respondents' views (Chisnall 1997). Additionally, the scores accomplished can be contrasted within different groups. To measure consumer perceptions and attitudes, respondents were requested to specify their views to every statement applicable to their last handbag purchase alone by using 5-category scales, 1,2,3,4,5, indicative of 'strongly agree' to 'strongly disagree' (where 1=strongly agree; 5= strongly disagree). Responses to the 1-5 Likert scores were later recoded and reversed using SPSS to ensure that agreement was indicative of the same direction. A Five-point scale was selected rather than seven-point, because it is easier for the interviewer to explain and for the data to be comprehended (Chisnall 1997). The issue of measurement and analysis by the application of Likert scales in surveys ought to provide credibility to understanding: how consumers perceive the product category in a broad spectrum, the product category features, benefits and advantages (Hoek et al., 2000). The responses to these questions will highlight how women in London evaluate and appreciate their purchase decisions regarding luxury designer handbags and counterfeit handbag versions.

7.9.2 Subsequent Questions

Questions asked near the beginning of a sequence can influence the answers to successive questions. As a rule of thumb, general questions ought to precede detailed questions; this avoids particular questions from biasing the answers to the general questions. Going from general to specific questions is identified as the funnel approach; this approach was used for the purpose of this research and is very practical when information has to be obtained about the respondents' broad choice behaviour and evaluation of certain products (Malhotra and Birks 2003). The questions followed a logical order. Every question that dealt with a specific area was asked prior to starting a new subject. When changing topics, concise transitional phrases were employed to assist respondents to change their train of thought. For example, branching questions were employed to guide respondents to distinct parts in the questionnaire which centred on how they answered specific questions. These questions guaranteed that all potential contingencies are guarded, they also assist in reducing interviewer and respondent error and promote complete questionnaire responses (Malhotra and Birks 2003). Although particular aspects reduce respondents' ability to provide the necessary information, for example, respondents may not be knowledgeable, may not recall, or may be incapable of

articulating specific modes of responses (Malhotra and Birks 2003). In circumstances where not all respondents are expected to be knowledgeable about the subject of interest, filter questions measured the familiarity, product use and past experiences prior to questions about themselves (Malhotra and Birks 2003). Filter questions allow the researcher to sieve out respondents who are not satisfactorily knowledgeable. According to Malhotra and Birks (2003), the failure to remember or recall leads to errors of omission. Telescoping happens when an individual telescopes or compresses time by recalling an event as taking place more recently than it really did; this research employs the telescoping technique as it focuses on post consumption.

7.9.3 Question Wording

Question wording is a significant and complex task when developing a questionnaire (Malhotra 1996; Churchill 1999). It entails interpreting the required question content and structure into language that participants can clearly and simply comprehend (Malhotra 1996). The two major inconveniences caused by inadequate wording are identified as 'item non-response' and 'response error' (Malhotra 1996). In particular, poor phrasing can result in participants declining to answer or to answer wrongly, due to misunderstanding or on purpose (Churchill 1999), which can result in a biased result (Fred 1990).

Due to the significance and difficulties associated with the wording of questions, numerous proposals by researchers have been offered to improve good phrasing of questions (e. g. Malhotra 1996; Churchill 1999; Oppenheim 2000; Aaker et al. 1997). Consequently, it was decided that a pre-test was essential in an attempt to guarantee wording accuracy. The initial aim of a pilot questionnaire is its role in serving to improve question wording in connection to the examination of the various antecedents which influence the purchase of luxury designer handbags and counterfeit handbag versions. This helped the development of simple language.

7.10 Techniques Developed to Decrease the Length of the Questionnaire

The questionnaire was originally 21 pages long. Undoubtedly, the length of the research questionnaire put prospective respondents off. Due to this research investigating two versions of handbags from the same product category, the bulk of the questions were repeated twice in relation to the respondent's last handbag purchase. Repetition of questions will tend to make respondents feel uninterested (McLauchlan 1987). In order to solve the problem, a new

technique was adopted, filtered questions directed respondents to answer questions which were applicable to their last handbag purchase.

Respondents were asked to specify their level of agreement or disagreement with every statement by indicating a suitable number that indicated their degree of agreement or disagreement via the use of conventional Likert scales.

7.10.1 Pilot Questionnaire and Verification

According to Blumberg, et al. (2005), the data collection phase of the research method normally commences with pilot testing, allowing the researcher to discover weaknesses in the instrumentation and design of the questionnaire. To assist the gathering of quantitative data, the questionnaires were piloted among women in London, as they met the sampling criteria. Questionnaires were administered to women in London, whose last handbag purchase was either a luxury designer handbags or a counterfeit handbag version. The women involved in this pre-testing stage were requested to comment on the questionnaire in relation to wording of questions, content, and ease of completion and the order of questions. As a result of the pilot questionnaire, changes were made to the questionnaire, which is discussed further below.

It is extensively acknowledged that pre-testing a questionnaire is an essential element of questionnaire development (Reynolds and Diamantopoulos 1998; Churchill 1999). Since neither professional judgement nor intellectual implementation are faultless replacements for pre-testing (Backstrom and Hursch 1963) and non-sampling error (i.e., response and non-response error), it is an important contribution to the totality of survey error (Assael and Keon 1982), that pre-testing a questionnaire is incorporated as part of the survey design process (Bolton 1991). Churchill (1999) recommended that data compilation should certainly not be exclusive of adequate pre-testing of the chosen instrument.

7.10.2 Pilot Testing and the Respondents Profile

The measurements scales were extracted from prior studies which were subjected to necessary amendments. It is suggested that the pre-test sample size be small, from 15 to 30 respondents for the preliminary testing phase, (Malhotra 1996; Kinnear and Taylor 1996). Therefore, 20 respondents were measured as an adequate pre-test sample size for this study. Additional to this, the conventional wisdom is that the pre-test sample ought to be as

comparable to the target population as possible (Churchill 1999; Oppenheim 2000; Malhotra 1996).

7.11 Shortcomings Identified

The initial pilot questionnaire highlighted some minor concerns with particular individual questions, and various weaknesses in the overall design. The limitations acknowledged are classified and discussed below.

Suggestions relating to the length of the questionnaire: The initial draft was perceived as too long leading to the following changes:

- Modify the title statements of every section question (for example: "Brand Meaning"). These modifications permit the completion of every section which makes the discussed topics clearer and more understandable to the respondents; titles were also condensed in the opening of each section, which resulted in a shorter questionnaire in comparison to the first draft which was 21 pages long.
- The cover page or the first page of the questionnaire should highlight definitions as well as an interesting statement and background information.
- Suggestions relating to language as some of the terminology was deemed academic and, as a result, particular words had to be changed.

7.12 Data Analysis

The collated data was analysed using SPSS version 16. The motive for choosing the SPSS statistical package is linked to the fact that it permits the calculation of all essential statistics, such as descriptive statistics, reliability test, and factor analysis, required for data analysis. In addition, SPSS is easily available and user friendly so it can be learnt within a short enough time frame. There are also numerous books available to familiarise oneself with SPSS application to present and interpret the data.

7.12.1 Statistical Techniques for Validity Test

Straub et al (2004) suggested that a new survey instrument ought to be validated by using statistical techniques such as a reliability test in order to verify the internal consistency of

measures and factor analysis in order to validate the construct validity, including both convergent and discriminant validity (Straub et al., 2004). According to the suggested guidelines, a survey instrument that has a high internal consistency (i.e. it is reliable) if the estimated Cronbach's Alpha is above 0.70. Construct validity (both discriminant and convergent) exists if the latent root criterion (i.e. eigenvalue) is equal to or above 1, with a loading of at least 0.40; exclusive of the cross-loading of items above 0.40 (Straub et al., 2004). Following the above guidelines, the aforementioned statistical techniques were employed to validate the survey instrument and some items were modified to suite the purpose of this research.

7.12.2 Scale Construction

If all items for a construct demonstrate high reliability then internal consistency is achieved, items that load on one factor in the factor analysis display construct validity and can be used to construct a scale in two ways as suggested by Moore and Benbasat (1991): (1) to construct a scale that entails summing or averaging the mean of the items that load highly in a factor (Gorsuch, 1988; Moore and Benbasat 1991); (2) to construct a scale (i.e. aggregate measure) that requires taking into account the score of factors (Moore and Benbasat 1991). Moore and Benbasat (1991) state that the relative weight of an item in a scale is established on its loading in the factor, therefore its scores may be deemed more accurate than summing or averaging the mean of items in a factor. Numerous studies (Brown et al, 2002; Karahanna et al., 1999; Koufaris 2002; Moore and Benbasat 1991; Olson and Boyer 2003;) have utilised the method of averaging the mean of items as a method of constructing aggregate measures, which has been confirmed to be entirely sufficient (Moore and Benbasat 1991; Tabachnik and Fidell 1989). As a result, averaging responses to the individual items was employed in this research, as a way of developing aggregate measures for each construct in this research. Once the scale was created, ANOVA would be carried to examine the differences.

7.13 Summary

The aims of the first stage of research investigated the role and function of the antecedents, in post-consumption evaluations by women in London, in relation to luxury designer handbags and counterfeit handbag versions. This chapter has presented and justified a methodological approach essential to accomplishing the objectives of this research.

To begin with, the chapter debated the context of this research in a wider philosophical paradigm, and explained the decision to use positivism as a research framework with the use of a quantitative approach as an exploratory prerequisite to inform, guide and direct the final stage of personal survey data collection. This chapter also considered sample selection, the design and implementation of the personal survey, as well as the methods of data analysis. Chapter 8 presents the results of the quantitative research.

Chapter 8

Chapter 8 – Results

8.1 Introduction

The preceding chapters have:

1. Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.
2. Reviewed the concept of fashion and outlined accepted definitions, perspectives and concepts of fashion through a comprehensive outline of established theories.
3. Reviewed inconsistencies relating to the definition of luxury, and explored the concepts that distinguish and characterise ‘luxury’ and ‘luxury designer’. In addition, a discussion into commodities communicating individual identity was outlined.
4. Reviewed inconsistencies relating to the definition of counterfeits and provided a comprehensive background into the phenomenon of counterfeiting and its influence on the luxury designer industry in relation to its development, scale, impact, producers and recipients of counterfeit products.
5. Reviewed consumer culture and commodities as constructs applicable to individual identity. In addition a comprehensive review of consumption theories relating to status seeking and pleasure was outlined.
6. Explored the relevant theoretical frameworks related to the construct of the outlined conceptual model, explaining the underlying dimensions relating to product evaluations of luxury designer handbags and counterfeit handbag versions among women in London. Extensive research highlighted the main antecedents, individual factors, brand meaning, social consumption motivation, attitudinal factors, and post-consumption related emotions as part of the evaluative criteria.
7. Proposed the research approach and methodology to be used as part of empirical research. An explanation of the research methodology and sample selection, and the statistical techniques used for data analysis to accomplish the research objectives of this study was explored. The focus of this research is the examination of post-consumption perceptions and evaluations of luxury designer handbags and counterfeit handbag versions. Personal surveys were conducted as a method of data collection, and as a way of tackling the ‘research gap’.

This chapter will present the findings obtained from the data analysis of 353 personal surveys collected over a period of 12 weeks in 2010. An exploration into the evaluation criteria among women in London whose last handbag purchase was either a luxury designer handbag or counterfeit handbag version is the focus of this research. First, demographic characteristics, and response rates among the sample are presented. This is followed by calculating reliability, Factor Analysis and Cronbach's Coefficient Alpha to validate the adopted scales. ANOVA was conducted to test the hypothesis and its significance. The results of these multiple tests ultimately supported or rejected the stated hypotheses of this research, as well as providing insights into post-consumption evaluations.

8.2 Characteristics of the Sample

It is essential to analyse the demographic characteristics of the sample acquired from the personal survey method. This justifies the level of representativeness of the target population. Achieving a representative sample is important, as it certifies that the findings of the research can be related to the target population. The analysis looks at the distribution of the sample according to age, occupation, and education.

8.2.1 Age Group Analysis

The age group profile of the respondents among women in London is presented in Table 8.1. The population covered in this research are aged 16 years old or over in 2010. The results suggest that the age group of the population is fairly represented by the sample used in this research, although, women aged over 26 to 33 years old were over-represented the sample in general, while women over the age of 66 were under-represented. This result was not unexpected, as it can be assumed that women aged over 66 are would not be willing to participate in research, and may not take part in grooming practices such as manicures. The majority of women aged 16 to 33 were presumed to be more familiar with the format of personal surveys as a research instrument and were therefore more applicable to take part.

Table 8.1 - Age Profile of Women in London

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 16	2	.6	.6	.6
17	2	.6	.6	1.1
18	8	2.3	2.3	3.4
19	13	3.7	3.7	7.1
20	16	4.5	4.5	11.6
21	9	2.5	2.5	14.2
22	14	4.0	4.0	18.1
23	8	2.3	2.3	20.4
24	9	2.5	2.5	22.9
25	7	2.0	2.0	24.9
26	4	1.1	1.1	26.1
27	14	4.0	4.0	30.0
28	9	2.5	2.5	32.6
29	17	4.8	4.8	37.4
30	21	5.9	5.9	43.3
31	10	2.8	2.8	46.2
32	5	1.4	1.4	47.6
33	18	5.1	5.1	52.7
34	2	.6	.6	53.3
35	8	2.3	2.3	55.5
36	1	.3	.3	55.8
37	12	3.4	3.4	59.2
38	9	2.5	2.5	61.8
39	14	4.0	4.0	65.7
40	16	4.5	4.5	70.3
41	3	.8	.8	71.1
42	4	1.1	1.1	72.2
43	3	.8	.8	73.1
44	6	1.7	1.7	74.8
45	8	2.3	2.3	77.1
47	3	.8	.8	77.9
48	2	.6	.6	78.5
49	4	1.1	1.1	79.6
50	12	3.4	3.4	83.0
51	3	.8	.8	83.9
52	6	1.7	1.7	85.6
53	2	.6	.6	86.1
55	11	3.1	3.1	89.2
56	2	.6	.6	89.8
57	6	1.7	1.7	91.5
58	3	.8	.8	92.4
59	1	.3	.3	92.6
60	5	1.4	1.4	94.1
61	5	1.4	1.4	95.5
62	3	.8	.8	96.3
63	3	.8	.8	97.2
64	5	1.4	1.4	98.6
65	1	.3	.3	98.9
66	2	.6	.6	99.4
67	1	.3	.3	99.7
70	1	.3	.3	100.0
Total	353	100.0	100.0	

8.2.2. Education Analysis

The educational levels of women in London are presented in Table 8.2. The information from www.statistics.gov.uk (accessed March 2010) of educational breakdown was utilised as a

reference point in categorising educational brackets. Therefore, the use of the educational breakdown for women in London was considered acceptable.

Table 8.2 Educational Breakdown of Women in London

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	G.C.S.Es	32	9.1	9.1	9.1
	A-Levels	97	27.5	27.5	36.5
	University Degree	112	31.7	31.7	68.3
	Postgraduate Degree	52	14.7	14.7	83.0
	Doctorate (PhD)	27	7.6	7.6	90.7
	no qualifications (life experience)	22	6.2	6.2	96.9
	Other	11	3.1	3.1	100.0
	Total	353	100.0	100.0	

According to the result, the educational level of the population is not adequately represented by the samples used in this research. Women with ‘GCSEs’; ‘Doctorate (Phd)’; ‘no qualifications (life experience)’; and ‘Other’ are under-represented in general, while women with ‘A-Levels’; ‘University Degree’; and ‘Postgraduate Degree’ are over-represented. This result is not unexpected, as it was assumed individuals with higher education levels would be more likely to take part in the research, while individuals with lower educational levels are less inclined to partake in survey research, as they may find difficulty in completing the questionnaire due to problems with understanding. As a result, individuals with GCSEs only are under-represented. Even though the results are not ideal, the percentages of the seven educational categories range from 3.1% to 31.7%.

8.2.3 Occupation Analysis

The occupations of women in London are presented in Table 8.3. The information from www.statistics.gov.uk (accessed March 2010) of occupational breakdown was utilised as a reference point in categorising educational brackets. Therefore, the use of the occupational breakdown for women in London was considered acceptable.

Table 8.3 Occupational Breakdown of Women in London

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Managers and senior officials	20	5.7	5.7	5.7
Skilled traders	23	6.5	6.5	12.2
Professionals	146	41.4	41.4	53.5
Associate professional and technical	26	7.4	7.4	60.9
Sales and customer service	13	3.7	3.7	64.6
Administrative and secretarial	22	6.2	6.2	70.8
Student	68	19.3	19.3	90.1
Unemployed	11	3.1	3.1	93.2
Retired	24	6.8	6.8	100.0
Total	353	100.0	100.0	

According to the results, the occupational breakdown of women in London is not adequately represented by the sample used in this research. Occupational categories of ‘unemployed’ and, ‘sales and customer service’ are under-represented in general, while women falling into the categories of ‘professionals’ and ‘student’ are over-represented. This result is not unexpected, as it was assumed individuals with professional occupations would be more likely to take part in research, while individuals who are unemployed or have low skilled jobs would be disinclined to take part in survey research.

8.2.4 Last Handbag Purchase Analysis

This research focuses on why women in London purchase luxury designer handbags and counterfeit handbag versions; as a result a breakdown on the purchasing behaviours of women is of vital importance. The number of respondents per handbag category is not representative. According to the results in Table 8.4, 68% of women in London purchased a luxury designer handbag as their last handbag purchase, while 32% of women in London purchased a counterfeit handbag version as their last handbag purchase. Even though the numbers of respondents per handbag category are not equal it has been recommended that a sample size of 300 is respectable (Comrey and Lee 1992), therefore a sample size of 353 was considered acceptable.

Table 8.4 – Breakdown of Last Handbag Purchase among Women in London

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid genuine luxury designer handbag brand	241	68.3	68.3	68.3
counterfeit/fake designer handbag brand	112	31.7	31.7	100.0
Total	353	100.0	100.0	

8.3 Reliability of Measures

The reliability of a measure relates to its consistency. In essence, it refers to the degree to which a scale constructs reliable results if repeated measurements are made (Fazio et al. 1989). Thus, a reliable measure will produce the same finding on recurring occasions if the phenomenon under investigation has not changed (Burns and Harrison 1979).

As a result, Cronbach's Alpha is employed to observe the internal consistency of the multiple-item scales: Individual factors, social consumption factors, attitudinal factors and consumption related emotions. The standard rule of thumb is that the correlation coefficient should be 0.8 or above (Bryman and Cramer 1999), although Hinkin (1995) suggested a less restrictive acceptable level of at least 0.70. This rule of thumb is applied to the 'Attitudinal factor' scale which investigates attitudes towards luxury designer handbags and counterfeit versions. Kaplan and Saccuzzo (1997) suggest that if a correlation coefficient is lower than 0.8 items that reduce the reliability should be deleted from the scale. The dropping of items is practiced as it improves scale reliability. Prior to carrying out the reliability analysis, all scores of negative statements are reversed to ensure that all scores are absolute values of those items. The reason behind this is as stated by Field (2005, p. 674):

“failing to reverse-score items that have been phrased oppositely to other items on the scale will mess up your reliability analysis.”

Table 8.5 demonstrates the Cronbach's Coefficient Alpha values that were estimated to observe the internal consistency of the measurement scales. Cronbach's Alpha differed between 0.70 (attitudinal factors towards luxury designer handbags versus counterfeit handbag versions construct) and 0.93 (post-consumption related emotions construct). Brand meaning and social consumption motivation (relating to luxury designer handbags) construct

and post-consumption related emotions construct possessed a reliability value above 0.90. Cronbach's Alpha of five constructs possessed values above 0.8. The construct investigating attitudes towards luxury designer handbags versus counterfeit handbag versions had a Cronbach's Alpha value of .70. High Cronbach's Alpha values suggest that constructs are internally consistent. This implies that all items of each construct are measuring the same content. A high Cronbach's Alpha value suggests a higher reliability.

Table 8.5 - Reliability of Measures Relating to Factor Analysis

Construct	N	Number of items	Cronbach's Alpha	Type
Attitudinal Factors and Individual Factors (Luxury designer handbag)	241	23	.842	High reliability
Attitudinal Factors and Individual Factors (Counterfeit handbag versions)	112	23	.852	High reliability
Brand meaning and social consumption motivation (Luxury designer handbag)	241	20	.925	Excellent reliability
Brand meaning and social consumption motivation (Counterfeit handbag version)	112	16	.886	High reliability
Attitudinal factors towards luxury designer handbags versus counterfeit handbag versions	353	7	.702	Good reliability
Post-consumption related emotions towards luxury designer handbags and counterfeit handbag versions	353	39	.903	Excellent Reliability

8.4 Factor Analysis

A great deal has been written about adequate sample sizes for factor analysis. Hulin et al. (2001) claimed that there should be a 15:1 ratio of respondents to the number of items; some researchers suggest a much lower ratio and a more detailed sample. For instance, Tabachnick and Fidell (2001) and Comrey and Lee (1992), concur that five cases for each item is sufficient in most cases, 300 is a respectable sample size, 100 is weak and 1000 is exceptional. Recently, several empirical studies have been carried out to examine the influence of sample size on factor solutions. Arrindell and van der Ende (1985) proved that variations in the ratio of respondents to items made minor discrepancies to the stability of factor solutions. While some empirical investigation (e.g. Guadagnoli and Velicer 1988; MacCallum et al., 1999) encourages the 300 rule. Therefore, the sample size of this research (353) is adequate to perform factor analysis.

Additionally, the Kaiser-Meyer-Olkin (KMO) (Kaiser 1970) measure of sampling adequacy was employed. The KMO can be determined for single and multiple variables and signifies the ratio of the squared correlation between variables to the squared partial correlation between variables. The KMO values are detailed in Table 8.5; KMO values larger than .08, are ranked as 'great' (Kaiser 1974). High KMO values suggest that the items will construct specific factors (Hutcheson and Sofroniou 1999) and the data sets are suitable for the appliance of factor analysis.

8.4.1 Objective for Using Factor Analysis

The application of factor analysis endeavours to attain two objectives. First, by compressing the highlighted dimensions into smaller groups of new combination dimensions, information is made manageable. Second, to investigate whether the measures used to measure the constructs across luxury handbags and counterfeit versions fall into the equivalent factor(s). If scale items load on the identical factor(s), and they have comparable factor loading (s), then content validity can be assumed (Bryman and Cramer 1999). This technique has been broadly applied in past cross-cultural research examinations (e.g. Poortinga 1989; Singh 1995). This research uses factor analysis to test if a construct loads similarly or differently for purchasers of luxury designer handbags and purchasers of counterfeit handbag versions.

8.4.2 Principal Component Analysis vs. Principal Factor Analysis

Principal component analysis (PCA) was used to accomplish the objectives of this study. PCA is applied because the aim of this research is data reduction, and it is often chosen as a method for data reduction over principal factor analysis (PFA) (Preacher and MacCallum 2003). There are no strong views that state that the underlying factors should be unrelated (Field 2005), the factor solution in this study was rotated using the Varimax method, as the orthogonal rotation algorithm Varimax is frequently reported in management studies for scale construction (Hinkin 1995).

8.5 Data Cleaning and Reverse Items Recoding

After the data was transferred into SPSS 15, the frequency distribution was used to identify out-of-range values. In addition, cases were double checked for data entering errors. Most of the data was acquired using 5-point Likert scales, so responses of 0, and figures above 5 were deemed out of range. Re-coding of some items (negative emotions) were reversed using SPSS to guarantee that agreement was indicative of the same direction.

8.6 Factor Extraction and Loadings

Considering Kaiser's (1960) suggestion, all factors with eigenvalues greater than 1.0 are accounted for. The eigenvalues signify the quantity of variation explained by a factor. The Kaiser (1960) measure is frequently used, but has met with criticism. Jolliffe (1973;1986) states that Kaiser's criterion is too narrow and recommends maintaining all factors with eigenvalues greater than .70. Factor analysis clarifies scale validity, so there is no need to keep as many factors as possible, as a result Kaiser's (1960) criterion is principally considered. In relation to this study, items with a factor loading of at least .30 which did not split load on to another factor were regarded as components of one factor. Items that split loaded on two factors with more than one factor loading being above .30 were dropped.

In essence, factor analysis is a statistical technique used to identify a relatively small number of factors that can represent relationships among interrelated variables. This may help to disclose relationships among the attributes, providing a better understanding of the purchasing behaviours of women in London as well as highlighting the relative importance of the variables in post-consumption.

8.6.1 Individual Factors and Attitudinal Factors Related to Luxury Designer Handbags

Factor analysis, using principal components extraction and varimax rotation, was performed on the correlation of 24 items in total. The factor analysis of individual dimensions and attitudinal dimensions towards luxury designer handbags resulted in two factors. Factor one consisted of 15 items which are questions concerning individual dimensions of luxury designer handbags. Factor two consisted of nine items, relating to questions concerning attitudinal dimensions attached to luxury designer handbags. The KMO (Kaiser-Meter-Olin) statistics show a value of 0.82, which falls into the range of being superb, indicating that factor analysis is appropriate for this data. Furthermore, Bartlett's test is highly significant ($p < 0.000$), and confirmed the appropriateness of using factor analysis. See Table 8.6.

Table 8.6 - KMO and Bartlett's Test - Individual Factors and Attitudinal Factors Related to Luxury Designer Handbags

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.825
Bartlett's Test of Sphericity	Approx. Chi-Square	2730.213
	Df	276
	Sig.	.000

The two factors extracted eigenvalues are equal to or greater than 1.00. The rotated component matrix shows the variables load very highly onto one factor. The factor analysis produced two factors and explained approximately 36.64% of the total variance. Table 8.7 highlights the factors yielded from the factor structure.

The first factor consists of 15 items, coefficients varied between .41 and .78 that rely on the variables concerning the individual dimensions attached to luxury designer handbags, and accounted for 23.10% of the total variance. This factor was labelled the luxury designer conscious factor. The second factor delineated a cluster of nine items relating to attitudinal dimensions attached to luxury designer handbags, coefficients varied between .34 and .75, and accounted for 13.53% of the total variance. This was labelled the luxury designer attitude factor.

Table 8.7 Rotated Component Matrix (a) - Individual Factors and Attitudinal Factors Related to Luxury Designer Handbags

	Component	
	1	2
q5 luxury designer handbag bli (Very exclusive)	.783	
q7 luxury designer handbag bli (Unique)	.756	
q2 luxury designer handbag bli (Eye-catching)	.751	
q6 luxury designer handbag bli (Valuable)	.750	
q4 luxury designer handbag bli (Sign of being wealthy)	.731	
q1 luxury designer handbag bli (Popular)	.671	
q11 luxury designer handbag bli (Sophisticated)	.665	
q9 luxury designer handbag bli (Upmarket)	.663	
q3 luxury designer handbag bli (Affordable)	.621	
q3 materialism scale	.508	
q4 materialism scale	.505	
q2 materialism scale	.433	
q1 materialism scale	.431	
q10 luxury handbag bli (Quality)	.422	
q8 luxury handbag bli (Well crafted)	.416	
q2 views regarding luxury designer products		.758
q3 views regarding luxury designer products		.726
q1 views regarding luxury designer products		.725
q4 views regarding luxury designer products		.682
q5 views regarding luxury designer products (Recoded)		.612
q6 views regarding luxury designer products		.602
q2 purchase intentions towards luxury designer handbags		.477
q3 purchase intentions towards luxury designer handbags		.435
q1 purchase intentions towards luxury designer handbags		.343

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 3 iterations.

8.6.2 Individual Factors and Attitudinal Factors Related to Counterfeit Handbag Versions

Factor analysis, using principal components extraction and varimax rotation, was performed on the correlation of 23 items in total. The factor analysis of individual dimensions and attitudinal dimensions towards the purchase intentions of counterfeit handbag versions resulted in two factors. Factor one consisted of 16 items which are questions concerning individual dimensions of counterfeit handbag versions. Factor two consisted of seven items, relating to questions concerning attitudinal dimensions attached to counterfeit handbag versions. The KMO (Kaiser-Meter-Olin) statistics show a value of 0.76, which falls into the range of being superb, indicating that factor analysis, was appropriate for this data.

Furthermore, Bartlett’s test is highly significant ($p < 0.000$), and confirmed the appropriateness of using factor analysis. See Table 8.8.

Table 8.8 - KMO and Bartlett's Test - Individual Factors and Attitudinal Factors Related to Counterfeit Handbag Versions

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.764
Bartlett's Test of Sphericity	Approx. Chi-Square	1267.085
	Df	253
	Sig.	.000

The two factors extracted eigenvalues equal to or greater than 1.00. The rotated component matrix shows the variables load very highly onto one factor. The factor analysis produced two factors and explained approximately 36.68% of the total variance. Table 8.9 highlights the factors yielded from the factor structure.

The first factor consists of 16 items, relating to variables concerning individual dimensions attached to counterfeit handbag versions, coefficients varied between .33 and .69, and accounted for 24.77% of the total variance. This factor was labelled the counterfeit conscious factor. The second factor delineated a cluster of seven items, coefficients varied between .51 and .83 and relate to attitudinal dimensions attached to counterfeit handbag versions, and accounted for 13.91% of the total variance and was labelled the counterfeit attitude factor.

Table 8.9 Rotated Component Matrix(a) - Individual Factors and Attitudinal Factors Related to Counterfeit Handbag Versions

	Component	
	1	2
q8 counterfeit handbag bli (Well crafted)	.693	
q6 counterfeit handbag bli (Valuable)	.690	
q5 counterfeit handbag bli (Very exclusive)	.689	
q9 counterfeit handbag bli (Upmarket)	.673	
q11 counterfeit handbag bli (Sophisticated)	.667	
q4 counterfeit handbag bli (Sign of being wealthy)	.640	
q7 counterfeit handbag bli (Unique)	.612	
q3 materialism scale	.596	
q4 materialism scale	.559	
q2 materialism scale	.475	
q3 counterfeit handbag bli (Affordable)	.439	
q1 materialism scale	.430	
q6 materialism scale	.411	
q1 counterfeit handbag bli (Popular)	.407	
q2 counterfeit handbag bli (Eye-catching)	.397	
q5 materialism scale	.335	
q1 views regarding counterfeit products		.832
q3 views regarding counterfeit products		.812
q4 views regarding counterfeit products		.808
q2views regarding counterfeit products		.686
q6 views regarding counterfeit products		.676
q1 purchase intentions towards counterfeit handbags		.556
q2 purchase intentions towards counterfeit handbags		.511

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 3 iterations.

To a great extent, the content of the extracted factors are similar across luxury designer handbags and counterfeit handbag versions. This was labelled the universal individual meaning factor and included the following items:

- Very exclusive
- Well crafted
- Sophisticated
- Upmarket
- Valuable

- Sign of being wealthy
- Affordable
- Popular
- Unique
- Eye catching
- q1 – materialism (it is important to me to have really nice things)
- q2 - materialism (I would like to be rich enough to buy anything I want)
- q3 – materialism (I'd be happier if I could afford to buy more things)
- q4 - materialism (It sometimes bothers me quite a bit that I can't afford to buy all the things I want)

Items exclusive to luxury designer handbags are:

- Quality

This was labelled luxury quality handbag factor.

Items exclusive to counterfeit handbag versions are:

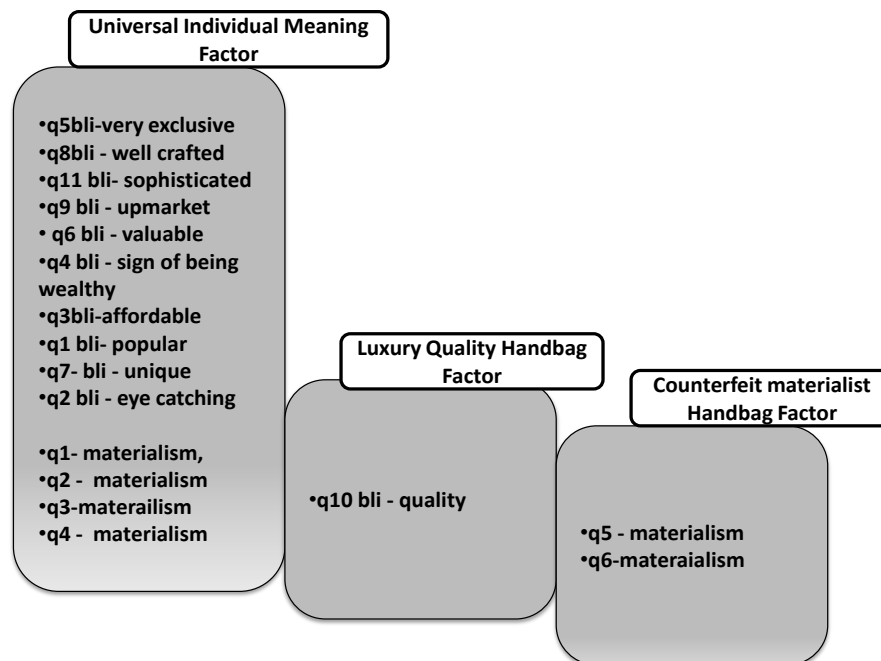
- q5 – materialism (People place too much emphasis on material things)
- q6 - materialism (It's really true that money can buy happiness)

This was labelled counterfeit materialist handbag factor.

Table 8.10 illustrates the dimensions of each factor:

- Universal individual meaning factor - relating to purchasers of luxury designer handbags and counterfeit handbag versions.
- Luxury quality handbag factor - relating exclusively to purchasers of luxury designer handbags.
- Counterfeit materialist handbag factor - relating exclusively to purchasers of counterfeit handbag versions.

Table 8.10 – Individual Factors



To a great extent, the content of the extracted factors relating to attitudinal dimensions towards the purchase intentions of luxury designer handbags and counterfeit handbag versions are similar across these two handbag categories. This was labelled the universal attitude factor.

Items common to luxury designer handbags and counterfeit handbag versions are:

1. Luxury designer handbags -
 - q1 – views (I feel that luxury designer products have acceptable quality for me).
 - q2 – views (I feel that luxury designer products are worth the money I paid)
 - q3 – views (Luxury designer products are normally as good as I expect)
 - q4 – views (Luxury designer products entirely fulfil my needs)
 - q6 – views (Luxury designer products usually meet my expectations)
 - q1 – purchase intentions (I am willing to buy luxury designer handbags for my own use)
 - q2 - purchase intentions (I often buy luxury designer handbags for my own use)

2. Counterfeit handbag version –

- q1 – views (I feel that counterfeits have acceptable quality for me)
- q2 – views (I feel that counterfeits are worth the money I paid)
- q3 – views (Counterfeits are normally as good as I expect)
- q4 – views (Counterfeits entirely fulfils my needs)
- q6 – views (Counterfeits usually meet my expectations)
- q1 – purchase intentions (I am willing to buy counterfeits handbags for my own use)
- q2 – purchase intentions (I often buy counterfeit handbags for my own use)

Items exclusive to luxury designer handbags are:

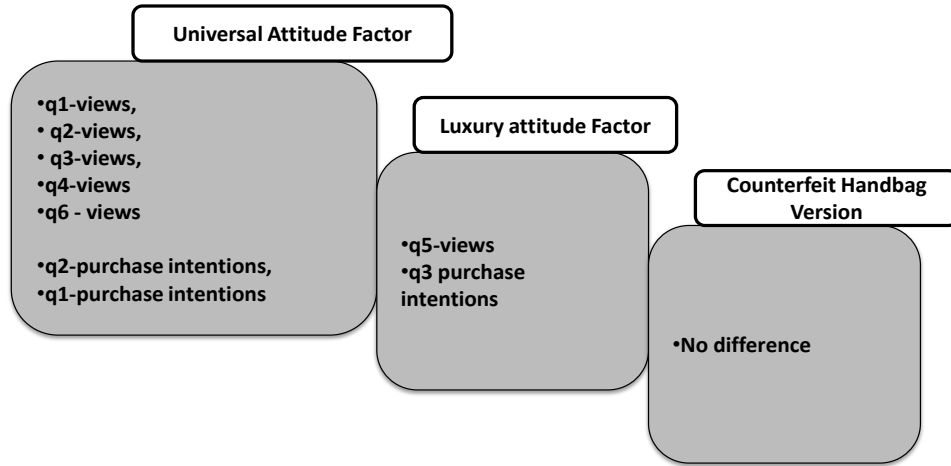
- q5 – views (luxury designer products have not been as good as I thought they would be)
- q3 – purchase intentions (I am willing to buy luxury designer handbags as presents)

This was labelled luxury attitude factor. No items were exclusive to counterfeit handbag versions.

Table 8.11 illustrates the dimensions of each factor:

- Universal attitude factor- Relating to purchasers of luxury designer handbags and counterfeit handbag versions.
- Luxury attitude factor - Relating exclusively to purchasers of luxury designer handbags.

Table 8.11 - Attitude Factor



8.6.3 Social Consumption Factors Related to Luxury Designer Handbags

The dimensions relating to ‘Social Consumption Factors’ as part of the conceptual model include social consumption, motivation and brand meaning.

Factor analysis, using principal components extraction and varimax rotation, was performed on the correlation of 20 items in total. The factor analysis of brand meaning and social consumption motivation of luxury designer handbags resulted in two factors. Factor one consisted of 15 items relating to questions concerning brand meaning dimensions of luxury designer handbags. Factor two consisted of nine items, relating to questions concerning social consumption motivation. The KMO (Kaiser-Meter-Olin) statistics show a value of 0.89, which falls into the range of being superb, indicating that factor analysis was appropriate for this data. Furthermore, Bartlett’s test is highly significant ($p < 0.000$), and confirmed the appropriateness of using factor analysis see Table 8.12.

Table 8.12 KMO and Bartlett's Test - Social Consumption Factors Related to Luxury Designer Handbags

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.894
Bartlett's Test of Sphericity	Approx. Chi-Square	3458.992
	Df	190
	Sig.	.000

The two factors extracted eigenvalues equal to or greater than 1.00. The rotated component matrix shows variables loading very highly onto one factor. The factor analysis produced two factors and explained approximately 56.61% of the total variance. Table 8.13 highlights the factors yielded from the factor structure.

The first factor consists of 16 items, coefficients varied between .57 and .84 that rely on the variables concerning the brand meanings attached to luxury designer handbags, and accounted for 42.99% of the total variance. This factor was labelled the luxury designer meaning factor. The second factor delineated a cluster of four items, coefficients varied between .82 and .88 relating to social consumption motivation, and accounted for 13.61% of the total variance. This was labelled the luxury designer social motivation factor.

Table 8.13 Rotated Component Matrix (a) - Social Consumption Factors Related to Luxury Designer Handbags

	Component	
	1	2
q8 meaning of luxury designer handbags (Original)	.843	
q9 meaning of luxury designer handbags (Desirable)	.794	
q6 meaning of luxury designer handbags (Makes a statement)	.765	
q4 meaning of luxury designer handbags (Stylish)	.755	
q7 meaning of luxury designer handbags (Classy)	.751	
q5 meaning of luxury designer handbags (Trendy)	.737	
q14 meaning of luxury designer handbags (Modern)	.716	
q17 meaning of luxury designer handbags (Conveys image)	.714	
q15 meaning of luxury designer handbags (Sexy)	.708	
q1 meaning of luxury designer handbags (Well known)	.702	
q2 meaning of luxury designer handbags (Expensive)	.672	
q10 meaning of luxury designer handbags (Cult object)	.661	
q3 meaning of luxury designer handbags (High quality)	.645	
q16 meaning of luxury designer handbags (Common)	.600	
q11 meaning of luxury designer handbags (Well cut)	.572	
q12 meaning of luxury designer handbags (Authentic)	.570	
q2 purchase intentions (social consumption motivation)		.884
q1 purchase intentions (social consumption motivation)		.869
q3 purchase intentions (social consumption motivation)		.850
q4 purchase intentions (social consumption motivation)		.827

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 3 iterations.

8.6.4 Social Consumption Factors Related to Counterfeit Handbag Versions

The dimensions relating to ‘Social Consumption Factors’ as part of the conceptual model include social consumption, motivation and brand meaning.

Factor analysis, using principal components extraction and varimax rotation, was performed on the correlation of 16 items in total. The factor analysis of brand meaning and social consumption motivation of counterfeit handbag versions resulted in two factors. Factor one consisted of 12 items relating to questions concerning brand meaning dimensions of counterfeit handbag versions. Factor two consisted of four items relating to questions concerning social consumption motivation. The KMO (Kaiser-Meter-Olin) statistics show a value of 0.82, which falls into the range of being superb, indicating that factor analysis was appropriate for this data. Furthermore, Bartlett’s test is highly significant ($p < 0.000$), and confirmed the appropriateness of using factor analysis. See Table 8.14.

Table 8.14 KMO and Bartlett's Test - Social Consumption Factors Related to Counterfeit Handbag Versions

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.826
Bartlett's Test of Sphericity	Approx. Chi-Square	1130.733
	Df	120
	Sig.	.000

The two factors extracted eigenvalues equal to or greater than 1.00. The rotated component matrix shows the variables loading very highly onto one factor. The factor analysis produced two factors and explained approximately 57.59% of the total variance. Table 8.15 highlights the factors yielded from the factor structure.

The first factor consists of 12 items, coefficients varied between .51 and .81 that rely on the variables concerning the brand meanings attached to counterfeit handbag versions, and accounted for 39.05% of the total variance. This factor was labelled the counterfeit meaning factor. The second factor delineated a cluster of four items, coefficients varied between .84 and .88 and relate to social consumption motivation, and accounted for 18.54% of the total variance and was labelled the counterfeit social motivation factor.

Table 8.15 Rotated Component Matrix (a) - Social Consumption Factors Related to Counterfeit Handbag Versions

	Component	
	1	2
q11 meaning of counterfeit handbags (Well cut)	.810	
q7 meaning of counterfeit handbags (Classy)	.779	
q8 meaning of counterfeit handbags (Original)	.768	
q15 meaning of counterfeit handbags (Sexy)	.730	
q10 meaning of counterfeit handbags (Cult object)	.717	
q14 meaning of counterfeit handbags (Modern)	.716	
q18 meaning of counterfeit handbags (Individual)	.712	
q3 meaning of counterfeit handbags (High quality)	.695	
q2 meaning of counterfeit handbags (Expensive)	.680	
q17 meaning of counterfeit handbags (Conveys image)	.676	
q12 meaning of counterfeit handbags (Authentic)	.667	
q13 meaning of counterfeit handbags (In a group)	.511	
q2 purchase intentions (social consumption motivation)		.885
q3 purchase intentions(social consumption motivation)		.877
q1 purchase intentions(social consumption motivation)		.867
q4 purchase intentions(social consumption motivation)		.848

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 3 iterations.

To a great extent, the content of the extracted factors relating to brand meaning are similar across luxury designer handbags and counterfeit handbag versions. Items common to luxury designer handbags and counterfeit handbag versions were labelled the universal handbag meaning factor.

Items exclusive to luxury designer handbags are:

- Makes a statement
- Desirable
- Stylish
- Well Known
- Common

This was labelled luxury handbag meaning factor.

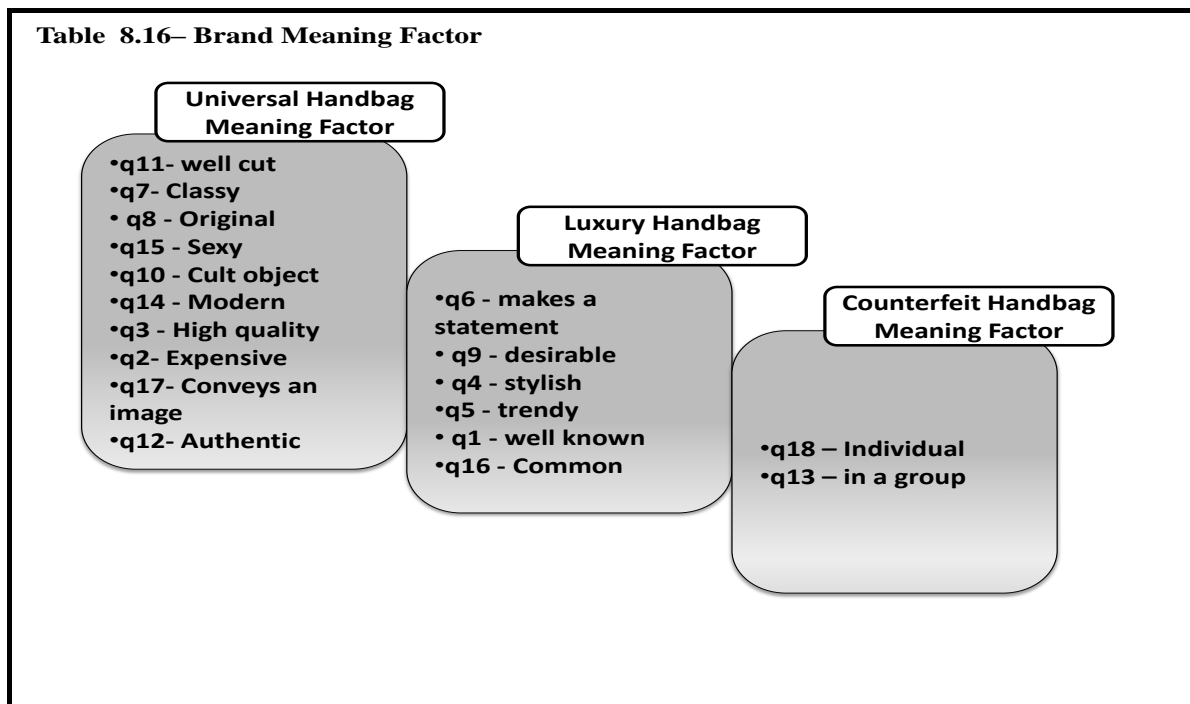
Items exclusive to counterfeit handbag versions are:

- Individual
- In a group

This was labelled counterfeit handbag meaning factor.

Table 8.16 illustrates the dimensions of each factor:

- Universal handbag meaning factor- relating to purchasers of luxury designer handbags and counterfeit handbag versions.
- Luxury handbag meaning factor – relating exclusively to purchasers of luxury designer handbags.
- Counterfeit handbag meaning factor - relating exclusively to purchasers of counterfeit handbag versions.



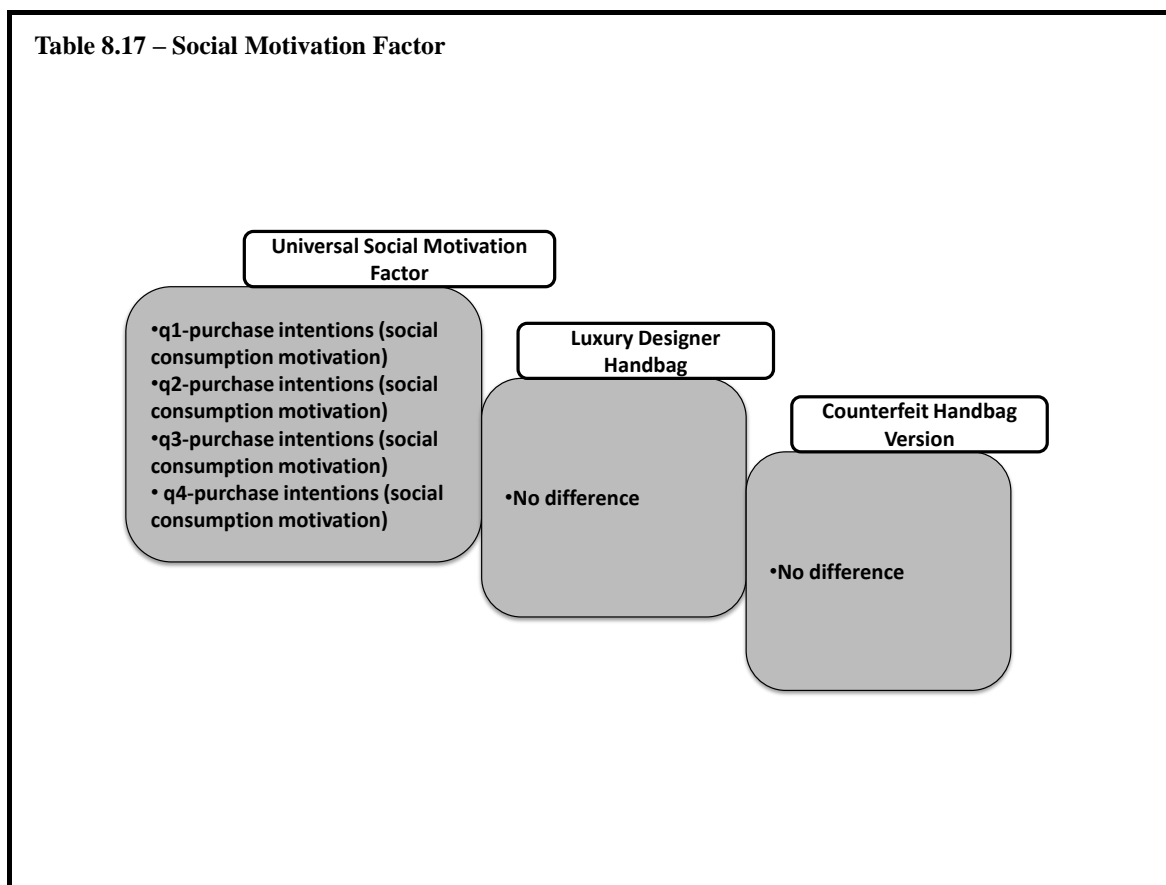
The content of the extracted factors relating to social consumption motivation towards women’s last handbag purchase are similar across luxury designer handbags and counterfeit handbag versions. This was labelled the universal social motivation factor.

Items common to luxury designer handbags and counterfeit handbag versions are:

- q1 – purchase intentions, social consumption motivation. (Before purchasing a product, it is important to know what others think of different brands or products).
- q2 - purchase intentions, social consumption motivation. (Before purchasing a product, it is important to know what kinds of people buy certain brands or products).
- q3 - purchase intentions, social consumption motivation. (Before purchasing a product, it is important to know what others think of people who use certain brands or products).
- q4 - purchase intentions, social consumption motivation. (Before purchasing a product, it is important to know what brands or products to buy to make a good impression on others).

Table 8.17 illustrates the dimensions of each factor:

- Universal social motivation factor - relating to purchasers of luxury designer handbags and counterfeit handbag versions.



8.6.5 Attitudinal Factors towards Luxury Designer Handbags versus Counterfeit Handbag Versions

Factor analysis, using principal component extraction and varimax rotation, was performed on the correlation of seven items in total. The factor analysis of attitudinal factors towards luxury designer handbags versus counterfeit handbag versions resulted in one component matrix. The KMO (Kaiser-Meter-Olin) statistics show a value of 0.75, which falls into the range of being superb, indicating that factor analysis was appropriate for this data. Furthermore, Bartlett's test is highly significant ($p < 0.000$), and confirmed the appropriateness of using factor analysis. See table 8.18.

Table 8.18 KMO and Bartlett's Test - Attitudinal Factors towards Luxury Designer Handbags versus Counterfeit Handbag Versions

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.751
Bartlett's Test of Sphericity	Approx. Chi-Square	497.644
	Df	21
	Sig.	.000

The factor analysis produced a one component matrix; items ranged from .36 to .80 and explained approximately 37.97% of the total variance. Table 8.19 highlights the components yielded from the structure. This component was labelled universal product attitude factor.

Table 8.19 Component Matrix (a) - Attitudinal Factors towards Luxury Designer Handbags versus Counterfeit Handbag Versions

	Component 1
q4 counterfeit versus genuine brands	.808
q3 counterfeit versus genuine brands	.780
q7 counterfeit versus genuine brands	.733
newq6countervs gen	.583
q5 counterfeit versus genuine brands	.447
q2 counterfeit versus genuine brands	.431
newq8countervs gen	.369

Extraction Method: Principal Component Analysis.

a 1 components extracted.

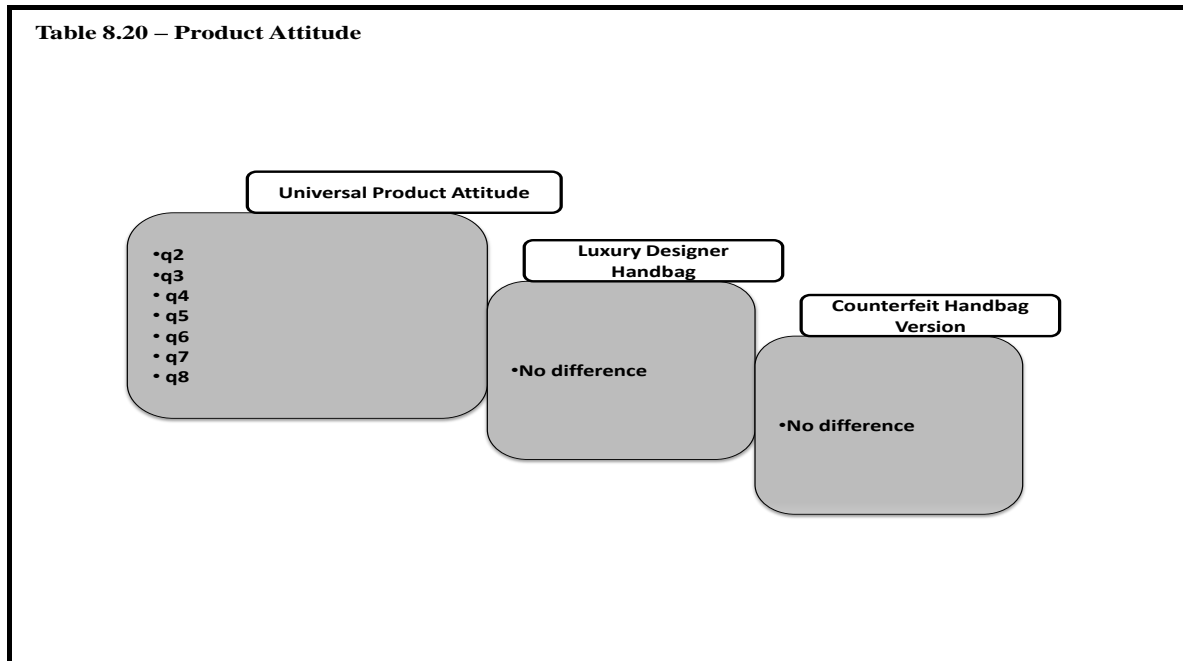
The content of the extracted factors relating to attitudinal factors towards luxury designer handbags and counterfeit handbag versions are comparable. This was labelled the universal product attitude factor.

Items common to luxury designer handbags and counterfeit handbag versions are:

- q2 - (counterfeits have a similar physical appearance to luxury designer brands)
- q3 - (I expect that the quality of counterfeits is as good as the quality of luxury designer brands)
- q4 – (I expect that counterfeits will last as long as luxury designer brands)
- q5 – (I will be very upset if counterfeits do not last as long as genuine luxury designer brands)
- q6 - (I will not use counterfeits as much as luxury designer brands)
- q7 - (It is important to you that counterfeits will last as long as luxury designer brands)
- q8 - (I will be upset if my friends realise that products are not genuine)

No items were exclusive to counterfeit handbag versions or luxury designer handbags. Table 8.20 illustrates the dimensions of each factor:

- Universal product attitude factor - relating to purchasers of luxury designer handbags and counterfeit handbag versions.



8.6.6 Consumption Related Emotions Factors Related to Luxury Designer Handbags and Counterfeit Handbag Versions

Factor analysis, using principal components extraction and varimax rotation, was performed on the correlation of 39 items in total. The factor analysis of consumption related emotions towards luxury designer handbags and counterfeit handbag versions resulted in two factors. Factor one consisted of 22 items which relates to questions concerning the negative emotions experienced during the post-consumption phase of either a luxury designer handbag or counterfeit handbag version. Factor two consisted of 17 items, relating to questions concerning positive emotions experienced during the post-consumption phase of either a luxury designer handbag or counterfeit handbag version. The KMO (Kaiser-Meter-Olin) statistics show a value of 0.92, which falls into the range of being superb, indicating that factor analysis was appropriate for this data. Furthermore, Bartlett’s test is highly significant ($p < 0.000$), and confirmed the appropriateness of using factor analysis. See Table 8.21.

Table 8.21 - KMO and Bartlett's Test - Consumption Related Emotions Factors Related to Luxury Designer Handbags and Counterfeit Handbag Versions

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.930
Bartlett's Test of Sphericity	Approx. Chi-Square	19089.846
	Df	741
	Sig.	.000

The two factors extracted eigenvalues equal to or greater than 1.00. The rotated component matrix shows the variables loading very highly onto one factor. The factor analysis produced two factors and explained approximately 66.08% of the total variance. Table 8.22 highlights the factors yielded from the factor structure.

The first factor consists of 22 items, coefficients varied between .60 and .90, and related to negative emotions experienced during the post-consumption phase of either a luxury designer handbag or counterfeit handbag version, and accounted for 41.74% of the total variance. This factor was labelled the universal negative emotions factor. The second factor delineated a cluster of 17 items, coefficients varied between .48 and .84, and related to positive emotions experienced during the post-consumption phase of either a luxury designer handbag or counterfeit handbag version, and accounted for 24.33% of the total variance and was labelled the universal positive emotions factor.

Table 8.22 -Rotated Component Matrix (a) - Consumption Related Emotions Factors Related to Luxury Designer Handbags and Counterfeit Handbag Versions

	Component	
	1	2
Newenvi	.903	
Newafr	.887	
Newscared	.884	
Newjeal	.870	
Newsad	.869	
Newmiser	.866	
Newhelp	.866	
Newiritated	.866	
Newdepress	.864	
Newdis	.859	
Newhum	.858	
Newunfil	.848	
Newfrus	.837	
Newtense	.823	
Newner	.813	
Newash	.809	
Newembarr	.798	
Newworry	.791	
Newpanic	.786	
Newangry	.774	
Nenost	.692	
Newguilt	.606	
q10 post-consumption emotion (Thrilled)		.841
q1 post-consumption emotion (Fulfilled)		.838
q9 post-consumption emotion (Relieved)		.826
q12 post-consumption emotion (Enthusiastic)		.825
q8 post-consumption emotion (Joyful)		.824
q13 post-consumption emotion (Sexy)		.816
q4 post-consumption emotion (Encouraged)		.808
q7 post-consumption emotion (Pleased)		.793
q1 post-consumption emotion (Content)		.785
q5 post-consumption emotion (Hopeful)		.775
q15 post-consumption emotion (Passionate)		.759
q6 post-consumption emotion (Happy)		.756
q2 post-consumption emotion (Peaceful)		.744
q3 post-consumption emotion (Optimistic)		.737
q16 post-consumption emotion (Love)		.699
q14 post-consumption emotion (Romantic)		.665
q19 post-consumption emotion (Pride)		.484

Extraction Method: Principal Component Analysis.

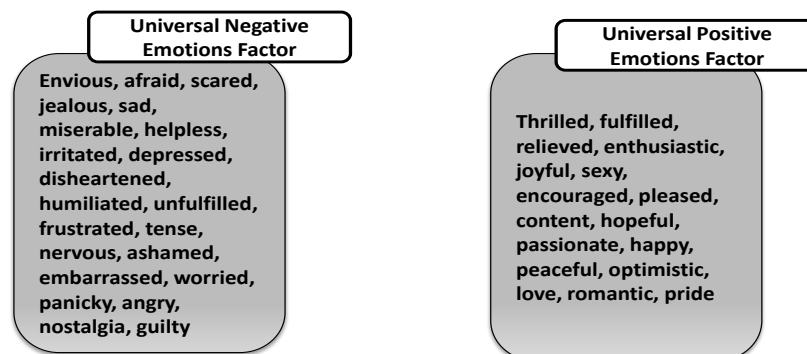
Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 3 iterations.

The content of the extracted factors are comparable across luxury designer handbags and counterfeit handbag versions. No items were exclusive to counterfeit handbag versions or luxury designer handbags.

Table 8.23 illustrates the two factors extracted:

- Universal negative emotions and - Relating to negative post-consumption related emotions experienced by purchasers of luxury designer handbags and counterfeit handbag versions.
- Universal positive emotions factor – Relating to positive post-consumption related emotions experienced by purchasers of luxury designer handbags and counterfeit handbag versions.

Table 8.23 - Emotions Factor



8.7 ANOVA

When more than two conditions or groups of an independent variable are compared, ANOVA is more appropriate to apply (Brace et al, 2003; Hinton et al, 2004). It is relevant to apply ANOVA to determine whether means that are obtained from more than two independent respondent groups are significantly different from each other (Brace et al, 2003; Hinton et al, 2004). In this research, ANOVA will be applied to test the scale mean differences when test variables possess more than two independent groups.

8.7.1 ANOVA Results of Individual Dimensions

In an effort to understand how individual factors affect post-consumption evaluations of luxury designer handbags and counterfeit handbag versions factor analysis was carried on women whose last purchase was either a:

1. Luxury designer handbag
2. Counterfeit handbag version

The main purpose of carrying out factor analysis was to: (1) to *decrease* the number of variables and (2) to *identify structure* in the relationships between variables that is to *classify variables*. This research involved distinguishing comparable items in both handbag categories; this involved combining the factor scorings from both handbag categories in SPSS Syntax (as seen below).

```
recode IMG2 IMC2 (sysmis eq -1).  
fre IMG2 IMC2.  
compute IM=10.0000.  
if (IMG2 ne -1) IM=IMG2.  
if (IMC2 ne -1) IM=IMC2.  
fre IM.
```

This ultimately resulted in a separate factor labelled as the ‘Universal Individual Meaning Factor; this factor combined homogenous items from luxury designer handbags and counterfeit handbag version. This factor was also used to carry out ANOVA.

The ANOVA results suggested that the difference between those that purchased luxury designer handbags and counterfeit handbag versions was not significant ($F(1, 351) = .085$,

p<.771) as illustrated in Table 8.24. Thus H1, H2, H3, and H4 were rejected in relation to individual meaning. The results from factor analysis highlight a difference between women who purchased luxury designer handbags and counterfeit handbag versions, as illustrated in Table 8.10.

From the results of Table 8.25 it was found that the mean of those who purchased luxury designer handbags was -.01056560. The mean score of women who purchased a counterfeit handbag version was .02273490. When interpreting the mean score, women whose last handbag purchase was a counterfeit, evaluated individual meaning more positively in comparison to those who purchased luxury designer handbags.

H1 – Conspicuous consumption will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

H2 – Uniqueness will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

H3 – Quality will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

H4 – Materialism will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Table 8.24 - ANOVA Individual Dimensions

		Sum of Squares	Df	Mean Square	F	Sig.
Universal Individual meaning factor homogeneous items from luxury designer handbags and counterfeit handbag versions. * last handbag purchase	Between (Combined) Groups	.085	1	.085	.085	.771
	Within Groups	350.915	351	1.000		
	Total	351.000	352			

Table 8.25 - Universal Individual Meaning Factor

		Universal Individual meaning factor (homogeneous items from luxury designer handbags and counterfeit handbag versions)
last handbag purchase		
luxury designer handbag	Mean	-.01056560
	N	241
	Std. Deviation	1.010318362
counterfeit handbag version	Mean	.02273490
	N	112
	Std. Deviation	.976926788
Total	Mean	.00000000
	N	353
	Std. Deviation	.998578535

8.7.2 ANOVA Results of Social Consumption Motivation

In an effort to understand how social consumption motivation affects the evaluation of luxury designer handbags and counterfeit handbag versions, factor analysis was carried on women whose last purchase was either a:

1. Luxury designer handbag
2. Counterfeit handbag version

The main purpose of carrying out factor analysis was to: (1) to *decrease* the number of variables and (2) to *identify structure* in the relationships between variables that is to *classify variables*. This research involved distinguishing comparable items in both handbag categories; this involved combining the factor scorings from both handbag categories in SPSS Syntax (as seen below).

```
recode purchinG purchinC (sysmis eq -1).  
fre purchinG purchinC.  
if (purchinG ne -1) PurchasIntenS=purchinG.  
if (purchinC ne -1) PurchasIntenS=purchinC.  
fre PurchasIntenS.
```

This ultimately resulted in a separate factor labelled as the ‘Universal Individual Meaning Factor; this factor combined homogenous items from luxury designer handbags and counterfeit handbag version. This factor was also used to carry out ANOVA.

The ANOVA results suggested that the difference between those that purchased luxury designer handbags and counterfeit handbag versions was not significant ($F(1, 351) = .115$, $p < .734$) as illustrated in Table 8.26. Thus H5 was rejected in relation to social consumption motivation. The results from the factor analysis support ANOVA results by highlighting no apparent difference among women who purchase luxury designer handbags and counterfeit handbag versions, as illustrated in Table 8.17.

From the results of Table 8.27 it was found that the mean score of women who purchased luxury designer handbags was 0.123. The mean score of women who purchased a counterfeit handbag version was -.0266. When interpreting the mean score, women whose last handbag

purchase was a counterfeit handbag version evaluated social consumption motivation more positively than those who purchased luxury designer handbags.

H5 - Social consumption motivation will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Table 8.26 - ANOVA Social Consumption Motivation

			Sum of Squares	Df	Mean Square	F	Sig.
Universal Social Motivation Factor (homogeneous items from luxury designer handbags and counterfeit handbag versions) * last handbag purchase	Between Groups	(Combined)	.116	1	.116	.115	.734
	Within Groups		351.884	351	1.003		
	Total		352.000	352			

a With fewer than three groups, linearity measures for Purchase Intentions (Social Consumption) * last handbag purchase cannot be computed.

Table 8.27 - Social Consumption Motivation

last handbag purchase	Mean	N	Std. Deviation
luxury designer handbag	.0123	241	1.03061
counterfeit handbag version	-.0266	112	.93465
Total	.0000	353	1.00000

8.7.3 ANOVA Result Relating to Brand Meaning

In an effort to understand how brand meaning influences post-consumption evaluation of luxury designer handbags and counterfeit handbag versions, factor analysis was carried on women whose last purchase was either a:

1. Luxury designer handbag
2. Counterfeit handbag version

The main purpose of carrying out factor analysis was to: (1) to *decrease* the number of variables and (2) to *identify structure* in the relationships between variables that is to *classify variables*. This research involved distinguishing comparable items in both handbag

categories; this involved combining the factor scorings from both handbag categories in SPSS Syntax (as seen below).

```
recode GBM2 CBM2 (sysmis eq -1).  
fre GBM2 CBM2.  
compute bm=10.0000.  
if (GBM2 ne -1) BM=GBM2.  
if (CBM2 NE -1) BM=CBM2.  
fre BM.
```

This ultimately resulted in a separate factor labelled as the ‘Universal Brand Meaning Factor’; this factor combined homogenous items from luxury designer handbags and counterfeit handbag version. This factor was also used to carry out ANOVA.

The ANOVA results suggested that the difference between those that purchased luxury designer handbags and counterfeit handbag versions was not significant ($F(1, 351) = .072, p < .788$) as illustrated in Table 8.28. Thus H6 was rejected in relation to brand meaning. Results from factor analysis high light a difference between women who purchased luxury designer handbags and counterfeit handbag versions, as illustrated in Table 8.16.

From the results of Table 8.29 it was found that the mean score of women who purchased luxury designer handbags was $-.01$. The mean score of women who purchased a counterfeit handbag version was $.02$. When interpreting the mean scores, women whose last handbag purchase was a counterfeit handbag version evaluated brand meaning more positively than those who purchased luxury designer handbags.

H6 – Brand meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.

Table 8.28 ANOVA Brand Meaning

		Sum of Squares	Df	Mean Square	F	Sig.
Universal handbag meaning factor - Combining homogeneous items from luxury designer handbags and counterfeit handbag versions. (homogeneous items from luxury designer handbags and counterfeit handbag versions) * last handbag purchase	Between Groups	.072	1	.072	.072	.788
	Within Groups	350.928	351	1.000		
	Total	351.000	352			

Table 8.29 Brand Meaning

last handbag purchase	Universal handbag meaning factor - Combining homogeneous items from luxury designer handbags and counterfeit handbag versions. (homogeneous items from luxury designer handbags and counterfeit handbag versions)	
luxury designer handbag	Mean	-.01
	N	241
	Std. Deviation	1.001
counterfeit handbag version	Mean	.02
	N	112
	Std. Deviation	.998
Total	Mean	.00
	N	353
	Std. Deviation	.999

8.7.4 ANOVA Results Counterfeits versus Luxury Products (Attitudes)

In an effort to understand how attitudes influence the evaluation of luxury designer handbags and counterfeit handbag versions, factor analysis was carried on women whose last purchase was either a:

1. Luxury designer handbag
2. Counterfeit handbag version

The main purpose of carrying out factor analysis was to: (1) to *decrease* the number of variables and (2) to *identify structure* in the relationships between variables that is to *classify variables*. This research involved distinguishing comparable items in both handbag categories; this involved combining the factor scorings from both handbag categories in SPSS Syntax (as seen below).

```
recode TCvGen TGvCounter (sysmis eq -1).  
fre TCvGen TGvCounter.  
if (TCvGen ne -1)CverG=TCvGen.  
if (TGvCounter ne -1)CverG=TGvCounter.  
fre CverG.
```

This ultimately resulted in a separate factor labelled as the ‘Universal Product Attitude Factor; this factor combined homogenous items from luxury designer handbags and counterfeit handbag version. This factor was also used to carry out ANOVA.

The ANOVA results suggested that the difference between those that purchased luxury designer handbags and counterfeit handbag versions was significant ($F(1, 351) = 25.85, p < .000$) as illustrated in Table 8.30. Thus, H7 was supported in relation to attitudes towards luxury designer products versus counterfeit product versions.

From the results of Table 8.31 it was found that the mean score of women who purchased luxury designer handbags was 22.53. The mean score of women who purchased a counterfeit handbag version was 20.13. When interpreting the mean scores, women whose last handbag purchase was a luxury designer handbag evaluated luxury designer handbags more positively than those who purchased counterfeit handbag versions. *H7 – Women do not see a difference between luxury designer handbags and counterfeit handbag versions.*

Table 8.30 ANOVA Counterfeits versus Luxury Products (Attitudes)

			Sum of Squares	Df	Mean Square	F	Sig.
Universal Product Attitude Factor(homogeneous items from luxury designer handbags and counterfeit handbag versions) * last handbag purchase	Between Groups	(Combined)	439.406	1	439.406	24.856	.000
	Within Groups		6205.008	351	17.678		
	Total		6644.414	352			

a With fewer than three groups, linearity measures for CverG * last handbag purchase cannot be computed.

Table 8.31 Counterfeits versus Luxury Products (Attitudes)

last handbag purchase	Mean	N	Std. Deviation
luxury designer handbag	22.53	241	4.530
counterfeit handbag version	20.13	112	3.397
Total	21.77	353	4.345

8.7.5 ANOVA Results Attitudes (views and purchase intentions)

In an effort to understand how attitudes (views and purchase intentions) influence the evaluation of luxury designer handbags and counterfeit handbag versions, factor analysis was carried on women whose last purchase was either a:

1. Luxury designer handbag
2. Counterfeit handbag version

The main purpose of carrying out factor analysis was to: (1) to *decrease* the number of variables and (2) to *identify structure* in the relationships between variables that is to *classify variables*. This research involved distinguishing comparable items in both handbag categories; this involved combining the factor scorings from both handbag categories in SPSS Syntax (as seen below).

recode Gatt Catt (sysmis eq -1).

fre Gatt Catt.

if (Gatt ne -1)attitM=Gatt.

if (Catt ne -1)attitM=Catt.

fre attitM.

This ultimately resulted in a separate factor labelled as the ‘Universal Product Attitude Factor; this factor combined homogenous items from luxury designer handbags and counterfeit handbag version. This factor was also used to carry out ANOVA.

The ANOVA results suggested that the difference between those that purchased luxury designer and counterfeit handbag versions was not significant ($F(1, 351) = .007, p < .933$) as illustrated in Table 8.32. Thus, H7 was not supported in relation to attitudes (views and purchase intentions) towards luxury designer products and counterfeit product versions. Results from the factor analysis highlight a difference between women who purchased luxury designer handbags, as illustrated in Table 8.11.

From the results of Table 8.33 it was found that the mean score of women who purchased luxury designer handbags was -.0031. The mean score of women who purchased a counterfeit handbag version was .0066.

H7 – Women do not see a difference between luxury designer handbags and counterfeit handbag versions.

Table 8.32 ANOVA Table Attitudes (views and purchase intentions)

			Sum of Squares	df	Mean Square	F	Sig.
Universal Attitude Factor (homogeneous items from luxury designer handbags and counterfeit handbag versions) * last handbag purchase	Between Groups	(Combined)	.007	1	.007	.007	.933
	Within Groups		350.993	351	1.000		
	Total		351.000	352			

Table 8.33 Attitudes (views and purchase intentions)

last handbag purchase	Mean	N	Std. Deviation
luxury designer handbags	-.0031	241	.99612
counterfeit handbag versions	.0066	112	1.00831
Total	.0000	353	.99858

8.7.6 ANOVA Results of Positive Emotions

In an effort to understand how positive emotions influence post-consumption evaluation of luxury designer handbags and counterfeit handbag versions, factor analysis was carried on women whose last purchase was either a:

1. Luxury designer handbag
2. Counterfeit handbag version

The main purpose of carrying out factor analysis was to: (1) to *decrease* the number of variables and (2) to *identify structure* in the relationships between variables that is to *classify variables*. This research involved distinguishing comparable items in both handbag categories; this involved combining the factor scorings from both handbag categories in SPSS Syntax (as seen below).

```
recode GPE2 CPE2 (sysmis eq -1).  
fre GPE2 CPE2.  
compute PE=10.0000.  
if (GPE2 ne -1) PE=GPE2.  
if (CPE2 ne -1) PE=CPE2.  
fre PE.
```

This ultimately resulted in a separate factor labelled as the ‘Positive Emotions Factor’; this factor combined homogenous items from luxury designer handbags and counterfeit handbag version. This factor was also used to carry out ANOVA.

The ANOVA results suggested a difference between those that purchased luxury designer handbags and counterfeit handbag versions was significant ($F(1, 351) = 26.00, p < .000$) as illustrated in Table 8.34. Thus H8 was supported in relation to positive post-consumption related emotions.

From the results of Table 8.35 it was found that positive emotions have an effect on post-consumption evaluation. In fact, the mean score of women who purchased luxury designer handbags was $-.1787887$. The mean score of women who purchased a counterfeit handbag version was $.3847149$. Therefore when interpreting the results, women whose last handbag purchase was a counterfeit handbag version experienced higher levels of positive emotions in comparison to women whose last handbag purchase was a luxury designer handbag.

H8 – Post-consumption related emotions will have an impact on the evaluations of luxury designer handbags and counterfeit handbag versions.

Table 8.34 ANOVA Universal Positive Emotions

		Sum of Squares	df	Mean Square	F	Sig.
Positive emotions Factor - (homogeneous items from luxury designer handbags and counterfeit handbag versions) * last handbag purchase	Between Groups (Combined)	24.280	1	24.280	26.005	.000
	Within Groups	327.720	351	.934		
	Total	352.000	352			

Table 8.35 Universal Positive Emotions

		Positive emotions Factor - (homogeneous items from luxury designer handbags and counterfeit handbag versions)
last handbag purchase		
luxury designer handbags	Mean	-.17878869
	N	241
	Std. Deviation	.938128026
counterfeit handbag versions	Mean	.38471494
	N	112
	Std. Deviation	1.024473092
Total	Mean	.00000000
	N	353
	Std. Deviation	1.000000000

8.7.7 ANOVA Results of Negative Emotions

In an effort to understand how negative emotions affect post-consumption evaluation of luxury designer handbags and counterfeit handbag versions, factor analysis was carried on women whose last purchase was either a:

1. Luxury designer handbag
2. Counterfeit handbag version

The main purpose of carrying out factor analysis was to: (1) to *decrease* the number of variables and (2) to *identify structure* in the relationships between variables that is to *classify*

variables. This research involved distinguishing comparable items in both handbag categories; this involved combining the factor scorings from both handbag categories in SPSS Syntax (as seen below).

```
recode GNE2 CNE2 (sysmis eq -1).  
fre GNE2 CNE2.  
compute NEM=10.0000.  
if (GNE2 ne -1) NEM=GNE2.  
if (CNE2 ne -1) NEM=CNE2.  
fre NEM.
```

This ultimately resulted in a separate factor labelled as the ‘Negative Emotions Factor’; this factor combined homogenous items from luxury designer handbags and counterfeit handbag version. This factor was also used to carry out ANOVA.

The ANOVA results suggest that the difference between those that purchased luxury designer handbags and counterfeit handbag versions was not significant ($F(1, 351) = .44, p < .505$) as illustrated in Table 8.36. Thus H8 was rejected in relation to negative post-consumption related emotions.

From the results of Table 8.37 it was found that negative emotions have an effect on post-consumption evaluation. In fact, the mean score of women who purchased luxury designer handbags was $-.0242480$. The mean score of women who purchased a counterfeit handbag version was $.0521765$. Therefore, when interpreting the results, the lower the mean score the lower on average purchasers experienced negative post-consumption related emotions. The higher the mean score, the higher on average purchasers experienced negative post-consumption related emotions. Therefore, purchasers of luxury designer handbags experienced lower levels of negative post-consumption related emotions than those who purchased counterfeit handbag versions.

H8 – Post-consumption related emotions will have an impact on the evaluations of luxury designer handbags and counterfeit handbag version

Table 8.36 ANOVA Table Negative Emotions

		Sum of Squares	Df	Mean Square	F	Sig.
Negative emotions factor - (homogeneous items from luxury designer handbags and counterfeit handbag versions) * last handbag purchase	Between (Combined) Groups	.447	1	.447	.446	.505
	Within Groups	351.553	351	1.002		
	Total	352.000	352			

Table 8.37 Universal Negative Emotions

		Negative emotions factor - (homogeneous items from luxury designer handbags and counterfeit handbag versions)
last handbag purchase		
luxury designer handbag	Mean	-.02424800
	N	241
	Std. Deviation	.914849919
counterfeit handbag	Mean	.05217650
	N	112
	Std. Deviation	1.165128857
Total	Mean	.00000000
	N	353
	Std. Deviation	1.000000000

Table 8.38 Summary of Hypothesis Tests

Investigated Antecedents	Code	Hypothesis Content	
Individual Factors- Conspicuous Consumption	H1	Conspicuous consumption will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Not supported
Individual Factors- Uniqueness	H2	Uniqueness will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Not supported
Individual Factors- Quality	H3	Quality will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Not supported
Individual Factors- Materialism	H4	Materialism will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Not supported
Social Consumption Factors - Social Consumption Motivation	H5	Social meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Not supported
Social Consumption Factors - Brand Meaning	H6	Brand meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions.	Not supported
Attitudinal Factors - Attitudes towards Luxury Designer Products and Counterfeit Product Versions	H7	Women do not see a difference between luxury designer handbags and counterfeit handbag versions.	Partially supported
Consumption Related Emotions - Post-Consumption Related Emotions	H8	Post-consumption related emotions will have an impact on the evaluations of luxury designer handbags and counterfeit handbag versions.	Partially supported

8.8 Summary

This chapter presented the findings obtained from the data analysis of 353 personal surveys, exploring the evaluative criteria of women in London in relation to luxury designer handbags and counterfeit handbag versions. The findings were presented in several sections. The first step was to analyse the demographic characteristics of the sample and to calculate the response rate among purchasers of luxury designer handbags and counterfeit handbag purchasers. 68% of women in London purchased a luxury designer handbag as their last handbag purchase, 32% of women in London purchased a counterfeit handbag version as their last handbag purchase. This was followed by calculating the reliability of measures relating to factor analysis. This section initially confirmed that the measures were internally consistent, as all the constructs possessed a Cronbach's Alpha above 0.70. Factor analysis was established using principal component analysis. The results provided evidence of high KMO vales (0.80), a significant probability of Bartlett's test of sphericity (.001), was achieved possessing eigenvalues above 1. Finally, ANOVA was carried out to test the hypotheses and their significance as well as investigating the evaluation differences between purchasers of luxury designer handbags and counterfeit handbag versions, which ultimately confirmed or rejected the outlined hypotheses. In relation to the context of this research, the next chapter provides detailed explanations and interpretations of the findings in the light of previous studies.

Chapter 9

Chapter 9 - Discussion

9.1 Introduction

The preceding chapters have:

1. Introduced the background to this study, presented a rationale behind the decision to pursue this topic and highlighted the structure of this thesis.
2. Reviewed the concept of fashion and outlined accepted definitions, perspectives and concepts of fashion through a comprehensive outline of established theories.
3. Reviewed inconsistencies relating to the definition of luxury, and explored the concepts that distinguish and characterise 'luxury' and 'luxury designer'. In addition, a discussion into commodities communicating individual identity was outlined.
4. Reviewed inconsistencies relating to the definition of counterfeits and provided a comprehensive background into the phenomenon of counterfeiting and its influence on the luxury designer industry in relation to its development, scale, impact, producers and recipients of counterfeit products.
5. Reviewed consumer culture and commodities as constructs applicable to individual identity. In addition, a comprehensive review of consumption theories relating to status seeking and pleasure was outlined.
6. Explored the relevant theoretical frameworks related to the construct of the outlined conceptual model, explaining the underlying dimensions relating to product evaluations of luxury designer handbags and counterfeit handbag versions among women in London. Extensive research highlighted the main antecedents, individual factors, brand meaning, social consumption motivation, attitudinal factors, and post- consumption related emotions as part of the evaluative criteria.
7. Proposed the research approach and methodology to be used as part of empirical research. An explanation of the research methodology and sample selection, and the statistical techniques used for data analysis to accomplish the research objectives of this study was explored. The focus of this research is the examination of post- consumption perceptions and evaluations of luxury designer handbags and counterfeit handbag versions. Personal surveys were conducted as a method of data collection, and as a way of tackling the 'research gap'.
8. Presented the results obtained from the data analysis of 353 personal surveys collected over a period of 12 weeks in 2010. An exploration into the evaluation criteria among women in London whose last handbag purchase was either a luxury designer handbag or a counterfeit handbag version is the focus of this research. Demographic characteristics

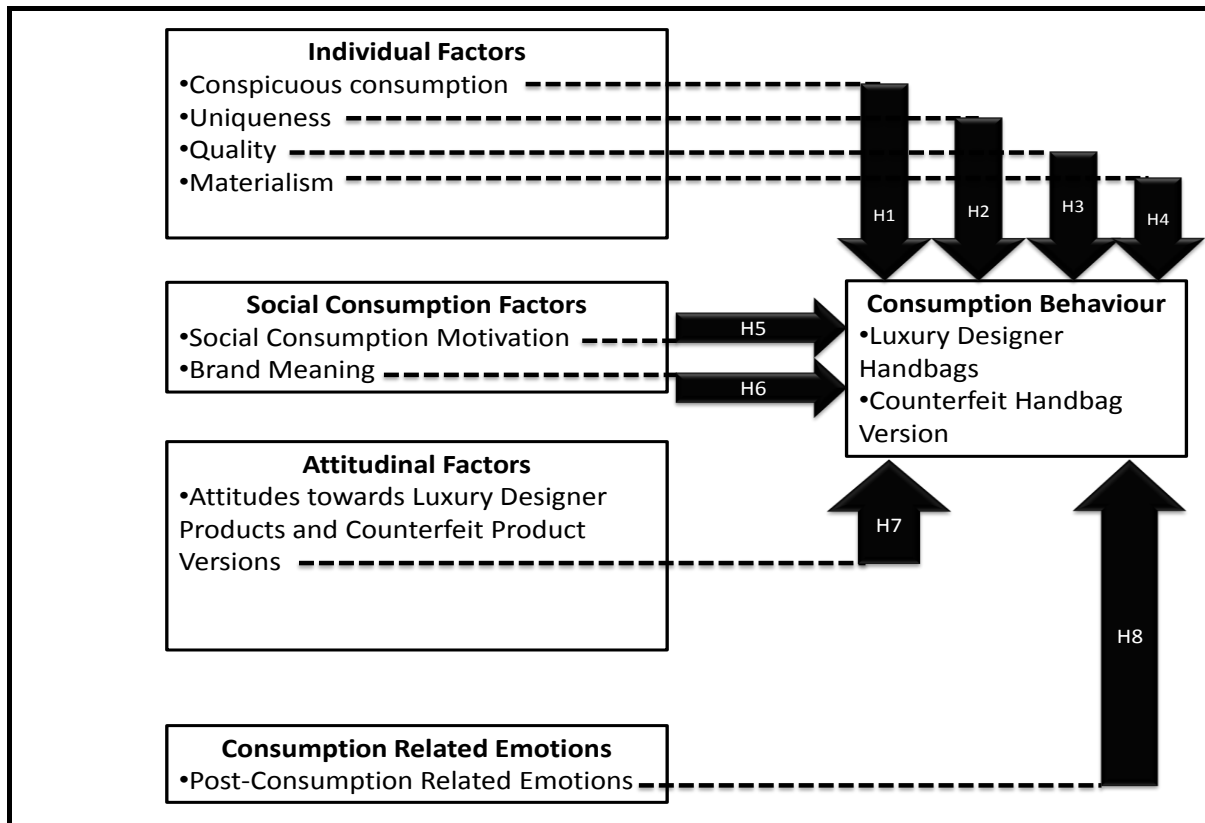
and response rates among the sample were presented. This was followed by calculating reliability, Factor Analysis and Cronbach's Coefficient Alpha to validate the adopted scales. ANOVA was conducted to test the hypotheses and their significance. The results of these multiple tests ultimately supported or rejected the outlined hypotheses in this research, as well as providing insights into post-consumption evaluations.

This chapter presents a discussion relating to the research findings. The statistical analyses of the research results are explored to contribute to:

- An understanding of consumers who purchase luxury designer handbags or counterfeit handbag versions;
- Ascertain the relationship and disparity among those that purchase luxury designer handbags or counterfeit handbag versions;
- Clarify the roles of the antecedents (individual factors which look at the Brand Luxury Index and materialism, social consumption factors which look at social consumption motivation and brand meaning and attitudinal factors which incorporate an investigation into consumers purchasing luxury designer handbags or counterfeit handbag versions, and lastly, post-consumption related emotions) as a significant tool in evaluating the perceptions of purchasers, relating to the purchase of luxury designer handbags or counterfeit handbag versions.

This chapter provides a discussion relating to the empirical study. Four key antecedents relating to post-consumption evaluation of luxury designer handbags and counterfeit handbag versions were investigated. These were: (1) individual factors; (2) social consumption factors; (3) attitudinal factors and (4) consumption related emotions. See Table 9.1.

Table 9.1 Conceptual Model



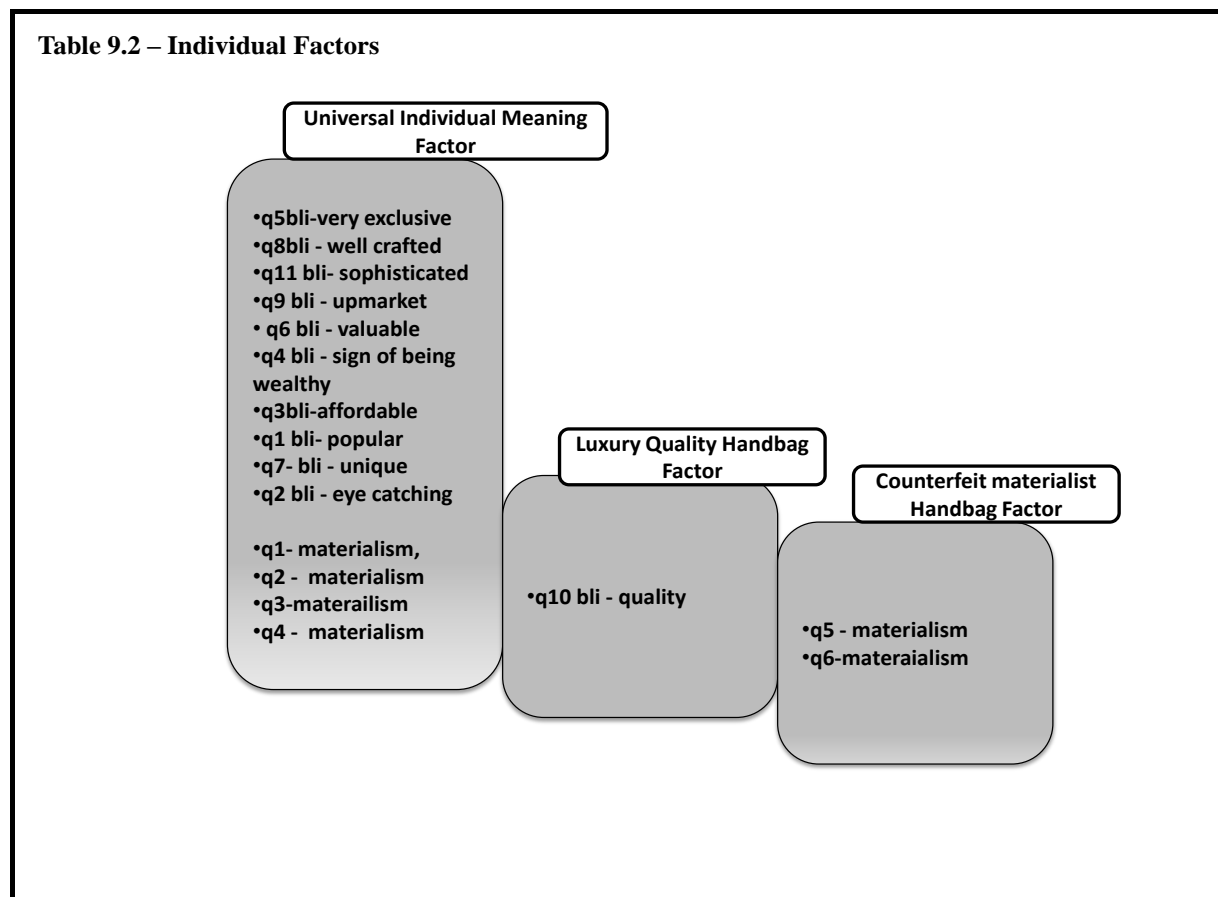
The four identified antecedents were coherent with the concepts explored in the fashion, luxury, counterfeit, and consumption commodities research field. The factor analysis and Cronbach's Coefficient Alpha supported the proposed model. There was a significant relationship between the sub-dimensions of the main antecedents, highlighting underlying homogeneous relationships among purchasers of luxury designer handbags and counterfeit handbag versions. However, using ANOVA to test the hypotheses and their significance provided no clear evidence of causality. The analyses indicated that there were some inconsistencies between purchasers' handbag evaluations and their purchasing behaviours, as indicated in the ANOVA test. Although, the differences in means provided insight into group differences. The following sections of this chapter present detailed explanations and interpretations of the findings in the light of previous studies.

9.2 Individual Factors

The individual dimension focuses a customer's personal orientation on luxury consumption and addresses personal matters such as materialism (e.g., Richins and Dawson 1992), and self-identity value (e.g., Vigneron and Johnson 2004). The study extracted four dimensions relating to individual factors:

1. Conspicuous consumption
2. Uniqueness
3. Quality
4. Materialism

The four identified dimensions are coherent with the concepts of self-identity proposed by Vigneron and Johnson (2004) and Richins (1987). In relation to the content of extracted factors, a large amount of the content was similar across luxury designer handbags and counterfeit handbag versions. Although, some differences was found. Table 9.2 illustrates factors for each handbag category.



When interpreting the mean score, women whose last handbag purchase was a counterfeit, evaluated individual meaning more positively in comparison to those who purchased luxury designer handbags. In sum, purchasers' of counterfeit handbag versions deem the dimension of individual factors; conspicuous consumption, uniqueness, quality, and materialism as highly influential. This is connected to the fact that material objects can transmit different

messages which relate to the owner. The use of inanimate objects such as a counterfeit handbag version can play a role in the construction of personal identity as well as satisfying functional needs. Women that purchase counterfeit handbag versions may use it as a way of creating a meaningful self-identity.

Universal individual meaning factor - relating to purchasers of luxury designer handbags and counterfeit handbag versions. The results reveal that the consumption of fashion commodities in general acquires universal symbolic manifestations. Therefore, luxury designer handbags and counterfeit handbag versions possess relatively comparable individual meanings, suggesting homogeneous functions for both handbag categories. Thus, satisfying the purchasers' need to express their values by adopting fashionable styles. Fashion objects exist as a result of commonly shared meanings (Elliott 1994). Fashion-related commodities characterise a product category that may function as a good platform on which to demonstrate the roles of brands. Fashion and clothing are vital tools in social communication and creating identity (Dittmar 1992; Cox and Dittmar 1995). Clothing "*involves overt consumption behavior that makes consumers' taste and values accessible to others*" (Banister and Hogg 2004, p. 851). Fashion relates to the extended self and is often utilised as a means of communication, by conveying personality, taste, and values (Banister and Hogg 2004; O'Cass 2004). As a result of previous findings together with the findings of this research, luxury designer handbags and counterfeit handbag versions offer consumers the chance to fulfil salient individual goals in both handbag categories.

Bearden and Etzel (1982) found that luxury products consumed in public were expected to be conspicuous in comparison to privately consumed luxury products. Conspicuous consumption plays a major role in determining preferences for products which are purchased or consumed in public contexts (Braun and Wicklund 1989; Hong and Zinkhan 1995; Bagwell and Bernheim 1996; Corneo and Jeanne 1997; Vigneron and Johnson 2004). Thus, results relating to H1 (*Conspicuous consumption will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions*) reveal that the consumption of luxury designer handbags and counterfeit handbag may act as an important tool for individuals searching for social status and representation, therefore conspicuous consumption is a common dimension in both handbag categories.

The desire for uniqueness relates to how an individual's need for uniqueness can affect brand choices and the need to be different from others (Tian et al., 2001) via material goods (Knight and Kim 2007). Snyder and Fromkin (1977) discovered that different people demonstrate different levels of need for uniqueness in comparable situations which can have an important influence on their purchase decisions. The result relating to H2 (*Uniqueness will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions*) revealed that purchasers of luxury designer handbags and counterfeit handbag versions view uniqueness as a common underlying dimension in both handbag categories. Those that purchase counterfeits can be assumed to appreciate the uniqueness of the products. This is because while many counterfeit products are produced from typically second-rate materials, they are frequently created with the same moulds, design, and specifications as the genuine brands (Parloff 2006), therefore offer the same level of uniqueness to purchasers of counterfeit handbag versions. Purchasers of luxury designer handbags deem their choices as being unique and this centres on the perceived exclusivity and rareness of a restricted product, which ultimately increases the consumer's desire or preference for a branded commodity (Verhallen 1982; Lynn 1991; Pantzalis 1995). In addition, the functional assessment of uniqueness also increases the individual's desire for uniqueness (Snyder and Fromkin 1977) and the wish for differentiation and exclusivity which is only possible by the consumption and use of particular brands (Leibenstein 1950; Vigneron and Johnson 1999; 2004).

The results reveal that materialism is part of the universal individual meaning factor, which plays an important part in the evaluation process of luxury designer handbags and counterfeit handbag versions. The items are comparable across both handbag categories, as Belk (1985) states materialism can be considered as a constellation of connected traits, attitudes, and values which centre on commodities. This is congruent with H4 (*Materialism will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions*). Therefore purchasers of luxury designer handbags and counterfeit handbag versions hold strong materialistic values on branded commodities and regard them as a way of achieving happiness.

Luxury quality handbag factor - relating exclusively to purchasers of luxury designer handbags. This result reveals that the consumption of luxury designer handbags denote quality as a superior dimension. Therefore the individual factor, quality, explicitly relates to

luxury designer handbags only. This result is in line with Park, Rabolt et al. (2008), who found quality as a significant result. Gentry et al. (2001) also found that consumers purchase luxury designer products because of the superior quality suggested by the brand name. Therefore the quality of luxury designer handbags is a distinguishable feature. This is congruent with *H3 (Quality will have an impact on the evaluation process among women who have purchase luxury designer handbags and counterfeit handbag versions)* and in the research area of perceived quality which often claims hand-made luxury brands offer exceptional product quality and performance in contrast to non-luxury brands (e.g., Dubois and Laurent 1994; 1996; Garfein 1989; Roux 1995; Quelch 1987; Nia and Zaichkowsky 2000; O’Cass and Frost 2002; Vigneron and Johnson 2004). This can be related to counterfeit product versions as well, as purchasers of counterfeit handbag versions did not view quality as a distinguishable feature. Thus, consumers may connect luxury designer products with a greater brand quality and perceive more value from it (Aaker 1991). The literature on luxury consumption frequently highlights the importance of quality which certifies the value of luxury (Quelch 1987; Rao and Monroe 1989; Garfein 1989; Groth and McDaniel 1993; Roux 1995). In addition, high quality is perceived as a fundamental feature of luxury products in terms of a ‘sine qua non’ (Quelch 1987; Garfein 1989; Roux 1995).

Counterfeit materialist handbag factor - relating exclusively to purchasers of counterfeit handbag versions. The results reveal that the consumption of counterfeit handbag versions provides an anomaly. This anomaly can be interpreted by suggesting that purchasers of counterfeit handbag versions are fully aware of the pressures of obtaining material objects, yet follow fashion slavishly. This is a result of fashion being considered as a key element in social regulation. Therefore, money acts as a bridge to happiness allowing purchasers of counterfeit handbag versions to distinguish themselves via the use of branded commodities. Commodities and their acquisition play a fundamental position in the definitions of materialism (Daun 1983; Wackman et al. 1972; Heilbroner 1956; Rassuli and Hollander 1986; Du Bois 1955). In addition, research has established that materially oriented consumers rely on external signals, choosing commodities that are consumed or worn in public places (Richins and Dawson 1992; O’Cass and Muller 1999). The result of this research relating to *H4 (Materialism will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions)* reveals that purchasers of counterfeit handbag versions are highly materialistic, scoring on every item relating to materialism. This may be associated with the understanding of (materialistic)

individuals that possessions are an indication or method of communication to others which allows them to manage and create an impression of who they are and what their status or position is (Douglas and Isherwood 1979; Belk 1985).

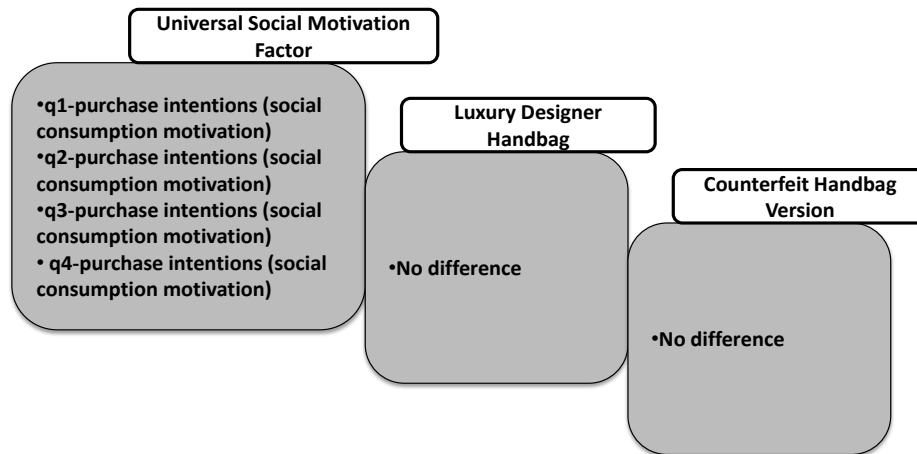
In contrast, the results from ANOVA found individual factors (H1, H2, H3, and H4) to be non-significant ($F(1, 351) = .085, p < .771$) in the evaluation process of luxury designer handbags and counterfeit handbag versions. This finding is in opposition to the findings of the factor analysis, which demonstrates distinct differences and similarities between purchasers of luxury designer handbags and counterfeit handbag versions.

9.3 Social Consumption Motivation

Of particular relevance to this research is the investigation of social consumption motivation underlying counterfeit product consumption and luxury designer product consumption. The consumption of counterfeit products has been linked to social motives, such as the desire to create identities, impress others, or to fit in (Bloch, Bush, and Campbell 1993; Hoe, Hogg, and Hart 2003; Penz and Stottinger 2005). In relation to the content of extracted factors the content of items was similar across luxury designer handbags and counterfeit handbag versions; Table 9.3 illustrates factors for each handbag category.

When interpreting the mean score, women whose last handbag purchase was a counterfeit handbag version evaluated social consumption motivation more positively than those who purchased luxury designer handbags. In sum, purchasers of counterfeit handbag versions possess a stronger concept of social consumption motivation which is driven by the need for conventional styles, products, brands and even handbags. This predilection allows purchasers' of counterfeit handbag versions to benefit from the exposure of conviction, which results in purchasers' conforming to predetermined fashion systems or branded commodities. Therefore, purchasers of counterfeit handbag versions have a personal strategy to actively display their tastes.

Table 9.3 Social Motivation Factor



The result of this research relating to H5 (*Social meaning will have an impact on the evaluation process among women who have purchased luxury designer handbag and counterfeit handbag versions*) revealed that the consumption of luxury designer handbags and counterfeit handbag versions appears to have a strong social function. The results reveal that social consumption motivation influences the evaluation process of luxury designer handbags and counterfeit handbag versions. Although the factor of social consumption motivation is homogeneous, social importance associated with fashion is strongly evident in both handbag categories, highlighting a universal social consumption motivation system in contemporary fashion. Therefore, the social consumption measurement relates to the perceived benefit individuals look for when consuming products recognised within their own social group(s) such as conspicuousness and quality, which can influence the evaluation and the inclination to purchase luxury designer brands (Vigneron and Johnson 1999, 2004; Bearden, and Etzel 1982; Brinberg and Plimpton 1986; Kim 1998). This can also apply to counterfeit commodities which may drive the consumption of such product versions.

The theory of social consumption motivation is especially related to the influence of a social group on the opinions of its members. In relation to luxury designer handbags and counterfeit

handbag versions, social consumption motivation can be seen as a collective elaboration of a social object, that is, of common interest, together with ideas, images, and knowledge relating to fashion handbags. The homogeneous results among women of luxury designer handbags and counterfeit handbag versions are of significant interest to this research, as it demonstrates how socially conscious women in London are. The consumption of luxury designer handbags and counterfeit handbag versions is connected to sources of social culture and social structure. For example, fashion processes are diffused within and among societies permitting social integration as well as satisfying psychological needs by projecting positive meanings to purchasers and onlookers of fashion. In the case of luxury designer handbags and counterfeit handbag versions, collective meanings communicate structured lifestyle attachments to fashion and commodities.

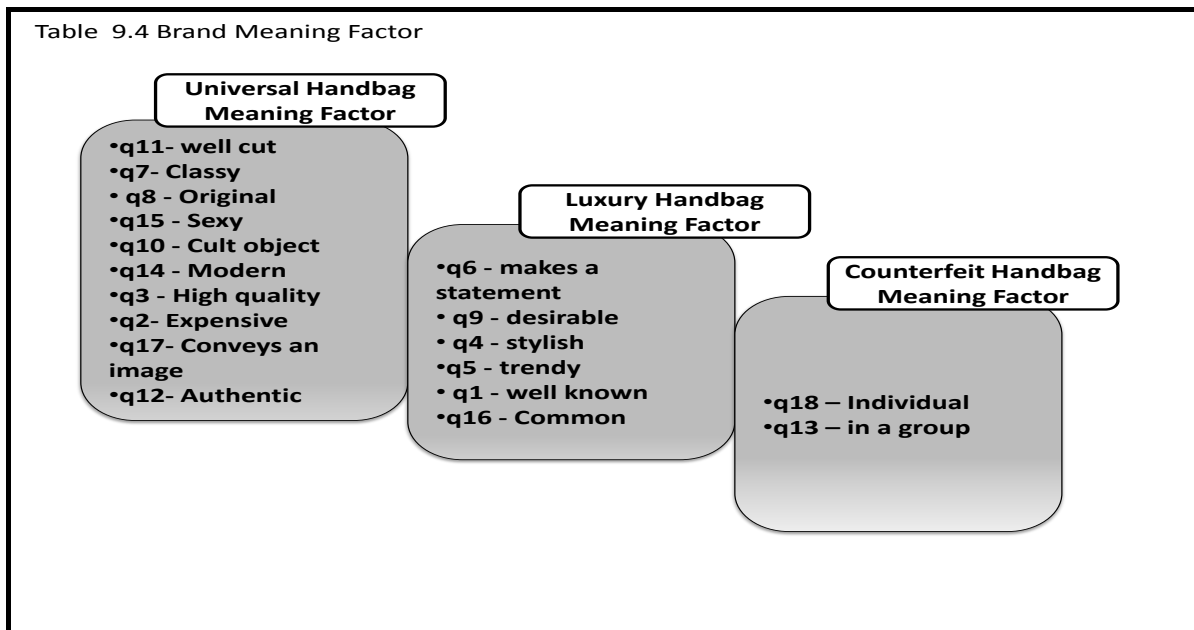
In contrast, the results from ANOVA found social consumption motivation (H5) to be non-significant ($F(1, 351) = .115, p < .734$) in the evaluation process of luxury designer handbags and counterfeit handbag versions. This finding is in opposition to the findings of the factor analysis, which demonstrates distinct differences and similarities between purchasers of luxury designer handbags and counterfeit handbag versions.

9.4 Brand Meaning

The brand meaning factors highlighted the brand meaning values consumers place on luxury designer handbags and counterfeit handbag versions. The study extracted three factors relating to brand meaning. In relation to the content of extracted factors, a large quantity of the content was similar across luxury designer handbags and counterfeit handbag versions. Although, some differences were found. Table 9.4 illustrates factors for each handbag category.

When interpreting the mean scores, women whose last handbag purchase was a counterfeit handbag version evaluated brand meaning more positively than those who purchased luxury designer handbags. In sum, purchasers of counterfeit handbag versions acquire a deeper penetration of values which drives purchasers' inner desire to consume counterfeit handbag versions. The disposition of consumption patterns and evaluations reflect fashion and counterfeit handbag versions as symbols and communications systems. The brand meaning dimension allows purchasers of counterfeit handbag versions to project images or win

approval by appearing 'classy', 'sexy' or 'individual', functioning within an interpersonal network system.



Universal handbag meaning factor- relating to purchasers of luxury designer handbags and counterfeit handbag versions. The result of this research relating to H6 (*brand meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions*) revealed that the consumption of luxury designer handbags and counterfeit handbag versions possess comparable brand meaning dimensions, suggesting homogeneous meanings for both handbag categories. Therefore, this allows flexibility in brand meaning and imitation to flourish. For example, the importance attached to brands can be explained by the concept that brands represent quality assurance as well as self-expression (Temporal 2000). Luxury designer handbags and counterfeit handbag versions are purchased for what they represent within the purchaser's social environment. The universal handbag meaning factor highlights these beliefs and values, which are developed within social environments and expressed by common representations. Therefore, the phenomenon of handbags in both categories is widely used by women in London as a result of environmental influences on consumption. The items in this factor are influential to women in London and demonstrate the core similarities relative to post-consumption.

Luxury handbag meaning factor – relating exclusively to purchasers of luxury designer handbags. The result of this research relating to H6 (*brand meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and*

counterfeit handbag versions) revealed that the consumption evaluation of luxury designer handbags denoted six items as superior dimensions specific to luxury designer handbags. This highlights the social significance of luxury designer handbags, which allows women in London to distinguish themselves from imitators, or purchasers of counterfeit handbag versions. The item 'common' can be explained as the basis of 'common' customs or purchase behaviours among women in London. Therefore, it is 'common' for women to purchase luxury designer handbags, and acts as a method of differentiation from the 'common' practices of mass consumption.

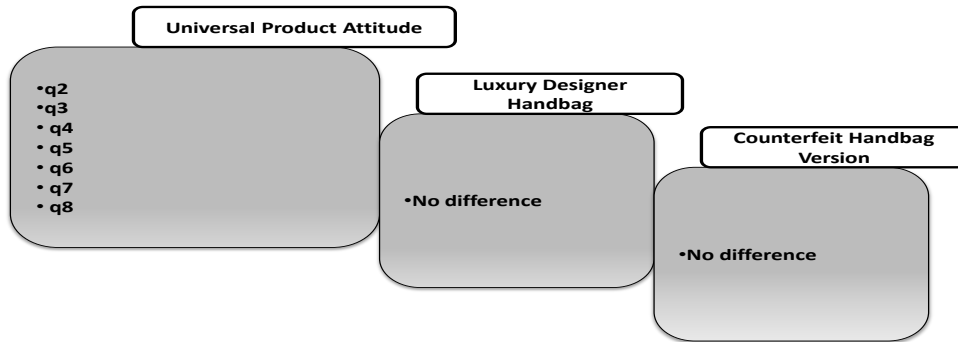
Counterfeit handbag meaning factor - relating exclusively to purchasers of counterfeit handbag versions. The result of this research relating to H6 (*brand meaning will have an impact on the evaluation process among women who have purchased luxury designer handbags and counterfeit handbag versions*) revealed an inconsistency, which can be interpreted by suggesting that fashion is a process of imitation allowing people to emulate recognised and accepted behaviours. Therefore, the consumption of counterfeit handbag versions permits purchasers to generate relationships with group members, as well as offering purchasers the opportunity to construct individual images of themselves in a group situation, by expressing one's wealth, purchasing power, style or value. When consumers purchase explicit brands, they are conveying their desire to be associated with the sort of people also perceived to consume the brand (Phau and Prendergast 2000), brand images, and lifestyle projected in the brand(s) (Husic and Cicic 2009).

In contrast, the results from ANOVA found brand meaning (H6) to be non-significant ($F(1, 351) = .072, p < .788$) in the evaluation process of luxury designer handbags and counterfeit handbag versions. This finding is in opposition to the findings of the factor analysis, which demonstrates distinct differences and similarities between purchasers of luxury designer handbags and counterfeit handbag versions.

9.5 Attitudinal Factors

Attitudes fulfil significant social functions, for example, permitting self-expression. In the context of this study, consumer evaluation of luxury designer handbags and counterfeit handbag versions serve as an evaluative criterion. Table 9.5 illustrates the dimensions of each factor, this factor relates to attitudes influencing the evaluations of luxury designer handbags and counterfeit handbag versions.

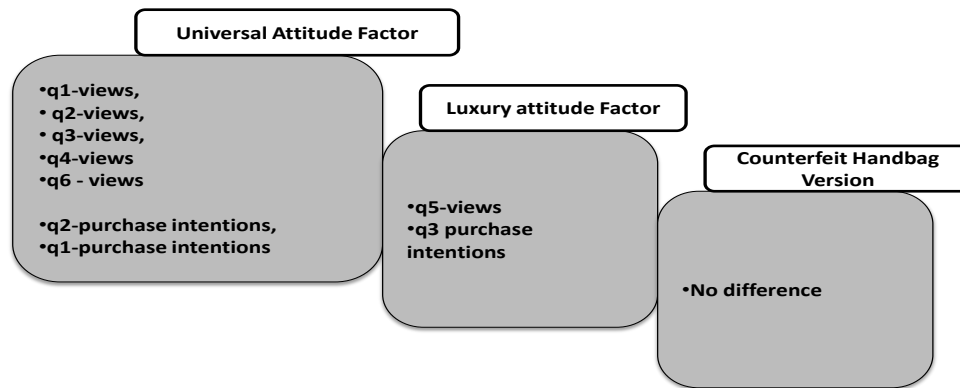
Table 9.5 Product Attitude



Universal product attitude factor - relating to purchasers of luxury designer handbags and counterfeit handbag versions. The result of this research relating to H7 (*Women do not see a difference between luxury designer handbags and counterfeit handbag versions*) reveals that women in London did not view counterfeit products/brands any differently to luxury designer products/brands. Results from ANOVA found attitudes towards luxury designer handbags versus counterfeit handbag version (H7) to be significant ($F(1, 351) = 25.85, p < .000$) in the evaluation process of luxury designer handbags and counterfeit handbag versions. This finding supports the findings of the factor analysis and hypothesis.

An additional factor relating to attitudes investigating the views and purchase intentions, extracted factors of similar content across luxury designer handbags and counterfeit handbag versions. Although some differences were found. Table 9.6 illustrates factors for each handbag category.

Table 9.6 - Attitude Factor (views and purchase intentions)



Universal attitude factor- relating to purchasers of luxury designer handbags and counterfeit handbag versions. The result of this research relating to H7 (*Women do not see a difference between luxury designer handbags and counterfeit handbag versions*) revealed that women in London hold positive attitudes towards their last handbag purchase.

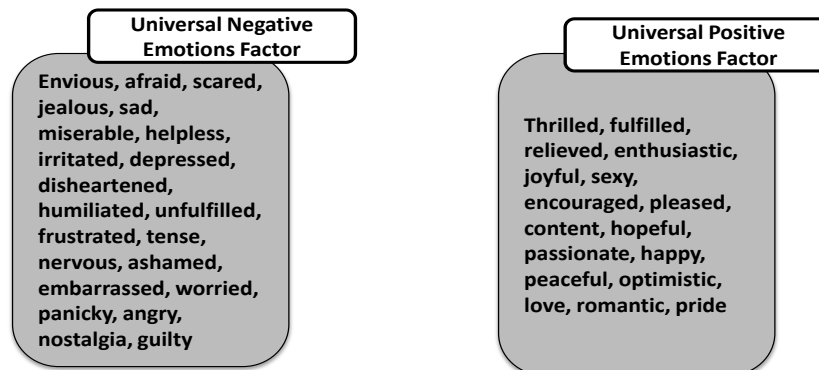
Luxury attitude factor - relating exclusively to purchasers of luxury designer handbags. The result of this research relating to H7 (*Women do not see a difference between luxury designer handbags and counterfeit handbag versions*) revealed women's attitudes towards luxury designer handbags as being progressively positive, approving additional dimensions exclusive to the consumption of luxury designer handbags.

In contrast, the results from ANOVA found attitudes relating to views and purchase intentions (H7) to be non-significant ($F(1, 351) = .007, p < .933$) in the evaluation process of luxury designer handbags and counterfeit handbag versions. This finding is in opposition to the findings of the factor analysis, which demonstrates distinct differences and similarities between purchasers of luxury designer handbags and counterfeit handbag versions.

9.6 Consumption Related Emotions

Products and services have been found to carry emotional value and offer intrinsic enjoyment as well offering functional utility (Holbrook and Hirschman 1982; Sheth et al. 1991, Westbrook and Oliver 1991). Studies on the consumption of luxury products have shown that luxury commodities provide subjective intangible benefits (Dubois and Laurent 1994). In addition, studies relating to the concept of luxury have frequently recognised the emotional responses related to luxury consumption, for example, gratification and sensory pleasure, aesthetic beauty, or excitement (Benarrosh-Dahan 1991; Fauchois and Krieg 1991; Roux and Floch 1996; Vigneron and Johnson 2004). In relation to the content of extracted factors, a large amount of the content was similar across luxury designer handbags and counterfeit handbag versions. Table 9.7 illustrates factors for each handbag category.

Table 9.7 Post-Consumption Emotions Factor



Universal negative emotions - relating to negative post-consumption related emotions experienced by purchasers of luxury designer handbags and counterfeit handbag versions. It can be assumed that women who purchased luxury designer handbags did not experience negative emotions as opposed to those who purchased counterfeit handbag versions

Universal positive emotions factor – relating to positive post-consumption related emotions experienced by purchasers of luxury designer handbags and counterfeit handbag versions. Purchasers of luxury designer handbags experienced positive emotions greater than those who purchased counterfeit handbag versions. It can be assumed that women who purchased luxury designer handbags attached stronger emotional gratification towards a commodity that expresses positive self-gratification as opposed to those who purchase counterfeit handbag versions.

The result of this research relating to H8 (*Post-consumption related emotions will have an impact on the evaluation of luxury designer handbags and counterfeit handbag versions*) revealed that purchasers of luxury designer handbags and counterfeit handbag versions experienced positive and negative emotions during post-consumption. This highlights the sensual appeal of commodities, in particular, the functional aspects emotions play during post-consumption. Emotion taxonomies (e.g. Izard 1977) state that subjective emotions are structured into a finite set of distinct groupings; the results indicate a two-dimensional factor in understanding post-consumption related emotions.

The test of validity for the factorial structure of consumption related emotions during post-consumption demonstrated that the patterns of emotions experienced by purchasers of luxury designer handbags and counterfeit handbag versions consisted of distinct dimensions as suggested by Richins' (1997). The universal positive emotion of *thrilled* was the most salient among respondents, followed by *fulfilled*. Alternatively, the universal negative emotions of *guilt*, *nostalgia*, and *angry* were not frequently experienced after the consumption of luxury designer handbags or counterfeit handbag versions. These emotions are principally coherent with Richins' (1997) CES that comprises a set of emotion measures in product consumption contexts. Richins' (1997) study discovered that the positive emotions of 'joy', 'pride' and 'contentment' were effectively experienced while few negative emotions were reported in all product consumption situations. The result of this research is consistent with Bigne et al (2005) and Tsauro et al (2006) who investigated tourism product consumption emotions in different contexts.

Results from ANOVA found positive emotions towards luxury designer handbags and counterfeit handbag version (H8) to be significant ($F(1, 351) = 26.00, p < .000$) in the evaluation process of luxury designer handbags and counterfeit handbag versions. This

finding supports the findings of the factor analysis and hypothesis. In contrast, the results from ANOVA found negative emotions toward luxury designer handbags and counterfeit handbag versions to be (H8) to be non-significant ($F(1, 351) = .44, p < .505$) in the evaluation process of luxury designer handbags and counterfeit handbag versions. This finding indicates that positive emotions experienced after consumption are a significant mediator in the consumption of luxury designer handbags and counterfeit handbag versions. Westbrook (1987) found that emotional reactions are important in developing consumers' purchasing intentions. In sum, the patterns of emotions of purchasers of luxury designer handbags and counterfeit handbag versions, in general, are consistent with consumers' emotional experiences of personal services and durable goods. Positive emotions materialise as the dominate indicator experienced by women in London. Therefore, positive emotions elicit favourable experiences. In contrast, negative emotions do not have a strong impact on the evaluation of luxury designer handbags or counterfeit handbag versions. This is surprising as it can be assumed that purchasers of either handbag category may experience cognitive dissonance.

9.7 Summary

This chapter discussed and reflected upon the findings, relating to the antecedents outlined in the conceptual model. The discussion led to an explanation and evaluation of behavioural intentions among women in London in relation to luxury designer handbags and counterfeit handbag versions. A comparison among factor analysis results suggested that the performance of the conceptual model was significant to understanding the evaluation process of women in London. It was found that purchasers of luxury designer handbags and counterfeit handbag versions share underlying similarities as well as distinct differences when evaluating their purchasing decisions. The factor analysis and Cronbach's Coefficient Alpha supported the proposed model. There was a significant relationship between the sub-dimensions of the main antecedents, highlighting underlying homogeneous relationships among purchasers of luxury designer handbags and counterfeit handbag versions. However, using ANOVA to test the hypothesis and its significance provided no clear evidence of causality. The analyses indicated that there were some inconsistencies between purchasers' handbag evaluations and their purchasing behaviours, as indicated in the ANOVA test. Although, the differences in means provided further insight into group differences revealing particular antecedents possessing influential evaluations.

The final chapter will present a summary, as well as conclusions drawn from each chapter. This will be followed by a discussion on the research contribution, limitations and further research.

Chapter 10

Chapter 10 – Conclusion

10.1 Introduction

This chapter presents a conclusion to the results and discussion of the research presented in this thesis. The chapter begins with an overview of this research by highlighting the main conclusions. This is followed by a discussion of the research contributions and implications in relation to theoretical, methodological, and marketing contributions. The limitations of this research are also discussed as well as a review of further research directions. Finally, a summary of the chapter is provided.

10.2 Research Overview

Chapter 1 defined the main purpose of this research and presented the background and significance of the study. Following this, the chapter established the research gap, focus of the aims and objectives together with an explanation and justification of the significance of the study.

Chapter 2 investigated the concepts and theories of fashion and discovered that fashion is made concrete by tangible commodities, can express meaning and value to consumers and onlookers, and offers nonverbal visual communication which makes social statements. This chapter found that changes in the significance and implication of specific types of clothing or fashions, and the ways these communicate meaning, are indications of major variations in the way that social groups and groupings distinguish their relationships with one another. It also highlighted how fashion is intended to be worn in public, some individuals dress for others, while some dress to create personal identities. This has been a prevalent theme in the theories relating to the diffusion of fashion. Fashion is an elusive concept which incorporates more than one dimension. It can be expressed as the way consumers use clothing as a means of dressing formed by a shared system of how one should dress. The majority of theories relating to fashion characterise it either in a symbolic context, or in a tangible context viewing clothing and commodities of fashion as a type of language. For example, clothing has been attributed to dictating which social stratum one may belong to. It was found that in relation to the context of this study, accessories such as handbags (luxury designer and/or counterfeit product versions) deal with similar shared systems.

Chapter 3 investigated the theoretical and empirical developments relating to the literature on luxury, which offered insights into the complexities involved in the definition of luxury. The

three main definitions of luxury derive from economic, psychological and marketing perspectives. Each of these has been subjected to limited empirical study and restricted conceptual developments, but has offered a different, yet overlapping exploration into the term luxury. This has led to fragmentation and made the concept of luxury complex and difficult to understand. However, it can be argued that these diverse perspectives facilitate in the progression of knowledge and call for a synthesis of existing concepts. For the purpose of this study, the three main definitions of luxury have provided a conceptual basis in the development of the term luxury designer. Luxury designer brands are principal assets for a company, expressing the company's core beliefs and values while the consumption of luxury designer commodities has generally been linked to the display of status. Luxury designer products encapsulate premium prices, quality, as well as possessing the ability to project an idea of exclusivity, reinforcing the products' success in design and uniqueness. The literature relating to the consumption of luxury goods highlights various patterns of behaviour, but mainly stresses the importance placed on luxury products as symbols of social and personal identity. The messages conveyed by luxury products can influence the selection of one product over another; this was found to be especially relevant to the context of this study which investigated the purchase of luxury designer handbags and counterfeit handbag versions among women in London.

Chapter 4 investigated the counterfeiting situation both globally and in the UK which is a growing problem. The UK is one of the main recipients of counterfeits. Chapter 4 provided a review of the phenomenon surrounding this industry and suggested that counterfeits are heavily impacting on luxury designer brands. Research on consumers' assessment of counterfeits is limited. In addition, not many studies have investigated counterfeits from the perspective of counterfeit product versions of luxury designer products or have been product specific. This study explores various antecedents which influence why women in London purchase luxury designer handbags and counterfeit handbag versions which lacks conceptual and empirical underpinnings. It was found that the study of counterfeits from the consumers' perspective is crucial. In particular, an exploration into why women in London purchase luxury designer handbags and counterfeit handbag versions, perceptions of the luxury designer handbags as opposed to counterfeit handbag versions, and how these perceptions toward these two versions may subsequently influence consumer purchase behaviours. The findings will provide companies with a true understanding of their customers. Very little

work has simultaneously modelled consumer purchase behaviours from the context of non-deceptive counterfeiting and luxury designer products.

Chapter 5 investigated the consumption of commodities related to tangible objects which express meaning and value to consumers and onlookers. It was found that commodities offer nonverbal, visual communication which makes social statements. This chapter investigated the central concepts of consumption, by exploring the various processes shaping perceptions and conscious meanings of commodities. The chapter began with an analysis into consumer culture that focused on the structure of meanings and interpretations connected to commodities. This was followed by a comprehensive review of consumption theories, demonstrating the multifaceted dimensions of commodities. It was found that commodities represent a complex combination of social meaning, identity, and gratification of desires that provide a degree of fulfilment. In the context of this research, it can be assumed that luxury designer handbags and counterfeit handbag versions are symbols contributing to a need for brands among consumers.

Chapter 6 reviewed a range of related theories. The analysis implied that even though none of the aforementioned theories could be applied to examining the consumption behaviour of women in London in relation to the selection of luxury designer handbags and counterfeit handbag versions, combining the constructs across the model would be appropriate and would provide a coherent understanding of the research problem. Therefore, the most suitable theories and measurement scales such as the Brand Luxury Index which was adapted, brand meaning scales, social consumption motivation scales, attitudinal factors which was adapted and, the Consumption Emotion Set which was adapted were considered as a guiding outline for this research.

The chapter acknowledged the antecedents that were expected to influence the evaluation processes among women in London in relation to luxury designer handbags and counterfeit handbag versions. Consumption behaviours were also expected to differentiate between luxury designer handbags and counterfeit handbag users. Using these factors, a conceptual model of 'luxury designer and counterfeit diffusion' was developed. The proposed conceptual model was based on the assumption that the individual factors, social consumption factors, attitudinal factors, and consumption related emotions are accountable for and influence the consumption of luxury designer handbags and counterfeit handbag versions which, in turn,

was expected to provide clearer insights into the evaluative criteria of women in London. The aforementioned antecedents and underlying hypotheses were proposed in order to test and validate the model.

Chapter 7 presented and justified a methodological approach essential to accomplish the objectives of this research. To begin with, the chapter debated the context of this research in a wider philosophical paradigm, and explained the decision to use positivism as a research framework with the use of a quantitative approach as an exploratory prerequisite to inform, guide and direct the final stage of personal survey data collection. This chapter also considered sample selection, the design and implementation of the personal survey, as well as the methods of data analysis.

Chapter 8 presented the findings obtained from the data analysis of 353 personal surveys, exploring the evaluative criteria of women in London in relation to luxury designer handbags and counterfeit handbag versions. The findings were presented in several sections. The first step was to analyse the demographic characteristics of the sample, and to calculate the response rate amongst purchasers of luxury designer handbags and counterfeit handbag purchasers. Some 68% of women in London purchased a luxury designer handbag as their last handbag purchase, while 32% of women in London purchased a counterfeit handbag version as their last handbag purchase. This was followed by calculating the reliability of measures relating to factor analysis. This section initially confirmed that the measures were internally consistent, as all the constructs possessed a Cronbach's Alpha above 0.70. Factor analysis was established using principal component analysis. The results provided evidence of high KMO vales (0.80), a significant probability of Bartlett's test of sphericity (.001), was achieved possessing eigenvalues above 1. Finally, ANOVA was carried out to test the hypotheses and their significance as well as investigating the evaluation differences between purchasers of luxury designer handbags and counterfeit handbag versions, which ultimately confirmed or rejected the outlined hypotheses.

Chapter 9 discussed and reflected upon the findings, relating to the antecedents outlined in the conceptual model. The discussion led to an explanation and evaluation of behavioural intentions among women in London in relation to luxury designer handbags and counterfeit handbag versions. A comparison among factor analysis results suggested that the performance of the conceptual model was significant in understanding the evaluation process

of women in London. It was found that purchasers of luxury designer handbags and counterfeit handbag versions share underlying similarities as well as distinct differences when evaluating their purchasing decisions. The factor analysis and Cronbach's Coefficient Alpha supported the proposed model. There was a significant relationship between the sub-dimensions of the main antecedents, highlighting underlying homogeneous relationships among purchasers of luxury designer handbags and counterfeit handbag versions. However, using ANOVA to test the hypothesis and its significance provided no clear evidence of causality. The analyses indicated that there were some inconsistencies between purchasers' handbag evaluations and their purchasing behaviours, as indicated in the ANOVA test. Although, the differences in means provided further insight into group differences revealing particular antecedents possessing influential evaluation criteria among women in London.

10.3 Research Contributions and Implications

This research presents a contribution towards understanding the post-consumption evaluation of luxury designer handbags and counterfeit handbag versions among women in London. This research is one of very few investigations focusing on exploring identical antecedents in both luxury designer and counterfeit commodities.

The quantitative approach applied in this research verifies the function of various antecedents such as (1) individual factors, which look at the Brand Luxury Index and materialism; (2) Social consumption factors, which look at social consumption motivation and brand meaning; (3) attitudinal factors and (4) post-consumption related emotions. The antecedents provide insight into influential dimensions of consumer purchasing behaviour towards luxury designer handbags and counterfeit handbag versions. The conceptual model presented in this research has been validated and examined why women in London purchase luxury designer handbags and counterfeit handbag versions, by extending and highlighting a requirement to explain the distinction between luxury designer handbags and counterfeit handbag versions, by incorporating more than one construct.

The findings of this research empirically suggest differences between several factor structures:

1. Individual Factors

Luxury Quality Handbag Factor - The item 'quality' was exclusively related to women whose last handbag purchase was a luxury designer handbag. This result can be interpreted as

women valuing the concise stitching of exceptional materials, as well as being guaranteed a high degree of quality assurance. Women of luxury designer handbags may construe quality in various dimensions, such as durability, prestige, reliability, aesthetics, image, conformance, and serviceability. Other variables such as brand name, product attributes and prices can also denote quality. It is important for marketers of luxury designer handbags to acknowledge these numerous dimensions from the consumer's perspective. It is suggested that every dimension of quality should be maintained to ensure credibility of luxury designer handbags, especially with the appeal of counterfeit handbag versions. Counterfeit handbag versions unbundle the positioning and quality aspects of luxury designer handbags. 'Quality' of luxury designer handbags should be emphasised as a point of differentiation, companies should attempt to widen the gap between luxury designer handbags and counterfeit handbag versions.

Counterfeit Materialist Handbag Factor - The results reveal that materialism is one of the key constructs affecting the consumption of counterfeit handbag versions. Therefore, purchasers of counterfeit handbag versions place great importance on possessions. Purchasing and using a counterfeit handbag version may be considered as a way to respond to one's own materialistic need. It can be assumed that purchasers of counterfeit handbag versions pay more attention to branded products in comparison to women who purchase luxury designer handbags.

2. Social Consumption Factors

Luxury Handbag Meaning Factor – Particular items were exclusive to women whose last handbag purchase was a luxury designer handbag. These items are as follows:

- A) Makes a statement – It can be assumed that this item communicates and creates an impression without the use of words making a statement about the individual. In relation to luxury designer handbags this statement can be the ultimate 'statement' of success and style. Women can make a 'statement' of 'this is what I am'.
- B) Desirable – It can be assumed that this item suggests that a luxury designer handbag is worth having. Women tend to desire luxury and may want to consumer a luxurious lifestyle which is supported by owning and using a luxury designer handbag.
- C) Stylish – It can be assumed that this item suggests that luxury designer handbags denote prestigious design aspects. Some women may purchase a luxury designer handbag because of

its stylish appearance which relate to being elegant and up to date with the latest catwalk designs.

- D) Trendy - It can be assumed that this item relates to women who thrive on being deemed as very fashionable with the latest fashion trends. These women may follow seasonal trends, changing their handbags and other fashion related items on a seasonal basis.
- E) Well-known – It can be assumed that this item relates to women who are relatively inclined to famous internationally renowned luxury designer handbags/brands. Selecting a ‘well-known’ handbag can endorse one’s success and ‘good taste’ which already have preconceived values.
- F) Common – It can be assumed that this item relates to ‘common’ purchase behaviours among women that purchase luxury designer handbags. Therefore, it is ‘common’ to purchase luxury designer handbags.

Counterfeit Handbag Meaning Factor - Particular items were exclusive to women whose last handbag purchase was a luxury designer handbag. These items are as follows:

- A) Individual – It can be assumed that this item relates to women who aim to construct distinguishable images of themselves. Fashion is liked to creating an individual identity. Therefore women that purchase counterfeit handbag versions may use this commodity as a way of aesthetically expressing their individuality, or by highlighting that they are not concerned with product authenticity. It can be suggested that women that purchase counterfeit handbags may be inclined to the ‘throw away’/’disposability’ of fashion which relates to short fashion cycles.
- B) In a group – It can be assumed that this item relates to the fact the visibility of fashion. Therefore, women who have purchased a counterfeit handbag version express their images in a group situation. Fashion is a social and many women enjoy exhibiting their commodities ‘in a group’.

3. Attitudinal Factors

Luxury Attitude Factor - Particular items were exclusive to women whose last handbag purchase was a luxury designer handbag. These items are as follows:

- A) q5-views (Luxury designer products have not been as good as I thought it would be).
- B) q3-purchase intentions (I am willing to buy luxury designer handbags as presents).

These results highlight an inconclusive outcome. This can be explained by the fact that luxury designer handbags quickly become outdated, therefore women deal with conflicting aspects of wanting the latest luxury designer handbag but are left feeling unsatisfied with planned obsolescence. Although, the results reveal that women would purchase a luxury designer handbag as a present. This highlights the desire for a luxury designer handbag.

4. Consumption Related Emotions

Universal Positive Emotions Factor – Positive emotions during the post consumption stage was prevalent among women in London. This result highlights a challenge for marketers of luxury designer handbags, as counterfeit handbag versions generate similar post consumption experiences.

These findings helped in achieving a broad understanding of consumer behaviour and evaluative criteria among women in London. This research highlights several theoretical contributions and marketing implications. These contributions and implications are reviewed below.

10.4 Contributions to Theory

The first contribution of this research concerning theory is that it combines the appropriate literature on fashion, luxury, counterfeits, and commodities in order to develop knowledge of product consumption and evaluation from the consumer perspective. This research evaluates the offerings of various theories when studying luxury designer handbags and counterfeit handbag versions. This research assimilates previous research results to construct a coherent and complete picture of understanding why women in London purchase luxury designer handbags and counterfeit handbag versions; this research introduces a conceptual model that combines factors from different theories to explore product evaluation.

The second offering, empirically confirms the appropriateness of various antecedents and validates the conceptual model in the context of women's last handbag purchase. This research utilised a personal survey with items/questions measuring various constructs such as (1) individual factors, which looked at the Brand Luxury Index and materialism; (2) Social consumption factors, which looked at social consumption motivation and brand meaning; (3) attitudinal factors and (4) post-consumption related emotions. This quantitative study clearly

demonstrated the asymmetry between factors influencing purchasers' of luxury designer handbags and counterfeit handbag versions.

The third contribution of this research is that it introduced and validated novel constructs such as *'universal individual meaning'*; *'luxury quality handbag factor'*; *'counterfeit materialist'*; *'universal social motivation factor'*; *'universal handbag factor'*; *'luxury handbag meaning factor'*; *'counterfeit handbag meaning factor'*; *'universal product attitude'*; *'universal attitude factor'*; *'luxury attitude factor'*; *'universal negative emotions factor'* and *'universal positive emotions factor'* in order to explore the continued evaluation of luxury designer handbags and counterfeit handbag versions among women in London. As these constructs were not included in any of the guiding frameworks, there is a contribution towards theory development in the form of theory expansion. These constructs can be used to measure the perception and evaluation of luxury designer and counterfeit products.

The fourth contribution of this research is linked to the successful utilisation of theoretical constructs such as post-consumption emotions to explore the differences and similarities between purchasers of luxury designer handbags and counterfeit handbag versions. Previous studies that investigated consumers' evaluation of clothing identified only a single factor of involvement, therefore lacked theoretical underpinnings. A fundamental factor of comprehensive theories relating to consumer behaviour is product evaluation where purchasers consider the attributes of diverse product offerings by evaluating them for significance and importance as part of the decision-making process which affects their purchase decisions (Dickson et al., 2004). Previous studies have not examined luxury designer and counterfeit commodities simultaneously, and therefore lack in providing a cross-sectional approach. This research adapted several measurement constructs in relation to product evaluation of luxury designer handbags and counterfeit handbag versions. As a result, this research offers a better understanding of the evaluation process, which enhances theoretical underpinnings.

The fifth theoretical contribution of this research is to develop a theoretical understanding of the evaluation of luxury designer counterfeit products among women in London. The discussion on the evaluation of luxury designer handbags and counterfeit handbag versions in the previous chapter suggested that the results generally supported the overall hypotheses that were made in Chapter 6. Therefore, this study provides a contribution towards theory

development in the area of fashion consumption. This research also contributes to academia by confirming the findings of prior studies relating to luxury, fashion, counterfeits and commodities, by analysing the similarities and differences in the evaluation of luxury designer handbags and counterfeit handbag versions among women in London.

The sixth contribution is related to the development and validation of a personal survey instrument. In a situation where theory is developed and progressed, it is vital to include the creation and validation of new measures which are considered as a major contribution (Straub et al., 2004). Therefore, this research makes a contribution towards the research methodology. This was accomplished by adapting, creating, and validating measures that correspond to various constructs included in the conceptual model. The research instrument developed and validated in this study can be used to explore other luxury designer and counterfeit product categories.

10.5 Marketing Contributions

Managerially, the research supports the principle that the display of luxury designer handbags and counterfeit handbag versions can stimulate brand/product evaluations and emotional responses among women in London. This is supported by the results of hypothesis 8 which highlights positive emotions as being a dominate indicator of emotional responses experienced by purchasers of luxury designer handbags and counterfeit handbag versions. Although the results of this research are market and product specific, they have significant implications for general fashion consumption research. The findings of this research highlighted the value of the consumers' need for:

- Conspicuous consumption
- Uniqueness
- Quality
- Materialism
- Social consumption motivation
- Brand meaning
- Attitudinal aspects
- Post-consumption related emotions

These measurement scales help to provide an explanation of fashion consumption behaviour especially pertaining to luxury designer handbags and counterfeit handbag versions.

The results of this research have practical implications for marketers working in the luxury designer industry. The results suggest that a focus on designing and managing optimal products together with exclusivity can create positive emotions throughout the post-consumption phase. As suggested by Richins (1997), research findings of studies relating to emotions have mainly been context-specific and, as a result, have not been easily generalised. Therefore, further investigations of existing emotion measures for luxury designer and counterfeit product consumption contexts are required.

Knowledge of all relevant aspects of consumers' evaluations of luxury designer and counterfeit products is required, along with more robust measures across countries, which is important for managerial practice. The conceptual framework proposed in this research synthesises cognitive and emotional dimensions and may provide a better understanding of the factors and drivers of luxury designer and counterfeit product evaluation. This offering provides an expanded perspective of luxury designer and counterfeit evolution among women in London relating to individual, social consumption, attitudinal, and emotional factors. In contrast to prior studies examining the purchaser's perception of and the motives for purchasing luxury designer products and counterfeits, this research offers a broader method of identifying a variety of factors driving the purchase of luxury designer handbags and counterfeit handbag versions as highlighted in the conceptual model.

Based on this, marketers should first investigate the evaluations expressed by women in relation to brands, products, as well as market communications and then contrast these findings against consumers who purchase products from: (1) counterfeiters; (2) the high street; (3) supermarkets; (4) market stalls; (4) the internet; (5) department stores; (6) factory shops; (7) mail order and (8) Duty free. These findings will demonstrate an evaluation system that is adopted by purchasers of fashion commodities. If required, marketers may need to revise their marketing strategy and product positioning appropriately. In relation to the examined antecedents of this research and the empirical evidence that supports the conceptual model, marketers will have greater confidence in employing the same model in an international setting, enabling them to identify potential cross-national segments and create appropriate marketing strategies. To effectively react to the needs, wants and values of

purchasers is vital, especially in an increasingly competitive global marketplace; positioning and segmentation decisions have to be made on a global level. In the luxury designer fashion industry and market, companies can profit from scale economies of global branding and standardised marketing campaigns by isolating the influential luxury designer criteria and values, as perceived by consumer segments around the world. A thorough understanding of why consumers buy luxury designer products and counterfeit products is essential. This insight may offer luxury designer brand marketing managers the ability to elicit more sales from their target consumers by focusing on the perceptions, evaluations and attitudes towards the luxury designer products and counterfeit product versions.

The conceptual model presented in this research assumes the existence of underlying criteria influencing the consumption of luxury designer handbags and counterfeit handbag versions. This helps explain the central luxury designer factors that managers must create or monitor when establishing a lasting luxury designer brand. Even if the influence of each of the antecedents and dimensions of the overall luxury designer perception varies across different cultures, it is believed that the luxury designer market not only permits homogeneous marketing approaches across global boundaries but also requires modification dependent on product categories as highlighted in this research which focuses on handbags. The desire to own the latest fashion commodities from luxury designer brands is constantly dictated as being ‘must-have items’ as promoted in fashion magazines. Even the needs of consumers who buy and consume counterfeits acquire identical universal values as genuine luxury designer products, which are highlighted in the results of this research. Therefore, it is important for marketers of luxury designer handbags to make their products highly differentiable.

10.6 Strategic Planning and Market Segmentation

In relation to the strategic planning of symbolic and affective luxury designer product categories, marketing managers across the world should not narrowly limit their perspectives to the purchaser’s desire to make a positive impression on others. A comprehensive marketing strategy of luxury designer brands relies not only on social factors but also on the antecedents and dimensions proposed in the conceptual model. Furthermore, it is recommended that luxury designer brand marketing managers should experiment with numerous brand-positioning strategies as different commodities of luxury designer brands can be positioned accordingly, for example, as enhancing social status by providing the

purchaser with a sense of importance or by enhancing individual status by meeting individually-oriented consumption goals. Therefore, luxury designer companies should encourage the social appeal of consuming luxury designer handbags/products, by inviting individuals to join exclusive brand communities, comprising of special events and additional initiatives. This creates a sense of belonging to a niche group depriving purchasers of counterfeit handbag versions/products.

By simply using demographic principles such as, address, income and basic demographic variables is not adequate. Today's luxury designer consumers are distinct and complex. Failure to recognise and distinguish these differences can result in disengagement when trying to understand and market to luxury designer consumers. Maintaining a first-rate image of luxury designer handbags/brands is fundamental, especially when fighting against the appeal of counterfeits. From a market segmentation perspective, grouping consumers in relation to their core perceived evaluations of luxury designer handbags/products, and counterfeit handbag versions/products may uncover other psychographic or demographic characteristics. The proposed factor structure for the concept of luxury designer handbags, and counterfeit handbag versions provides a foundation for developing numerous consumer profiles and could possibly specify discrete market segments to different sets of luxury designer products, or advertising strategies could be implemented to highlight distinct characteristics of a luxury designer product in comparison to counterfeit products. Based on the conceptualisation and empirically verified antecedents, marketers can decipher important product evaluations among purchasers of luxury designer commodities across various cultural segments that may vary in their luxury designer orientation. The selection of luxury designer products over counterfeit products fulfils emotional and cognitive needs as highlighted in the results of this research. For example, to some purchasers, individual antecedents such as conspicuous consumption, uniqueness, quality and materialism of a luxury designer handbag or a counterfeit handbag version, may be of particular significance as a means of signalling wealth, status, and membership of important reference groups. To purchasers, luxury designer handbags can be a financial investment meeting their individual values of high quality, as highlighted in the results of this research, as it was revealed that purchasers of luxury designer handbags deem their handbag choices as encompassing superior levels of quality which is not an evident item related to purchasers of counterfeit handbag versions. Therefore companies should inform consumers about the high quality materials and handcrafting of luxury designer handbags/products, by emphasising a unique, quality

product. Luxury designer companies should try to make these features more distinctive, by differentiating it from counterfeit handbag/product versions. This consumer education can transpire in the form of advertising that stresses quality and/or labels, packaging, and supplementary facts that offer comprehensive information on genuine luxury designer handbags/products. For example, luxury designer companies could gain from emphasising that using counterfeit handbags/products leads to directly supporting underpaid illegal workers.

Other consumer segments of luxury designer products consume for hedonistic or materialistic motives that convey their individual self-concept, again, this has been highlighted in the results of this research, as positive post-consumption emotions have an impact after the consumption of luxury designer handbags and counterfeit handbag versions, although it was found that purchasers of luxury designer handbags experience stronger positive emotions than purchasers of counterfeit handbag versions. Managers of luxury designer handbags/goods should emphasise the positive, functional, aesthetic and emotional experience of owning and using a luxury designer handbag/product instead of a counterfeit handbag version/product.

In sum, luxury designer brands have to include a multifaceted approach to understanding a consumer's evaluation judgements in regard to fashion consumption. From the consumer perspective, every luxury designer product category can offer particular values. It is important that marketers consider the differences and similarities associated with luxury designer and counterfeit products. Knowledge and understanding of these differences and similarities can help in designing suitable marketing campaigns. From a market positioning perspective, monitoring the evaluative criteria of consumers can help marketers to recognise and focus on the specific luxury designer dimensions. As a result, changes in advertising messages, stressing the perceived ideals and emphasising the benefits of the luxury designer products may diminish the appeal of counterfeits.

10.6.1 Strategic Guidelines to Managers

In relation to managerial implications of this research, two strategic guidelines should be considered: First, a more adaptive approach should be developed, which will allow a company's aims and objectives to successfully satisfy the needs and wants of luxury designer purchasers as well as fighting against the appeal of counterfeit products. Second, a strategy of

actively stimulating customers' needs and wants in accordance with the company's objectives is imperative. Therefore, it is essential to integrate multi-dimensional measures as developed in this research; the contribution of this research has empirically highlighted the existing patterns of women that purchase luxury designer handbags and women that purchase counterfeit handbag versions. The findings of this research are transferable to the luxury designer brand industry in all product categories, and may provide a general foundation to help companies to re-position themselves and develop effective targeting strategies, for example, a more individualistic or socially focused positioning stance. In relation to positioning strategies, luxury designer brands should review their product concepts and question which concept serves as a better fit with the company's brand image, goals and target market. The most difficult task relates to understanding the various consumption patterns of global markets as well as offering a standardised marketing programme with a distinctive competitive differentiation and benefit. Consequently, the conceptual model presented in this research may be used to creatively classify the motivating luxury designer consumption patterns of women that purchaser luxury designer products. This insight will aid in integrating an influential positioning strategy.

10.7 Research Limitations

One of the limitations of this research was linked to availability of the sample frame. The Electoral Register offers a comprehensive sample frame of the UK population. However, it could not be used to obtain the addresses of suitable respondents in London due to legal restrictions placed on data collection. Shopping centres such as Brent Cross and large department stores like Harrods would have provided a suitable sampling frame. However, permission was not granted. As a result, convenience sampling was used for the purpose of this research, a nail bar in Finchley proved to be highly successful. The downfall of this method was linked to the fact that it excluded some parts of the London population from being included in the sample frame. This restricted the ability to generalise the results for the whole population in London. There was the possibility of a non-response bias, which cannot be entirely ruled out as the sampling procedure focused on women who were more fashion conscious. The results reveal that the sample over-represented the younger age bracket of women (26-33 years old); it also over-represented those with high educational levels (University Degree and Postgraduate Degree) and over-represented women falling into categories of 'professionals' and 'student'. The sample under represents the older, less educated woman.

The findings of this research offer a snapshot of the evaluative criteria of luxury designer handbag purchasers and counterfeit handbag purchasers in London. The findings may vary across different parts of London and the UK as women may evaluate these two handbag categories differently. This research had a restricted completion timeframe, and it was deemed impracticable to carry out additional data collection. This research focused on a quantitative approach, and this technique may have restricted the ability of acquiring an in-depth perception of women in London in relation to luxury designer handbags and counterfeit handbag versions. Due to time and resource constraints it was not possible to carry out both qualitative and quantitative research. The data for the current study was collected using personal questionnaires, which limited the ability to include important variables such as the level of income and family life stage/life cycle. In addition, it is recommended that examining supplementary variables such as the life stage, marital status, income and social class, would help in providing a clearer and more complete picture of women that purchase luxury designer handbags and counterfeit handbag versions. This insight would be helpful in developing a further understanding of consumers and provide useful segments for subject areas related to luxury designer fashion and counterfeit product versions. Information relating to the level of income would have provided insight into the amount of disposable income available to women in London; this would have established noteworthy implications for the study. Although, this was not included as part of the personal survey, as it was regarded a personal topic that many respondents would not be willing to reveal in a personal survey, which would have limited the number of completed questionnaire. The content of this research was constrained by the following limitations. First, the findings were generalised to women in London whose last handbag purchase was either a luxury designer handbag or a counterfeit handbag version. The data was collected from one nail bar in Finchley, in an attempt to examine the purchase evaluations among women and their last handbag purchase. However, the behaviour of these women may differ to women in other parts of London. Second, this research is based on personal surveys and recall measures rather than observation or diaries. Third, this research was conducted prior to the recession; as a result consumer responses may differ in the current economic climate where many consumers may be more conscious of not spending on expensive commodities. Finally, even though the research demonstrated the evaluative criteria of luxury designer and counterfeit handbag purchases among women in London, it did not disclose why and how that occurs; consequently, it is difficult to explore this issue by using only a survey research approach.

10.8 Future Research Directions

With regard to exploring and understanding the evaluation of women in London that have purchased luxury designer handbags and counterfeit handbag versions, this research could be extended to examine whether the findings obtained from this study are specific to women in London or whether the results would be the same across other parts of the UK or other parts of the world. This would involve a cross-cultural approach.

The personal survey findings would have been reinforced by additional in-depth interviews or focus groups. As mentioned previously, this supporting tool had to be discarded due to time and resource limitations. The findings would also have been strengthened if the research had adopted a longitudinal approach. The data for this research was gathered over a short period of time and offers a snapshot. Nevertheless, this study could be extended over a longer time frame, offering a longitudinal study. The highlighted limitations of this research may be overcome by carrying out a longitudinal and qualitative enquiry by applying a combination of data collection tools such as observations and interviews. Therefore, it is suggested that a longitudinal, qualitative study would be a suitable future route to overcome this limitation. This method would permit an in-depth understanding of perspectives and evaluative criteria that purchasers go through after the consumption of luxury designer and counterfeit products. Additionally, this would lead to an examination of the differing responses among women.

Due to the emergence of the Internet, there is now an emphasis upon online shopping; therefore, studying the impact of online shopping among the purchasing decisions of women becomes a very broad area. There is a need to research specific areas such as online shopping methods in the context of luxury designer and counterfeit commodities, as this now has a real impact on fashion and its diffusion in society. Furthermore, there is a need to explore associated factors such as post-consumption related emotions and additional factors as highlighted in the conceptual model, within the context of Internet websites offering luxury designer and counterfeit products.

Finally, this research focused upon considering the evaluation of handbag purchases among women in London. There are several other categories of handbags such as high street handbags from retail shops like Top Shop, and supermarkets, such as Asda, selling handbags; however, this issue was not included within this research due to time and resource limitations.

Therefore, future research may carry out research relating to these issues when examining women's last handbag purchase.

10.9 Summary

This chapter offered an overview and conclusion to the results and discussion of the research presented in this thesis. First, the contents of each chapter were examined briefly. This was followed by a discussion of the research contributions and implications. Following that, the research limitations were outlined. Finally, future research directions in the area of luxury designer fashion were offered.

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Appendices

Appendix 1 - Personal Survey

Questionnaire

My name is Ms J.Juggessur and I am a PhD student at Brunel University, Brunel Business School. My research focuses on women's purchase intentions towards luxury designer and counterfeit handbag versions. I would appreciate your participation in this study in the form of a questionnaire.

An integral part of this research is to identify the perceptions, attitudes and behavioural patterns of women in London. The questionnaire should only take about 10-15mins to complete. Your participation is voluntary; all the information supplied by participants will be treated as confidential. Your name will not appear anywhere on the survey. If you decide that you no longer want to be involved in this study you are free to withdraw at any time without any adverse consequences. If you would like to obtain a summary of the results of this research, I am happy to send you copies of further publications.

Please feel free to contact me at J.Juggessur@gmail.com in regards to any queries you may have. Your contribution to this study is greatly appreciated and will add to the success of this study.

Regards,

Ms J.Juggessur

Thank you for taking the time to consider this questionnaire. Your honest opinions will be very helpful. Please read the following questions carefully and tick the appropriate options.

Section A – Behavioural Factors

1. Approximately how many handbags do you own?.....

2. Please state all your favourite **Luxury Designer handbag brands**.....

3. Which **Luxury Designer Handbag brands** do you view as being prone to counterfeiting? (please state).....

4. Do you own a **Counterfeit** Handbag?
 Yes
 No

5. Do you own a **Luxury Designer** handbag?
 Yes
 No

6. What was your last handbag purchase?
 Luxury Designer handbag (i.e. Fendi, Prada)
 Counterfeit handbag version
 None of the above (End of questionnaire, thank you)

7. On a scale of 1-5 where do you purchase your handbags from?

Frequently	Never		Occasionally		
	1	2	3	4	5
Department stores (i.e. Fenwicks, Selfridges)	1	2	3	4	5
Factory shops	1	2	3	4	5
Retail outlet/village	1	2	3	4	5
Mail order	1	2	3	4	5
Market stalls	1	2	3	4	5
Internet	1	2	3	4	5
Duty free	1	2	3	4	5
Other (please state).....	1	2	3	4	5

8. In pounds how much did you approximately spend on your last handbag purchase?.....

9. Approximately how many **Counterfeited** handbags do you own?.....

10. Approximately how many **Luxury Designer** handbags do you own?.....

Section B – Brand Meaning

11. On a scale of 1-5 what does it mean to own a *Luxury Designer handbag*? (Please tick)

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	1	2	3	4	5
Well known	1	2	3	4	5
Expensive	1	2	3	4	5
High quality	1	2	3	4	5
Stylish	1	2	3	4	5
Trendy	1	2	3	4	5
Makes a Statement	1	2	3	4	5
Classy	1	2	3	4	5
Original	1	2	3	4	5
Desirable	1	2	3	4	5
Cult object	1	2	3	4	5
Well cut	1	2	3	4	5
Authentic	1	2	3	4	5
For people who like to be in a group in a group	1	2	3	4	5
Modern	1	2	3	4	5
Sexy	1	2	3	4	5
Common	1	2	3	4	5
Conveys image	1	2	3	4	5
Individual	1	2	3	4	5

12. On a scale of 1-5 what does it mean to own a *Counterfeit handbag version*? (Please tick)

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	1	2	3	4	5
Well known	1	2	3	4	5
Expensive	1	2	3	4	5
High quality	1	2	3	4	5
Stylish	1	2	3	4	5
Trendy	1	2	3	4	5
Makes a Statement	1	2	3	4	5
Classy	1	2	3	4	5
Original	1	2	3	4	5
Desirable	1	2	3	4	5
Cult object	1	2	3	4	5
Well cut	1	2	3	4	5
Authentic	1	2	3	4	5
For people who like to be in a group in a group	1	2	3	4	5
Modern	1	2	3	4	5
Sexy	1	2	3	4	5
Common	1	2	3	4	5
Conveys image	1	2	3	4	5
Individual	1	2	3	4	5

Section C – Social Meaning					
13. Purchase intentions towards brands	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Before purchasing a product, it is important to know what others think of different brands or products?	1	2	3	4	5
Before purchasing a product, it is important to know what kinds of people buy certain brands or products.	1	2	3	4	5
Before purchasing a product, it is important to know what others think of people who use certain brands or products.	1	2	3	4	5
Before purchasing a product, it is important to know what brands or products to buy to make a good impression on others.	1	2	3	4	5
Section D – Attitudinal Factors					
14. Purchase intentions towards counterfeit products	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I am willing to buy counterfeit handbag for my own use	1	2	3	4	5
I often buy counterfeit handbags for my own use	1	2	3	4	5
I am willing to buy a counterfeit handbag as presents	1	2	3	4	5
15. Views regarding counterfeit products	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I feel that counterfeits have acceptable quality for me	1	2	3	4	5
I feel that counterfeits are worth the money I paid	1	2	3	4	5
Counterfeits are normally as good as I expect	1	2	3	4	5
Counterfeits entirely fulfils my needs	1	2	3	4	5
Counterfeits have not been as good as I thought it would be	1	2	3	4	5
Counterfeits usually meet my expectations	1	2	3	4	5
16. Purchase intentions towards Luxury Designer products	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I am willing to buy a luxury designer handbag for my own use	1	2	3	4	5
I often buy luxury designer handbags for my own use	1	2	3	4	5
I am willing to buy a luxury designer handbag as presents	1	2	3	4	5

15. Views regarding Luxury Designer products	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I feel that luxury designer products have acceptable quality for me	1	2	3	4	5
I feel that luxury designer products are worth the money I paid	1	2	3	4	5
luxury designer products are normally as good as I expect	1	2	3	4	5
luxury designer products entirely fulfils my needs	1	2	3	4	5
Luxury designer products have not been as good as I thought it would be	1	2	3	4	5
Luxury designer products usually meet my expectations	1	2	3	4	5

Section E – Individual Factors

If your last handbag purchase was a **Counterfeit handbag version brand** product please answer **question 19**.

18. If your last handbag purchase was a **Luxury Designer handbag** please answer the following question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The reason I purchase luxury designer handbags is because it is popular	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is eye-catching	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is affordable	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is a sign of being wealthy	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is very exclusive	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is valuable	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is unique	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is well crafted	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is upmarket	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is good quality	1	2	3	4	5
The reason I purchase luxury designer handbags is because it is sophisticated	1	2	3	4	5

Please answer **question 20**.

19.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The reason I purchase counterfeit handbag versions is because it is popular	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is eye-catching	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is affordable	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is a sign of being wealthy	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is very exclusive	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is valuable	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is unique	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is well crafted	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is upmarket	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is good quality	1	2	3	4	5
The reason I purchase counterfeit handbag versions is because it is sophisticated	1	2	3	4	5

20.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
It is important to me to have really nice things	1	2	3	4	5
I would like to be rich enough to buy anything I want	1	2	3	4	5
I'd be happier if I could afford to buy more things	1	2	3	4	5
It sometimes bothers me quite a bit that I can't afford to buy all the things I want	1	2	3	4	5
People place too much emphasis on material things	1	2	3	4	5
It's really true that money can buy happiness	1	2	3	4	5

In relation to your last handbag purchase, how would you rate your level of emotion **after** the purchase of your handbag?

Section F – Consumption Emotions

21.

	I feel this emotion very strongly			I feel this emotion not at all	
	1	2	3	4	5
Contented	1	2	3	4	5
Fulfilled	1	2	3	4	5
Peaceful	1	2	3	4	5
Optimistic	1	2	3	4	5
Encouraged	1	2	3	4	5
Hopeful	1	2	3	4	5
Happy	1	2	3	4	5
Pleased	1	2	3	4	5
Joyful	1	2	3	4	5
Relieved	1	2	3	4	5
Thrilled	1	2	3	4	5
Enthusiastic	1	2	3	4	5
Sexy	1	2	3	4	5
Romantic	1	2	3	4	5
Passionate	1	2	3	4	5
Love	1	2	3	4	5
Sentimental	1	2	3	4	5
Warm-hearted	1	2	3	4	5
Pride	1	2	3	4	5
Angry	1	2	3	4	5
Frustrated	1	2	3	4	5
Irritated	1	2	3	4	5
Unfulfilled	1	2	3	4	5
Discontented	1	2	3	4	5
Envious	1	2	3	4	5
Jealous	1	2	3	4	5
Scared	1	2	3	4	5
Afraid	1	2	3	4	5
Panicky	1	2	3	4	5
Nervous	1	2	3	4	5
Worried	1	2	3	4	5
Tense	1	2	3	4	5
Depressed	1	2	3	4	5
Sad	1	2	3	4	5
Miserable	1	2	3	4	5
Helpless	1	2	3	4	5
Nostalgia	1	2	3	4	5
Guilty	1	2	3	4	5
Embarrassed	1	2	3	4	5
Ashamed	1	2	3	4	5
Humiliated	1	2	3	4	5

Section G – Demographics

22. How old are you.....

23. What is your highest education level?

- G.C.S.E's
- A-Levels
- University Degree
- Postgraduate Degree
- Doctoral (PhD)
- No qualifications (life experience)
- Other (please state)

Thank you for your participation

Appendix 2

Original Article

Is fashion promoting counterfeit brands?

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ABSTRACT The aim of this conceptual paper is to address how the role of fashion and the public display of high fashion brands have contributed to the development of counterfeited brands. The fashion industry is a multimillion pound industry, and many consumers use branded commodities as a way of creating identity. The consumption of high-fashion brands can hold social meaning, allowing consumers to express to others and themselves their individual and social characteristics through material possessions. High-fashion brands have instant global recognition, although the desire for these brands has opened up a market for counterfeited versions. This paper focuses on the demand side of high-fashion brands. In order to fully understand the context of fashion, a review of the abstract symbolic appeals aims to provide insight into the role of fashion and the antecedents of consumers opting for high-fashion brands and high-fashion counterfeit brands. It concludes with new insights into consumer behaviour, and highlights managerial strategies for marketers of high-fashion brands.

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Keywords: fashion; high-fashion brands; counterfeits; consumption; symbolism

INTRODUCTION

This paper seeks to explore how fashion has influenced the counterfeited industry, and centres on the symbolic aspects of high-fashion brands. For many individuals, fashion

and clothing acts as a communication tool, as reinforced by McCracken and Roth (p. 29):¹ ‘the knowledge of a code may have more uneven distribution for products than it does for language’. Many consumers

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knowingly purchase nondeceptive counterfeits. Most of the literature on counterfeits has mainly focused on price being the main motivator for the purchase of counterfeits. Little consideration has been given to how a high-fashion brand has spurred consumers to purchase the counterfeited version, which also allows individuals to achieve their desired image via the consumption of high-fashion counterfeits. This paper deals with the demand for nondeceptive counterfeited high-fashion brands. It begins with an investigation into the definition of high-fashion brands, continuing with an exploration into the development of fashion brands and the role of fashion, and looking at the reasons why consumers purchase both genuine and counterfeited high-fashion brands. Figure 2 highlights a conceptual model demonstrating how fashion denotes symbolic associations, leading to the consumption of high-fashion brands and high-fashion counterfeit brands. The paper concludes with a contribution to the literature on consumer behaviour of high-fashion and counterfeit brands, leading to suggested marketing strategies.

DEFINING HIGH-FASHION BRANDS

Given the extent of the numbers of consumers that purchase 'high-fashion brands', there is relatively little literature devoted to this area. Instead, there seems to be a growing body of research on the concept of 'luxury' and 'prestige' brands, although this is also still lacking in breadth. Furthermore, confusion surrounds the economic and marketing literature when it comes to defining the term 'prestige', 'Status',^{2,3} 'signature',⁴ 'top of the range'⁵ or 'hedonic'⁶ have occasionally been used when referring to brands that are priced highly and are of high status and recognition. The terms 'prestige' and 'luxury' are the most commonly used synonyms.⁷ The term 'high-fashion brand' will be used throughout this paper, and refers to brands that hold considerable

intangible worth and have enduring positive brand images deemed as being at the forefront of design, quality, status and fashion.

THE BIRTH OF A FASHION BRAND

There appears to be a gap in research examining the branding of high-fashion brands. This is surprising given the fact that high fashion goes hand in hand with branding.⁸ According to Moore,⁹ high-fashion brands trade on the theory of 'lifestyle branding', a contemporary branding mechanism.

'Lifestyle branding' stresses the images, values and elite connotations that a brand reflects to those of an aspired or actual consumer segment. The fashion house 'Coco' Chanel emphasised the concept of 'lifestyle branding', and strengthened this through their branding communications in the 1920s. 'Coco' Chanel cleverly packaged the 'lifestyle' image through her garment collection of country tweed and cruisewear, which gave birth to her signature brand identity.¹⁰ Chanel identified two aspects of branding: firstly, that the importance of fashion brands was associated with favourable lifestyle images, and secondly, that the ownership of certain 'lifestyle' fashion brands was not easily acquired by every customer who aspired to belong to a particular reference group. The branding of high fashion can be traced back to mid-nineteenth century Paris, when the couturier Worth designed garments for the wife of Napoleon III, Empress Eugenie.¹¹ Before Worth developed his brand, dressmakers basically copied gowns that their affluent clientele had seen in illustrated journals or at social meetings. Worth branded his designs in order to avoid counterfeiting.¹² It was common for the manufacturers and designers of high-fashion designs to stay nameless, as they credited their talent and customer base to guaranteed customer loyalty.¹³ The Industrial Revolution in Europe led to a shift in demand and

competition levels. Worth and other designers began to realise the importance of brand loyalty and safeguarding their ownership and identity via the use of branding.^{14,15} As the dynamic progression of technology evolved, the problem of clothing being easily imitated became a prevalent issue. Couturiers of that time such as Balenciaga and Poiret, a young designer who challenged Worth, recognised the importance of differentiating their offerings from rival designer substitutes. This product differentiation was achieved by carefully managing price, location, exclusivity, service and branding.¹⁶ These elements of differentiation have not proved to be long lasting, especially with the emergence of counterfeit brands. Counterfeiters are trading on the identity of high-fashion brands, as well as the notion of fashion. Therefore, it is viable to say that fashion has contributed to the manifestation of counterfeit brands. Fashion stresses that certain styles/products may be 'in' for a limited period of time but are then consistently replaced by pristine designs, and new-found social behaviour. Therefore, fashion is a catalyst spurring consumers to buy into the fashion concept, whereby consumers have the choice between genuine high-fashion brands or counterfeit high-fashion brands. In contrast, Faurichou (p. 82)¹⁷ state that 'fashion is the logic of planned obsolescence – not just the necessity for market survival, but the cycle of desire itself, the endless process through which the body decoded and recoded, in order to define and inhabit the newest territorial spaces of capital's expansion'. Other scholars view fashion as encouraging obscure ideological practices where an individuals' self-perceptions in cultural meanings and social ideals lead to a materialistic outlook and spread to a state of dissatisfaction, particularly to one's existing physical appearance and lifestyle.^{18–21} It can be said that fashion brands have contributed to the manifestation of counterfeit brands, and

possess symbolic processes and dominate meanings to fashion-conscious individuals.

THE ROLE OF FASHION

One definition of fashion is that it is a result of ever-changing cultural shifts in preferences, tastes and choices.²² Certain fashion brands provide insight into the psyche of particular groups and individuals.²³ Paget (p. 463)²⁴ states, 'the reason why fashions change so rapidly now is because they at once spread through every stratum of society, and become deteriorated and common'. This view highlights how once fashion is adopted in society, class rivalry on the level of appearance occurs. Paget²⁵ is one of the first classical sociological theorists of fashion change. Paget's²⁴ perspective was developed further by Simmel's²⁶ 'trickle-down' theory of fashion dispersal. Simmel (1904)²⁷ views fashion and society in a dualistic manner, stating that change results from two contrasting principles. First, Simmel (pp. 542–543)²⁶ states that the principle of generalisation centres on the imitation of other individuals:

'Whenever we imitate, we transfer not only the demand for creative activity, but also the responsibility for the action from ourselves to another. Thus the individual is freed from the worry of choosing and appears simply as a creature of the group, as a vessel of the social contents'.

Therefore, the imitator automatically becomes a member of that group merely via copied appearance. The second opposing principle to the imitator, and the one that relates to the principle of specialisation, is labelled the teleological individual. Simmel (p. 543)²⁸ states that this individual

'Is ever experimenting, always restlessly striving and (reliant) on his own personal convictions'.

Simmel (p. 543)²⁶ perceives that there is a tension between the imitating and

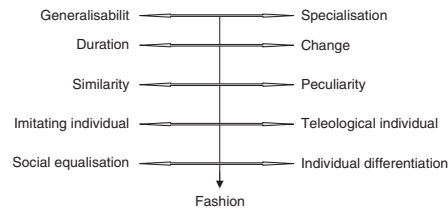


Figure 1: Fashion as the result of tension between oppositions (Simmel)²⁶.

teleological individual within the context of fashion (see Figure 1). He states this clearly:

‘Fashion is the imitation of a given example and satisfies the demand for social adaptation; it leads the individual upon the road which all travel... At the same time it satisfies in no less degree the need of differentiation’.

The notion of class is at the hub of Simmel’s²⁹ view of fashion change. In other words, if individuals did not imitate others, fashion would not exist, and there would be a society of unconnected individualistic appearances. In contrast, if individuals successfully imitated others, then fashion would not exist leading to the formation of identical appearances. In terms of social class and the tension between teleological and imitating individual groups, there is an attempt to appear internally similar yet dissimilar to other groups. Nevertheless, some social groups are comfortable with exhibiting their differences, and have no desire to look like other groups; therefore, this does not automatically lead to the emergence of fashion, although the idea of not wanting to resemble other groups could be regarded as a fashion statement. According to Simmel (p. 545),²⁶ some groups want to imitate the appearance of those in higher socio-economic groupings: ‘just as soon as the lower classes begin to copy their style ... the upper classes turn away from this style and adopt a new one, which in turn differentiates them from the masses; and thus the game goes merrily on’. This

statement makes the assumption that a majority of consumers aspire to imitate and follow the predispositions of a hierarchical class system. McCracken³⁰ suggests that ‘chase and flight’ would be a more appropriate term for Simmel’s³¹ theory. He makes an interesting point by stating that fashion does not passively trickle down to consumers in lower socio-economic groups. Instead, these consumers actively imitate and carry out information searches on those belonging to higher socio-economic groups, which leads to fashion change. Simmel’s²⁶ view is very much a restricted perspective; today society and consumer groups are a lot more fragmented. Davis (p. 114)³² also dismisses Simmel’s²⁶ ‘trickle-down’ theory, as it ignores ‘competition among designers and fashion choices of buyers for big ... department stores ... the fashion press’.

THE CONSUMPTION OF HIGH-FASHION BRANDS

Vigneron and Johnson³³ identified five categories of prestige-seeking consumers, and stated that it is also viable for prestige-seeking consumers to belong to more than one category. Therefore, the five categories of Veblen effect, snob effect, bandwagon effect, perfectionist effect and hedonic effect are interchangeable, and can be applied to consumers of high-fashion brands and counterfeit high-fashion brands.

Veblen effect

Veblen³⁴ claimed that the conspicuous exhibition of material goods and wealth is essential in the quest for prestige, and elevates personal status. Veblen³⁵ identified two motives: (1) pecuniary emulation motive – these consumers are motivated by projecting the impression that they belong to the classes above and within themselves, and (2) invidious comparison motive – these consumers attempt to differentiate themselves from individuals belonging to a lower class. In contrast, Rae³⁶ argued that

conspicuous consuming behaviour is affected by self-indulgence, regardless of economic and social demands. Self-expression and vanity are seemingly the main motivations. Conspicuous consumption is a very important aspect in relation to shaping consumer preferences for various brands that are bought and consumed in a public context.^{37,38} In an analysis of this phenomenon, Leibenstein³⁹ identified two additional categories: the snob and bandwagon effects.

Snob effect

The snob effect was the second effect identified by Leibenstein,⁴⁰ and is multifaceted because it encompasses both personal and interpersonal effects. The snob effect places importance on the emotional and personal decisions consumers go through when purchasing high-fashion brands, but is also affected by other individuals' behaviours.^{41,42}

The snob effect may arise in two circumstances:

- (1) When a new prestigious product is introduced, as supported by Rogers (p. 215)⁴³, who claimed that 'Undoubtedly one of the important motivations for almost any individual to adopt an innovation is the desire to gain social status'. These consumers are more concerned with adopting the product first, as this will provide them the opportunity to stand out in a crowd, and they will therefore benefit from the limited number of consumers owning the latest product. Rogers (p. 282)⁴⁴ states, 'one way in which snobs gain their competency is by serving as an avenue for the entrance of new ideas into their social system'. In addition, Rogers⁴³ states that snob consumers tend to belong to higher socioeconomic backgrounds and are often opinion leaders, as they are usually the first to adopt a product (innovator).

- (2) Mason (p. 128)⁴⁵ states that the 'snob effect is in evidence when status sensitive consumers come to reject a particular product as and when it is seen to be consumed by the general mass of people'. When supply is in short demand, consumer preference and appreciation of the brand increases^{46,47} (which is further supported by Verhallen and Robben,⁴⁸ who stated that scarcity of products has a more positive consequence on demand if consumers deem the product as being expensive, unique and in demand.

Bandwagon effect

Leibenstein's³⁹ bandwagon effect can be conceptualised as the antecedent of the snob effect,^{43,49} as seen through this quote: 'Even though snobs and followers buy luxury products for apparently opposite reasons, their basic motivation is really the same; whether through differentiation or group affiliation, they want to enhance their self-concept'.⁵⁰ Berry (p. 27)⁵¹ states that 'one aim of the rhetoric of luxury in advertising that is attempting to stimulate a bandwagon effect. This means that the snob effect is maintained by consumers who are constantly on guard of the notion of exclusiveness.

The wish for prestigious brands among consumers may be an indicator of group membership. Consumers are more inclined to conform to the mainstream opinion of their membership groups when forming attitudes,⁵² which may be the triggering reason as to why some individuals purchase high-fashion counterfeit brands.

Rogers⁴³ investigated the effect of interpersonal communication in influencing the adoption process: 'innovation is first adopted by an individual who is socially closest to the source of the new idea, and it then spreads gradually from higher-status to lower-status individuals' (p. 41).⁴³ It can

therefore be assumed that consumers of the bandwagon effect will follow the trend of the consumers falling under the snob effect, as these consumers are commonly opinion leaders and trend setters, and are regarded as an aspirational group among consumers falling under the bandwagon effect. It can also be assumed that consumers falling under the bandwagon effect may be liable in purchasing counterfeit high-fashion brands in the attempt to keep up with consumers falling under the snob effect.

Perfectionism effect

‘Excellent quality is a *sine qua non*, and it is important that the premium marketer maintains and develops leadership in quality’ (p. 39).⁵³ High-fashion brands are expected to exhibit a greater level of quality in comparison to counterfeit high-fashion brands. ‘High prices may even make certain products or services more desirable’ (p. 10).⁵⁴ This may be because of the fact that higher prices often suggest better quality (Rao and Monroe, 1989).⁵⁵ Vigneron and Johnson³³ proposed that quality acts as a cue whereby consumers use the elevated levels of quality to establish the status of brands. Therefore, a low level of quality would lead to a negative perception of status, whereas a higher level of quality would lead to a positive quality perception. The guarantee consumers gain from high-fashion brands, such as authenticity, essentially increases the significance and value they obtain from the use of the brand. For example, consumers are more liable to purchase and wear branded clothes because they are convinced and confident about the level of style they are receiving from the fashion designer.

Hedonic effect

Dichter⁵⁶ believed that unconscious motives are substantial to the functioning of consumption decisions. His study was based on in-depth interviews with consumers, for

approximately 200 products. Studies related to luxury consumption contend that luxury products provide subjective intangible benefits. For example, Dubois and Laurent’s⁵⁷ study highlighted emotional value as being an important attribute of the perceived utility acquired from luxury products. Dubois and Laurent (p. 275)⁵⁸ state that ‘... a vast majority subscribed to the hedonic motive ... One buys luxury goods primarily for one’s pleasure’ and refutes the snob-bish argument’. Broadly speaking, hedonic goods provide more experiential consumption, fun, pleasure and excitement. For example, designer clothes, sports cars and luxury watches all provide hedonic effects.^{59,60} Hedonic consumption involves the use of products and services that give pleasure through the senses, presenting emotional arousal, and is related to intrinsic enjoyment rather than providing the resolution of problems in the physical environment. It can be assumed that the hedonic effect can provide emotional gratification during various parts of the consumption process, and can also be experienced by consumers of both genuine high-fashion brands and counterfeit high-fashion brands.

Vigneron and Johnson’s³³ five categories demonstrate how consumers of fashion commodities transfer symbolic appeal towards onlookers and themselves, which permits individuals to communicate their values and identity with the consumption of high-fashion brands and counterfeit high-fashion brands. Vigneron and Johnson’s³³ five categories do not isolate consumers into one category; instead, consumers can belong to one or more categories, and may experience both personal and interpersonal effects, which influence their consumption of fashion commodities. Figure 2 highlights a conceptual model that incorporates Vigneron and Johnson’s³³ five categories of prestige-seeking consumers, and demonstrates how symbolic aspects are transferable to consumers of

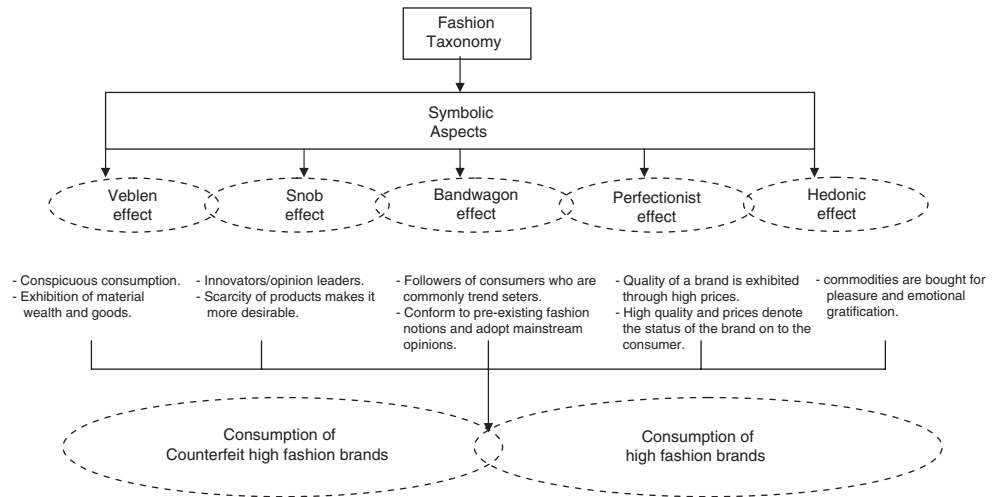


Figure 2: Conceptual model – fashion taxonomy of high fashion and counterfeit brands.

high-fashion brands and counterfeit high-fashion brands.

PUBLIC DISPLAY OF HIGH-FASHION BRANDS

Noesjirwan and Crawford⁶¹ state that clothing communicates social identity rather than personal identity. Clothing theorists have carried out research relating to the understanding of motivation behaviours of fashion innovators.⁶² Many researchers have investigated the symbolism of clothing acting as a form of expression. Corrigan (p. 162)⁶³ states, ‘it is only relatively recently that dress has been treated as a language and its semiotic structure explored’. The desire for high-fashion brands and counterfeit high-fashion brands may be a result of consumers wanting to communicate their status as well as attempting to ‘keep up with the Joneses’. Therefore, the display, purchase, use and consumption of goods acts as a social status cue for many individuals.^{34,64–66} Products have symbolic uses.^{67,68} Interestingly, brands conjure up images of value and positive feelings, and act as a tool for self-expression, as well as creating the feeling of having ‘good taste’ in brand selection.⁶⁹

High-fashion brands act as a means of practical functional utility, and also allow the public display of popular branded products; ultimately this bestows prestige to the owner.⁷⁰ High-fashion goods such as Hermes handbags and Rolex watches are usually expensive and exclusive. Many individuals purchase and display high-fashion brands as status symbols. Levy (p. 118)⁷¹ states that ‘people buy products not only for what they can do but also for what they mean’. This is further supported by Dubois and Duquesne,⁷² who claims that many individuals buy luxury brands merely for positive symbolic associations. Their investigation revealed that status images, labels or brands connected to products are often favoured more than the actual tangible product. It can be assumed that the purchase of counterfeited high-fashion brands allows consumers to exhibit the same qualities offered by genuine high-fashion brands. Fashion is a form of conformity that consumers of high-fashion and counterfeit brands choose to address, and is part of their everyday social life. Interestingly, even those individuals who claim not to take an interest in fashion are actually conforming to the ‘fashionable’ notion of rebellious,

non-conformist individuality. Therefore, fashion is a phenomena leading to particular consumption meanings and choices, permitting consumers to select from genuine high-fashion brands or counterfeited versions.

DEFINING COUNTERFEITS

Counterfeited products have several names, such as fake, copy, knock-off, imitation, overrun and copycat; although these terms differ slightly in meaning they do not alter the problems that business firms face.⁷³ The literature on counterfeited goods define them as exact replicas that appear identical to the legitimate branded products in appearance, including packaging, trademarks and labelling.⁷⁴ Counterfeit goods are divided into two categories: (1) *deceptive counterfeiting* – occurs when consumers assume that they are purchasing a genuine branded product, which then turns out to be a fake; (2) *nondeceptive counterfeiting* – occurs when consumers recognise that the branded product is not authentic. The purchaser is made aware of this by specific information cues, such as quality, purchase location, price or materials used to make the products.²

COUNTERFEITING CULPRITS

China is one of the main culprits in the production of counterfeit goods, and has been regarded as the counterfeit capital of the world.^{75–77} The counterfeit goods produced in China are exported and sold internationally, to the United States, Europe, Russia and the Middle East.⁷⁸ In 2002, European Union (EU) Customs reportedly saw a considerable quantity of counterfeit goods being distributed in the EU coming from China.⁷⁹ Counterfeits are having an adverse affect on company reputation and brand equity, affecting the job market, increasing the marketing expenses of genuine branded products and threatening consumer health and safety.⁸⁰ In 2005, UK

Customs seized more than 64 per cent of counterfeited fashion products; 17.5 per cent were counterfeited Louis Vuitton products.⁸¹ US Customs seized over 6500 of counterfeited products in 2003, which was valued at over US\$94 billion.⁸² EU Customs seized 50 million counterfeited goods at the EU's external boarder in the first half of 2003 (European Commission).⁸³ The International Chamber of Commerce estimates that the counterfeit market is valued at \$350 billion, and that almost 7 per cent of world trade is made in counterfeited products.⁸⁴ In 2001 the Anti-Counterfeiting Group predicts that the cost to the UK economy alone because of counterfeit goods is at least £2.8 billion per year,⁸⁵ this number escalated to approximately £10 billion in 2003.⁸⁶ 'According to the International Anti-Counterfeiting Coalition about 18 per cent of the \$98m of counterfeit products seized by US Customs in 2002 were made up of fashion-related items: apparel, sunglasses, watches, handbags and headwear'⁸⁷

FAVOURING COUNTERFEITS

One side of the argument is that counterfeiters are excellent marketers, as they have successfully identified a need and are ultimately fulfilling the needs of consumers.⁸⁸ Arellano⁸⁹ states that the exchange of counterfeit products does not aim to deceive consumers, but to satisfy them. Therefore, today's consumers can acquire the same 'lifestyle' depicted by high-fashion brands at a fraction of the price through the purchase of counterfeited versions of high-fashion brands. A variety of factors have contributed to the success of counterfeited high-fashion brands, such as the dynamic nature of technology permitting the distribution and production capabilities in less developed parts of the world, the lack of counterfeiting morality on the consumers' part, and the inadequate regulation and

penalty fines for counterfeiters.^{90,91} Hilton (p. 352)⁹² states that 'all citizens of the world are entitled to enjoy a great work of art or wear a fashionable item of clothing regardless of their income'. If, however, an individual's income does not allow the purchase of genuine high-fashion brands, a counterfeited version may be a more attractive option. Counterfeited high-fashion brands may permit consumers to imitate the latest fashion styles, as well as to be linked to those belonging to a higher social background.

Researchers have found the low price advantage of counterfeits over genuine items to be the main motivator for consumers purchasing counterfeits.⁹³⁻⁹⁷ As a result, economically restricted consumers may be more likely to purchase counterfeits; some individuals prefer the economic benefits offered by counterfeits and therefore do not view counterfeits as second-rate products.⁹⁸ Purchasers of counterfeit goods do not view low quality and poor materials negatively;⁹⁹ some consumers happily trade the quality of genuine products for low prices.¹⁰⁰

Purchasers of counterfeited high-fashion brands may see no valid reason for purchasing an extremely expensive, well-made fashion item that will only go out of fashion by next season. Instead, consumers may choose to invest in a cheaper copycat version of a high-fashion brand, which will last long enough to be replaced by the new counterfeit design from next season. The situation is so serious that some individuals may even favour counterfeit brands. Tom *et al*¹⁰¹ stated that counterfeit-prone consumers are considerably younger, and earn less than consumers who are more inclined to purchase genuine high-fashion brands.¹⁰² This view may also be transferable to counterfeited high-fashion brands, especially if consumers feel that a counterfeited high-fashion brand encompasses the same value and status as a genuine high-fashion brand.

In some instances, purchasers of counterfeited items may feel like they have the upper hand by deceiving casual observers. Many consumers see no tangible difference between genuine high-fashion brands and counterfeits. This is supported by Albers-Miller,⁹³ who claimed that if there is no distinction in terms of appearance and quality, consumers may not perceive massive social risks such as embarrassment, which ultimately promotes the continued consumption of counterfeits. Some consumers perceive genuine branded items and counterfeits as value for money and fun.¹⁰³ Even non-price brand determinants influence the consumption of counterfeits, for example brand status, image, attitude, appearance and perceived fashion value.¹⁰⁴ High-fashion brands affected by counterfeiting normally have positive global images and recognisable brand names, and are well established. Research on counterfeit products has found that some individuals purchase fake brands on purpose in an attempt to criticise the fashion houses for selling branded objects at extraordinarily high prices.^{105,91} Other researchers have implied that even consumers in developed countries with high levels of disposable income purchase counterfeits.^{106,97}

MANAGERIAL IMPLICATIONS

This paper analyses the various ways that consumers draw meaning from the consumption of fashion brands. Fashion consumption is dominated by an individual's perception, and the need for self-expression. Therefore, marketing managers have to successfully trade on brand images and comprehend the complexities of these factors, which can lead to new high-fashion brands and better matching of brands and consumers. Fashion leads to particular consumption habits, and therefore important strategic marketing approaches have to be applied by the fashion industry in an attempt to maintain long-term success.

From a managerial perspective, this paper highlights concrete reference points for marketers of high-fashion brands. Having a better understanding of abstract issues such as symbolic and social dependencies allows marketers to fully comprehend factors that influence consumers and their experiences with high-fashion brands and counterfeit brands. Marketers of high-fashion brands should place their focus on brand image, which permits longer life cycles and coherent branding communication strategies over a long period of time. Fashion spreads rapidly, and competition arises not only among all high-fashion brands, but also among counterfeit brands. Other high-fashion brands are free to enter the market, whereas the manufacturers of counterfeits present a dilemma and burden in terms of competition. Designers of high-fashion brands have to attempt to restrict the copy of their designs by continuously changing styles and designs every season, as well as by restricting the distribution and production channels. The downside of this recurrent cycle is that it leads to substantial costs.⁹¹ Hilton *et al* (p. 351)⁹¹ state that ‘copying is perpetrated by the fashion houses themselves’. Some fashion designers franchise their names, and the consumers of these branded items realise that they are not receiving an haute couture design. Hilton (p. 351)⁹¹ states, ‘now the counterfeiter is the fashion house itself and the potentially damaged party is the buyer of the good’. The problem of copying or even in-house counterfeiting in terms of franchising can be further perpetuated, as copying can be ‘compounded further if the designer creates a market for ‘seconds’, ‘factory rejects’ or ‘relabelling’ to sell at even larger volumes at a discounted price’ (p. 351).⁹¹ This marketing strategy leaves the door open to deficient-quality counterfeits.⁹¹ Ultimately, it is vital for marketers of high-fashion brands to legitimise their brands in an attempt to distinguish

themselves from counterfeit brands, as well as to diminish the appeal of counterfeit brands.

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