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Do Consumers Mind Buying Illicit Goods? the Case of Counterfeit Purchases

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Depending on the attractiveness of the offer and the awareness of the negative consequences of illegal behavior, consumers purchasing counterfeit products may experience some degree of cognitive dissonance after their purchase. Findings of an experimental study show that consumers with a low awareness of negative consequences apply coping strategies in order to enhance the value of an unattractive offer. However, if they are aware of the consequences, they apply coping strategies particularly for highly attractive offers, resulting in enhanced evaluation and satisfaction of the purchase compared to less attractive offers.

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Do Consumers Mind Buying Illicit Goods? The Case of Counterfeit Purchases

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EXTENDED ABSTRACT

Counterfeiting is a global phenomenon that has mushroomed in scale and seriousness in the course of just a few years. The figures point to a phenomenon that is of particular interest to consumer researchers. Besides the stream of research that is concerned with the supply side of counterfeiting, a variety of studies have directed their interest to the demand side in order to investigate determinants of decisions for counterfeit products. While those studies have identified several significant determinants such as age, price, or quality, they have provided mixed results for the impact of measures related to the consciousness of illegality or moral reasoning on purchase decisions for counterfeit products. Indeed, previous research has shown that consumers tend to be satisfied with counterfeit purchases and have a strong inclination to repurchase such products. Given the fact that purchasing counterfeit products is factually an illegal behavior, these results let us question how consumers manage to ignore moral concerns of their behavior.

Conceptual development. The weak impact of moral consciousness may be explained by the fact that consumers are not fully aware of the illegality of their behavior. When they are aware, consumers try to excuse and to justify their behavior, indicating coping behavior with cognitive dissonance between their behavior and their moral beliefs. In line with the basic premise of the theory of cognitive dissonance, several ways to reduce dissonance after purchase decisions are suggested:

1. Consumers reduce the importance of the dissonant elements by devaluating the importance of the purchase decision.
2. Consumers add consonant elements by enhancing the value of the chosen alternative.
3. Consumers change or re-interpret the dissonant elements by devaluating the non-chosen alternative.

When consumers are not aware of the illegality, dissonance is more likely when a less attractive offer is purchased. When the consequences become apparent, a moral issue arises and becomes a dissonant element. Moral issues are the main sources of cognitive dissonance and they vary in their degree of intensity, subject to the perceived consequences of immoral behavior. The attractiveness of the offer then becomes a moderating variable as it alters the degree of moral intensity, and as such the degree of cognitive dissonance experienced by consumers. Attractiveness of the offer may then intensify the need for justification and consumers will tend to apply coping strategies. On the other hand, an unattractive offer provides an external justification for illicit behavior in that efforts of coping with cognitive dissonance should be lowered. The following hypothesis is suggested:

- H1: (a) In the case of low awareness of the negative consequences of counterfeit purchases, less attractive offers lead to more compliance with dissonance coping strategies compared to more attractive offers.
(b) In the case of high awareness of the negative consequences of counterfeit purchases, more attractive offers lead to more compliance with dissonance coping strategies compared to less attractive offers.

When dissonance strategies are successful, the evaluation pattern and the satisfaction with the purchase are likely to result in the same effect for both low and high awareness of negative consequences and for less and highly attractive offers alike.

H2: (a) Evaluation of the purchase decision and (b) satisfaction with the purchase decision do not differ between consumers who have bought the less vs. the highly attractive offer.

H3: (a) Evaluation of the purchase decision and (b) satisfaction with the purchase decision do not differ between consumers who vary in awareness of negative consequences of their behavior.

Method. We performed an experiment with a 2 (unattractive vs. attractive offer) by 2 (low vs. high awareness of consequences) between-subjects factorial design. One hundred graduate students at a German university volunteered to participate in the study. A scenario providing a purchase situation for counterfeit sunglasses was presented. The counterfeit was offered for 20 Euros (attractive offer) or 75 Euros (unattractive offer) compared to a price of 150 Euros for the genuine product. In the awareness situation, the respondents were also reminded that buying counterfeits is illegal, since it harms the manufacturer of the original product, economies, and society. Participants had to answer three questions on dissonance reduction strategies. They evaluated the purchase decision, reported their satisfaction, and answered two questions in order to measure the success of the manipulation.

Results. Manipulation checks indicate successful manipulations. ANOVA results show that in the low awareness condition, consumers comply with dissonance reduction strategies in the case of unattractive offers, while in the case of high awareness they are in tune with reduction strategies for the high attractive offer. H1 is supported by the data. H2 and H3, the effects on evaluation and satisfaction, are only supported in the case of low awareness of negative consequences but not for high awareness. Only the strategy “devaluation of the non-chosen alternative” shows the assumed mediation effect for evaluation and satisfaction.

Discussion. The application of coping strategies is successful. When consumers with moral concerns are aware of the negative consequences of their behavior, they comply with coping strategies more often when offers are attractive. The application of coping strategies enhances satisfaction and the evaluation of a highly attractive offer that is even higher than in the low awareness condition. However, for the low attractive offer, the effects on satisfaction and evaluation even decrease. The “devaluation of the non-chosen alternative”-strategy serves both: a change in attractiveness perception and the reduction of the perceived degree of harm for a genuine brand. The findings contribute to the research on counterfeiting by explaining why previous research has provided rather mixed results for the impact of moral consciousness on counterfeit purchases. The results provide implications for manufacturers and policy makers who are concerned about the rise of counterfeiting. Countermeasures should not only focus on making consumers aware that their behavior is illegal, they should also be concerned about the attractiveness that counterfeit products have for consumers.

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