

Original Article

Does counterfeiting affect luxury customer-based brand equity?

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ABSTRACT In recent years, there has been an important debate on the harmful effect of counterfeits on luxury brands. Marketing literature states that fake luxury products negatively affect consumers' perception of the genuine brand. Contrarily, some studies have reported that fake alternatives do not necessarily lower genuine brand product evaluations, providing some interesting evidence on single theoretical constructs referring to attitudes, perceptions or behaviors. The aim of this study is to deepen the investigation into this phenomenon and try to shed some light on the effects of counterfeit awareness on genuine brand users' and on potential users' customer-based brand equity (CBBE). Results show that counterfeits have no negative effect on consumers' perception of the luxury brand. Moreover, a positive shift on the six blocks of CBBE pyramid is observed in consumers who are aware of the existence of a fake alternative. The innovative nature of these findings is supported by a detailed data analysis and the managerial implication discussion.

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INTRODUCTION

The practice of product counterfeiting is one of the most relevant problems of the luxury goods market. Fake products allow

anybody to have and show the luxury brand without spending a great amount of money. In this sense, counterfeits could be considered a hidden competitor for original

and luxury brands. Marketing literature lacks investigations into how the presence of the counterfeit alternative on the market could influence the perception of the genuine luxury brand in the minds of users and non-users. The aim of the present study is to investigate how the brand equity of a luxury brand is affected by consumer awareness of the existence of the fake option on the market. Moreover, the intent is to understand which dimensions of the customer-based brand equity (CBBE) could be influenced by the awareness of the existence of fake alternatives. The influence of counterfeit is not supposed to damage the CBBE, but rather improve consumer belief about the luxury brand and concur to protect and enhance users' and non-users' perception of brand equity.

THEORETICAL BACKGROUND

The market for luxury goods has seen spectacular growth over the past 50 years. As a result, luxury brand management has become an important area of marketing and of particular interest to practitioners. One of the most exhaustive definitions of luxury goods is the one from Vickers and Renand (2003), who suggest that luxury goods can be differentiated from normal or 'non'-luxury goods by the extent to which they exhibit a distinctive mix of three important dimensions: instrumental performance, in terms of functionalism, experientialism and symbolic meanings. It is argued that this approach is important as it gives marketing practitioners involved in luxury goods insight into identifying relevant marketing activities, particularly in the area of brand management. The brand strategy has a key role in the luxury market as these are products that must be associable with an exclusive brand image and superior brand equity. Dubois and Duquesne (1993) propose that many consumers purchase luxury goods principally to satisfy an appetite for symbolic meaning. In this perspective,

the brand and its image are frequently more important than the product itself (Virgneron and Johnson, 2004; Mendel *et al*, 2006). Luxury brand image has become a strategic key element, allowing the communication of symbolic meanings shared by consumers. Nia and Zaichkowsky (2000) suggest that the product should not only be unique, but it must also be accepted, recognized and admired by others. The DNA of a luxury brand is the symbolic desire to belong to a superior class (Atwal and Williams, 2009). In addition to the key social function, Kapferer and Bastien suggest that a luxury brand should have a very strong personal and hedonistic component (Kapferer and Bastien, 2009) in order to reach consumers' hearts and minds. The hedonistic and aspirational dimension is not enough to make a brand a luxury brand; consumers must also identify it as superior in quality and performance. According to Penz and Stöttinger (2008), luxury brands embody an image of products that is deep seated in the mind of the consumer, which is based on specific associations such as excellent quality, premium price and exclusivity. People's motivation toward buying luxury goods has been investigated from two different perspectives. The first one considers the luxury brand demand as a way of gaining social approval by the possession of a product that embodies exclusive value, meanings and images (Bushman, 1993). On the other hand, the second perspective considers people's demand for prestige products as a way of improving their self-esteem and self-confidence (Silverstein and Fiske, 2000; Mendel *et al*, 2006).

People's aspiration for social approval is one of the most important drives that explain the intention to buy counterfeit luxury product (Wilcox *et al*, 2009). Fake products allow anybody to have and to show off luxury brands without spending a great amount of money. In this sense, it has been often underlined that counterfeit

goods are a hidden competitor for original and luxury brands. Past research has examined the demand side of product counterfeiting (Cordell *et al.*, 1996), the consumption practices (Gistri *et al.*, 2009) and consumers' attitudes toward counterfeit luxury products (Dubois and Paternault, 1995). However, marketing literature does not clarify exhaustively how consumers change their evaluation of original brands as a consequence of the existence of a counterfeit version. A recent study by Commuri (2009) investigates, from a behavioral perspective, consumers' reactions to the loss of exclusivity and prestige linked to the spread of counterfeit versions of luxury products. The author identifies three behavioral strategies: the *flight*, the total abandonment of the original brand; the *reclamation*, the contempt toward the counterfeit version of the genuine good; and the *abranding*, in other words the disappearance of any 'evidence' of the brand.

In the mainstream of marketing literature, the opinion has been consolidated that copied products not only ruin the special status of the original brand, but also contribute to a loss of exclusivity and uniqueness because of the increased availability of cheap imitations (Fournier, 1998; Hellofs and Jacobson, 1999; Commuri, 2009). Fournier suggests that counterfeits have the potential to unsettle the most prestigious luxury brand dimension: its inaccessibility (Fournier, 1998). As a consequence, consumers' perception of the genuine brand image is said to be damaged and diminished by the existence of a fake but accessible option.

Contrariwise, some recent studies (Nia and Zaichkowsky, 2000; Hieke, 2010) revealed that the supposed damage of the fake product to the original brand perception is not so guaranteed. All of these studies reveal some stimulating insight that doubts the mainstream opinion that counterfeit damages the genuine brand, but they are

unable to provide a clear in-depth vision of the role of counterfeit in shaping consumers' perception of the brand.

The purpose of Nia and Zaichkowsky's study (2000) is to explore the perceptions and attitudes of original luxury brand owners toward counterfeit luxury goods. The respondents believed that counterfeits are inferior products and that ownership of original luxury products is more prestigious compared with counterfeit luxury goods. Moreover, results show that respondents indicated that 'the value, satisfaction, and status of original luxury brand were not decreased by the wide availability of counterfeits' (Nia and Zaichkowsky, 2000, p. 485). Further, the majority of respondents disagreed that the availability of counterfeits negatively affects their purchase intentions of original luxury brand. The study by Nia and Zaichkowsky (2000) reveals some important insights about the effect of counterfeits on consumers' perception of the genuine brand, but their results provide a partial view on this phenomenon. The authors investigate only the intention to buy and an overall attitude toward the original brand. Moreover, the focus is strictly on consumers of luxury brands without taking into consideration the potential consumers who know the brand and its fake alternative.

Another significant contribution to counterfeit effects on brand derives from a recent empirical study by Hieke (2010). This study reveals, contrary to the expectations, that the mere exposure to counterfeit does not induce a decrease either in the brand's perceived degree of luxury or in the consumers' attitude toward the original product. In her discussion of results, the author stresses the importance of enlarging the perspective of analysis on counterfeit effects in order to deepen the comprehension of this phenomenon. The present study goes in this direction following some of Heike's suggestion: to consider not just

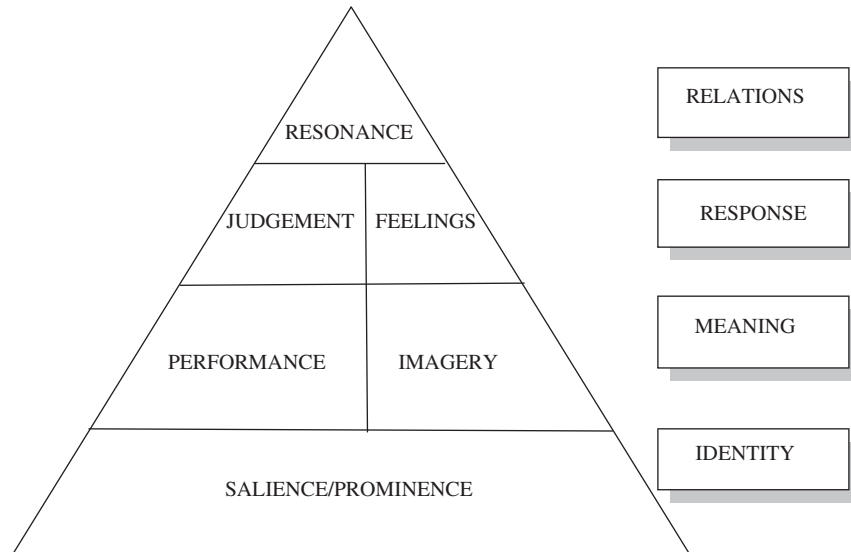


Figure 1: CBBE pyramid.

a single exposure to counterfeiting, but rather a long-term experience of fake products; to analyze a wider brand evaluation; and to refer not only to actual consumers, but also to non-users.

THEORETICAL MODEL AND HYPOTHESIS

The overall brand model adopted for this study is the CBBE Pyramid conceptualized by Keller (1993, 2001, 2009). Keller defines the CBBE as ‘the differential effect of brand knowledge on consumer response to the marketing of the brand’ (Keller, 1993, p. 8). Following this conceptualization, in order to reach the maximum degree of brand equity, a brand should successfully reach six different steps, making up the six blocks of the pyramid: salience, performance, imagery, judgment, feelings and resonance (Figure 1).

At the base of the pyramid, there is the block of brand *salience*. It corresponds to some aspects of brand awareness, which is the consumers’ awareness of the existence of the brand and their ability to easily recall or recognize it (that is, depth of brand awareness), and to properly evoke it under

various situations or circumstances (that is, breadth of brand awareness). Keller states that this basic-level reply to the fundamental question ‘Who are you?’ is that the brand is known by people and suitable to enter into their consideration set for a specific product class or customer need.

The salience block could be involved in the counterfeit phenomenon as the large number and models of copies available on the market and the high conspicuousness of the logo on fake products can significantly alter the visibility of the brand and its knowledge.

The second level of the pyramid relates to the meaning of the brand, and thus it replies to the ideal question: ‘What are you?’. After having reached a good brand recall and recognition (the previous step), consumers are able to develop specific brand association that should be positive, unique and favorable (Keller, 1993). Brand meaning can be composed, on the one hand, of considerations at a functional, rational and performance-related level, and, on the other, of considerations related to a hedonic, abstract and affective level. For this reason, the second level of the pyramid

is split into two different sides: the left one refers to the first dimension, called performance; the right one corresponds to the second one, called imagery.

Keller describes the *performance* dimension as the overall evaluation of the product or service's ability to meet consumers' functional needs. It refers to product characteristics (primary and supplementary ones in addition to style, design and price), reliability, durability, serviceability, effectiveness, efficiency and empathy in service delivery. For luxury products, some of these evaluations could be considered as hygienic factors, as the high price level leads one to believe that these products are top quality. The effectiveness and empathy in service delivery could play an important differential role, for example in purchasing advice and in post-purchasing assistance. Counterfeit stresses the importance of functional performances as it puts alternatives on the market, positioned at a significantly different price level, highlighting the value-for-money issue.

The *imagery* block refers to psychological and social needs. It is particularly focused on user profiles of a brand, not merely in terms of demographic factors or purchase and usage situations, but also in terms of personality and values. Brand and the user's personality characteristics could be very interesting aspects for luxury products; consumers may believe, in fact, that exhibiting a luxury product could help them reveal their personality and social status. Counterfeits represent the attempts by users of fake goods to assume some of these personality traits thanks to an illegal copy, feeding the others' perception of the social desirability of this brand, and highlighting the authentic personality coherence between genuine consumers and the brand.

The third level of the pyramid corresponds to an increase in a consumer's reaction to the brand, ideally replying to the question: 'What about you?' This level is

also split into two sides: the cognitive and the affective. The former is called Judgments, and the latter is called Feelings.

The *Judgements* block summarizes consumers' opinions about the brand in terms of quality, credibility, consideration and superiority. These judgments are the result of the previous step, in particular the cognitive block of performance. The overall CBBE model adopts an incremental perspective: in order to reach the subsequent level, a brand needs to have consolidated the previous blocks. For luxury brands, the judgment of superiority plays a central role because of the uniqueness of the brand. Being exposed to the counterfeit phenomenon could even increase the perception of individual desirability of a brand, and therefore its superiority, in particular in comparison with other luxury brands.

In addition to judgments, on the affective side of the pyramid, there is the *Feelings* block that summarizes the emotional reaction to the brand in terms of warmth, fun, excitement, security, social approval and self-respect. Some of these feelings originate at an individual level, whereas others are based on a social level (that is, social desirability and appreciation by other consumers who aspire to possess and consume this brand). For this reason, the consumption of luxury products usually induces positive emotions in users. It is reasonable to hypothesize that counterfeit feeds the emotional side of consumption in these consumers who can afford the original product.

The fourth level of the pyramid is the block of *Resonance*. It is at the top of the pyramid because it corresponds to the highest level of commitment by consumers. People with a high level of resonance have developed a strong relationship and a personal identification with the brand. This block is particularly relevant for companies because it corresponds to an intense and active effort from consumers in favor of

the brand. Intensity means how much a consumer feels an attitudinal attachment toward the brand and a sense of community among other adopters or lovers of a brand. Activity means how much a consumer is disposed to behave in favor of the brand (for example, repurchase the brand, positive word of mouth, search for news). To investigate the effect of counterfeit in terms of resonance could be an interesting point of view because genuine consumers, and even prospect ones, could provide effective help to companies in contrasting this phenomenon. In particular, a genuine consumer who is strongly aware of the counterfeit phenomenon could develop a sense of protection toward the brand hurt by fakes, increasing his resonance and actively acting in favor of it.

The CBBE model is suitable to give an overall view of what resides in consumers' mind about a brand, and thus it could be effective in analyzing the effect of counterfeit on the brand affected by this phenomenon. In particular, the perspective adopted in this article is focused on people who are not directly involved in fake consumption, but who are exposed to this phenomenon: actual genuine brand users and non-brand users. These consumers are very interesting for companies as they could alter their perception of the brand, and consistently their behaviors, in light of their counterfeit exposure and awareness.

The assumption of this article is that actual and potential consumers play a central role in defining, preserving and feeding the brand equity. In this CBBE process development, they should be aware of counterfeit affecting the brand: they read news about fakes, they probably know someone who consumes fakes, and they have probably read information about how to detect a copy. This individual frame, shaped by different degrees of awareness about the counterfeit phenomenon, interacts with each consumer brand perception and could alter it.

Therefore, the research questions are: Does counterfeit have a role in shaping consumer brand equity? Could the CBBE of the affected brand be different in consumers who are more aware of the counterfeit phenomenon in comparison with consumers who are less aware of it? Which blocks of the CBBE pyramid are affected by the existence of counterfeits? In light of the CBBE pyramid description and the above considerations, we propose the following hypotheses:

Hypothesis 1: Among genuine brand consumers and non-brand consumers, counterfeit awareness has a positive impact on CBBE.

Hypothesis 2: The positive effect of counterfeit on CBBE is stronger for genuine brand consumers in comparison with non-brand consumers.

SAMPLE AND PROCEDURE

The study was conducted online. A message was posted to several online forums and blogs directly related to luxury brands and fashion. The message explained the purpose of the research and provided a link to the questionnaire. The questionnaire was composed of several questions referring to the different dimensions of the CBBE pyramid. Respondents were asked to state their degree of agreement with a list of statements on a 7-point Likert scale. Moreover, three different items were introduced to measure respondents' awareness of the level of counterfeit affecting the brand (*I can recognize a fake X product; The brand X is one of the most affected by counterfeit; I often read news about product X counterfeiting*). Items were randomly mixed in order not to induce any kind of dimension categorization. Some of the items were formulated in a reverse manner in order to check results consistency.

When available, items were taken from previous studies. In particular, some items were drawn from the Washburn and Plank study (2002), especially those referring to salience and resonance. The other items were inspired by Keller's analytic description (2001) of each pyramid block. Consumers were asked to refer to a specific brand: Louis Vuitton (LV). The choice of this brand is due to the presence of this brand at the top of the list of luxury brands and of the list of brands hit by counterfeiting. The final part of the questionnaire was composed of questions aimed at classifying consumers in terms of brand usage and counterfeit awareness of the Louis Vuitton brand, together with socio-demographic characteristics questions.

Adult respondents were thus approached randomly online, and asked to complete the questionnaire, which took approximately 15 min. A final sample of 187 interviewees was obtained. The participant sample has the following characteristics: 30 men (16.4 per cent) and 157 women (83.6 per cent); 72.5 per cent between 18 and 35 years of age, 21.7 per cent between 36 and 45 years of age, 2.6 per cent between 46 and 55 years of age, and 3.2 per cent over 55 years of age.

ANALYSES AND RESULTS

First of all, we will demonstrate the multi-dimensional structure of the CBBE construct, examining the six different factors that contribute to its formation. Then, we will analyze the difference in the CBBE structure among different kinds of consumer. In detail, we will categorize respondents into different groups based on: (i) their kind of brand consumption (that is, non-brand users versus genuine brand users), (ii) their awareness of the level of counterfeit affecting the brand; we will examine the differences among these consumers in order to test Hypotheses 1 and 2.

Analysis of the structure on the CBBE

The first purpose of this study was to examine the structure of CBBE. Therefore, a factor analysis was performed on data before further analysis. The principal component analysis was rotated by an oblique procedure and factors were identified from eigenvalues greater than 1. Any item with a factor loading greater than 0.50 on their focal factor and not higher than 0.25 on another was retained. The analyses revealed six factors, accounting for 73.15 per cent of the total variance (see Table 1). All the reliability coefficients exceeded the minimum standard for reliability (Nunnally and Bernstein, 1994).

The validity of the measures was then examined through a confirmatory factor analysis (CFA) (Bollen, 1989; Bagozzi and Foxal, 1996). Results (Table 2), as interpreted by the goodness-of-fit measures, show that the model fits the data well, confirming the convergent validity characteristic of the measures ($\chi^2/\text{d.f.}$ (836.12/362) = 2.31; RMSEA = 0.07; SRMR = 0.05; NFI = 0.94; NNFI = 0.96; CFI = 0.96). The correlations between the dimensions, obtained through the CFA, are presented in Table 3.

A second-order CFA was then conducted to assess possible hierarchical relations among the first-order factors, that is, the possibility of a second-order factor was investigated. Structural equation modeling was used to assess the factors' relationships. The fit statistics of the model were subsequently examined. The findings revealed that, in terms of model design, it is possible to assume six first-order latent factors (feelings, resonance, salience, performance, imagery and judgments), reflecting a second-order factor (CBBE) (see Figure 2). This model's goodness-of-fit is satisfactory: $\chi^2/\text{d.f.}$ (884.55/371) = 2.38; RMSEA = 0.08; SRMR = 0.06; NFI = 0.94; NNFI = 0.96; CFI = 0.96. Therefore, the second-order CFA confirmed that the six factors were

Table I: Results of factor analysis

<i>Factors and items</i>	<i>Factor loading</i>	<i>Eigenvalue</i>	<i>Variance-explained percentage</i>	<i>Reliability coefficient</i>
<i>Feelings</i>		12.17	29.00	0.94
Peaceful	0.78			
Sentimental	0.83			
Amused	0.77			
Excited	0.83			
Enthusiastic	0.80			
Safe	0.86			
Self-assured	0.74			
Admired	0.80			
Accomplished	0.79			
<i>Resonance</i>		2.96	13.30	0.94
X would be my first choice	0.68			
I consider myself to be loyal to X	0.72			
I belong to X lovers	0.78			
I like to be seen as a consumer linked to X	0.79			
I keep myself informed about X news	0.74			
I am willing to positively talk about X	0.60			
<i>Prominence</i>		2.28	12.26	0.85
I know what X looks like	0.70			
I can recognize X among other competing brands	0.84			
I am aware of X	0.76			
I can quickly recall the symbol or logo of X	0.84			
I have difficulty in imaging X in my mind (r)	0.62			
<i>Performance</i>		1.51	7.08	0.81
Services by X to customers are of high quality	0.76			
X takes care of its customers	0.72			
X looks after consumers' interests	0.76			
<i>Imagery</i>		1.30	6.57	0.71
Those consumers who possess LV have a certain personality	0.72			
You can always wear an X product with ease	0.77			
LV products give to you a certain personality	0.65			
<i>Judgments</i>		1.09	4.93	0.88
X is unique	0.58			
X products have some characteristics absent in competing offerings	0.59			
X products are better than competing ones	0.57			
Total variance explained			73.15	

valid and reflect a second-order factor (CBBE).

Analysis of the difference of the CBBE structure among consumers

In order to reach the objectives of this study, we can distinguish our sample into two different groups: the first group includes all the

consumers who declare not to purchase/consume the products of the brand (that is, non-brand users); the second group is composed of respondents who declared to purchase/consume the genuine products of the brand (that is, genuine brand users). Then, we distinguish respondents considering also their awareness of the level of

**Table 2:** Results of the confirmatory factor analysis

<i>Factors and items</i>	<i>Factor loading</i>	<i>SMC (R²)</i>
<i>Feelings</i>		
Peaceful	0.82	0.67
Sentimental	0.79	0.62
Amused	0.76	0.58
Excited	0.85	0.71
Enthusiastic	0.84	0.70
Safe	0.84	0.71
Self-assured	0.70	0.50
Admired	0.79	0.62
Accomplished	0.80	0.64
<i>Resonance</i>		
X would be my first choice	0.84	0.70
I consider myself to be loyal to X	0.86	0.74
I belong to X lovers	0.90	0.82
I like to be seen as a consumer linked to X	0.89	0.80
I keep myself informed about X news	0.84	0.70
I am willing to positively talk about X	0.81	0.66
<i>Prominence</i>		
I know what X looks like	0.65	0.42
I can recognize X among other competing brands	0.82	0.67
I am aware of X	0.77	0.60
I can quickly recall the symbol or logo of X	0.86	0.74
I have difficulty in imaging X in my mind (r)	0.60	0.36
<i>Performance</i>		
Services by X to customers are of high quality	0.85	0.73
X takes care of its customers	0.89	0.80
X looks after consumers' interests	0.56	0.31
<i>Imagery</i>		
Those consumers who possess LV have a certain personality	0.52	0.27
You can always wear an X product with ease	0.74	0.54
LV products give to you a certain personality	0.76	0.57
<i>Judgments</i>		
X is unique	0.79	0.63
X products have some characteristics absent in competing offerings	0.88	0.77
X products are better than competing ones	0.82	0.68

Note: $\chi^2/d.f.$ (836.12/362)=2.31; RMSEA=0.07; SRMR=0.05; NFI=0.94; NNFI=0.96; CFI=0.96.

counterfeit affecting the brand. Splitting on the median value (5.00) of this variable, and considering at the same time the distinction between genuine brand users and non-brand users, we obtained four different groups of respondents. Table 4 summarizes the means, standard deviations and *t*-tests for the latent constructs of the model for these different groups of consumers.

Results show that, within the group of consumers who do not purchase/consume the brand (that is, non-brand users), respondents with a high perception of the level of counterfeiting affecting the brand rate the brand higher in salience, performance and resonance compared with the respondents with a low perception of the level of counterfeiting. Results support

Table 3: Correlation value (Sig. two-tailed)

	Feelings	Resonance	Prominence	Performance	Imagery	Judgments
Feelings	1	—	—	—	—	—
Resonance	0.63** (0.00)	1	—	—	—	—
Prominence	0.32** (0.00)	0.40** (0.00)	1	—	—	—
Performance	0.33** (0.00)	0.41** (0.00)	0.43** (0.00)	1	—	—
Imagery	0.39** (0.00)	0.23** (0.00)	0.35** (0.00)	0.36** (0.00)	1	—
Judgments	0.59** (0.00)	0.63** (0.00)	0.45** (0.00)	0.41** (0.00)	0.37** (0.00)	1

* $P < 0.05$, ** $P < 0.01$, *** $P < 0.001$.

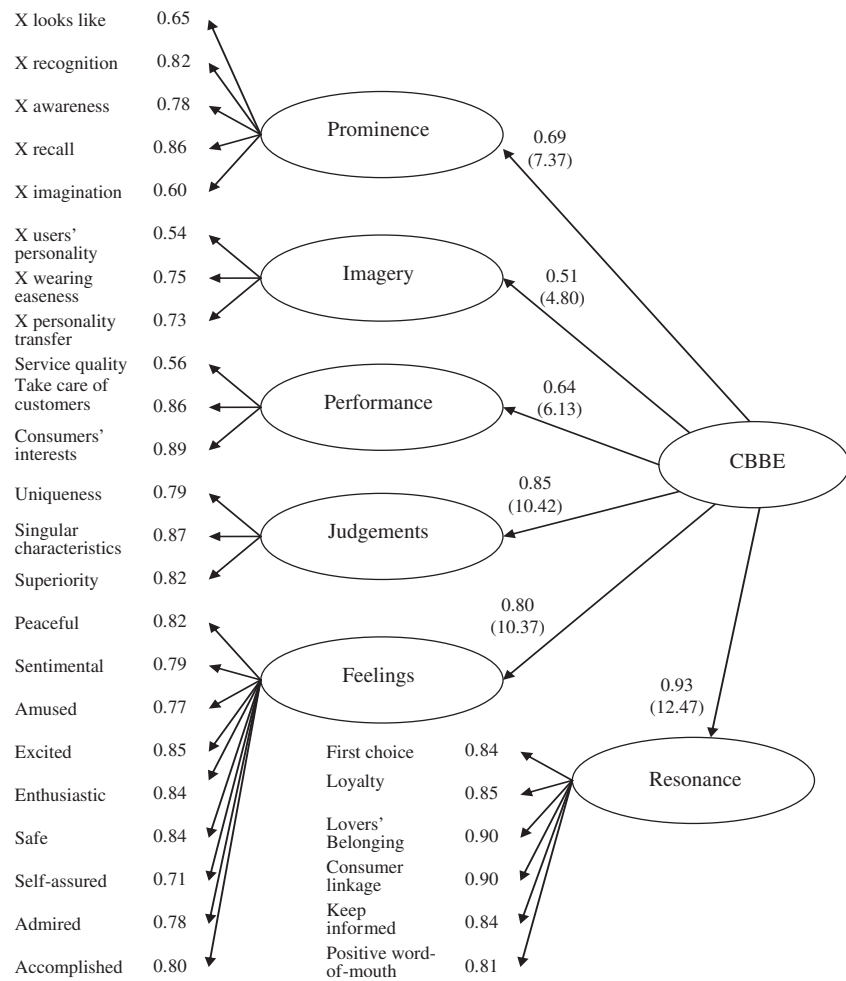


Figure 2: Confirmatory factor analysis – factor loadings (t-value) – the model hypothesizes six first-order factors explained by one second-order factor, CBBE (measurement error terms omitted for simplicity).
 Note: $\chi^2/d.f.$ (884.55/371)=2.38; RMSEA=0.08; SRMR=0.06; NFI=0.94; NNFI=0.96; CFI=0.96.

Table 4: Means (standard deviations) and t-tests for latent variables between groups

	Non-brand users		T-test (sig.)	Genuine brand users		T-test (sig.)
	Low counterfeit awareness	High counterfeit awareness		Low counterfeit awareness	High counterfeit awareness	
	(N=77) M (SD)	(N=35) M (SD)		(N=21) M (SD)	(N=54) M (SD)	
Prominence	4.43 (1.17)	5.36 (0.67)	-5.21 (0.00)	5.38 (0.63)	5.58 (0.40)	-1.54 (0.13)
Imagery	3.71 (1.35)	4.02 (1.65)	-1.06 (0.29)	3.68 (1.37)	4.54 (1.33)	-2.46 (0.02)
Performance	4.36 (0.99)	5.08 (1.06)	-3.44 (0.00)	4.64 (1.47)	5.43 (1.04)	-2.57 (0.01)
Judgments	3.18 (1.40)	3.56 (1.37)	-1.33 (0.19)	3.83 (1.38)	4.83 (1.40)	-2.73 (0.01)
Feelings	2.16 (1.29)	2.62 (1.60)	-1.49 (0.14)	2.78 (1.10)	3.62 (1.41)	-2.46 (0.02)
Resonance	1.45 (0.59)	1.91 (0.84)	-2.95 (0.00)	2.31 (1.20)	3.94 (1.75)	-4.58 (0.00)

Note: Bold values are the significant differences between groups.

Hypothesis 1. Therefore, among the non-brand users, the more you consider the brand liable to counterfeit practices, the more you rate it high in salience, performance and resonance, and, in addition to that, the more you are disposed to behave in favor of it. Considering the group of consumers who purchase/consume the brand (that is, genuine brand users), respondents with a high perception of the level of counterfeit affecting the brand rate the brand higher in all of the dimensions, except salience. Results support Hypothesis 2. A point worth noting is that the largest gap between the two groups concerns the resonance of the brand: within the genuine brand users, the more you consider the brand liable to counterfeit practices, the more you are disposed to behave in favor of it (for example, to positively talk about the brand; to keep oneself informed about the brand) and, in addition to that, the more you rate it high in imagery, performance, judgment and feelings.

DISCUSSION

This study is embedded in the current debate about the effect of counterfeit on luxury brands. Mainstream marketing literature states that this phenomenon hardly hurts copied brands. Some studies have reported that fake alternatives did not necessarily lower genuine brand product

evaluations, providing some interesting evidence for specific theoretical constructs referring to attitudes, perceptions or behaviors. The present research attempts to highlight the effects of counterfeit awareness on the CBBE of genuine brand users and potential users. A positive shift on the six blocks of CBBE is supposed.

Results are consistent with the adopted theoretical model: Keller's CBBE pyramid. The mean rates of each block are descending from the base to the top of the pyramid, both for the genuine brand users' sample and for the non-brand users' sample. In order to comprehend whether the counterfeiting phenomenon does alter the CBBE of each sample of consumers, we split them into two distinct groups: on the one hand, those who do not have a great perceived awareness of the counterfeit phenomenon, that means they do not think that counterfeit practices are significantly addressed to the investigated brand, they do not consider themselves able to detect a copy, and they are not interested in news about fakes practices; on the other hand, there are consumers who are not directly involved in fake consumption but who think to be aware of this problem with reference to the investigated brand.

Consistent with the first hypothesis, counterfeiting awareness does not weaken CBBE, but rather it might strengthen some

consumers' perceptions, evaluations and behavioral intentions. In particular, genuine brand consumers show a significant sensitivity toward counterfeiting information on almost all of the CBBE dimensions. Knowing that the brand they possess is affected by counterfeit induces them to think that this brand is well performing in their needs fulfilment and to consider it better than competitors. The incessant efforts made by counterfeiters to try to effectively imitate the style and the quality features of the genuine products (even the warranty and the finishes) probably highlight the uniqueness of the genuine product. Moreover, the reactions of genuine brand users to counterfeit awareness are not limited to the cognitive side of the brand equity; they also concern the affective one. Genuine brand consumers who know that the brand they possess is copied believe that this brand has a high potential in terms of symbolic meaning. First of all, they are aware that the usage of this brand could reveal specific personality traits, such as being stylish, cool or elegant. The more a brand is imitated the more they perceive that a great number of consumers who cannot afford the genuine product aspire to reach the same personality traits and to communicate their membership to their peers. Genuine brand users probably judge this attempt as ineffective, and this belief confirms their right to an authentic social approval, increasing their self-esteem and self-confidence. This assumption significantly affects the emotions induced by the brand: they feel more peaceful, safe, proud, cheerful and accomplished.

The most important shift in CBBE highlighted by this research is at the top of the pyramid: the resonance. This is positive evidence for companies because it means that the more relevant impact of counterfeit practices is to deepen the sense of community in genuine brand consumers and that this result induces them to activate a

sort of protection-behavior in favor of the brand they love. Moreover, this positive effect appears even among consumers who simply consider themselves aware about counterfeiting. It implies that the more they consider that the brand is threatened, the more they feel obliged to reward the brand with their active engagement: for example, they can confirm their brand loyalty, or they can activate a positive word of mouth on behalf of the brand.

The results of this study are also innovative and relevant because this kind of positive effect is not limited to genuine brand consumers but also involves non-brand users. They are very important for companies as well; in fact, all of them contribute to the market by shaping and developing the brand equity, and some of them could be potential future genuine brand consumers. Even for them, one of the most important shifts owing to counterfeiting awareness concerns resonance. Of course, the main score of this dimension is lower than the one for genuine brand consumers because it is not fed by an active brand purchasing loyalty. Of similar significance is the result that on this kind of consumer the consequences of counterfeit practices are not only at brand identity level (that is, salience) and at a meaning level (that is, performance block), but also at the top level of the pyramid, which implies consumers' engagement.

MANAGERIAL IMPLICATIONS AND FURTHER RESEARCH

These results could be particularly relevant for policymakers and for managers. Companies hurt by counterfeiting usually tend to blind information about the extent of the phenomenon and they mainly address their effort on promoting legal actions against counterfeiters. Doing so, they underestimate the awareness of the phenomenon within their actual and potential consumers, and they waste the chance to

involve effective allies in the fight against counterfeiting. As a matter of fact, consumers (both genuine brand consumers and potential consumers) are more effective than companies in arguing about a brand's superiority, uniqueness and value added within other consumers' opinion. Sometimes managers lose sight of the possibility to temporarily turn the counterfeit threat into an opportunity. This means that in addition to the legitimate legal actions to stop the circulation of fakes, they could even implement communication activities in order to increase consumers' awareness of counterfeiting. From a cognitive perspective, it could be useful to measure the extent of the phenomenon and to signal how easily people can detect a copy, or to stress the intrinsic inferior qualitative performance of a fake. From a symbolic perspective, it could be useful to stress that the desire to possess and exhibit an object with a salient brand logo by fake users does confirm the inaccessibility of luxury products, as fakes are only a fictitious way of joining the elite. Luxury consumption is not merely an economic matter, but even a personality mirror. Fake users do realize that they are not able to possess a genuine product, and thus they never authentically reach the emotional state induced by genuine luxury product consumption. This consideration is consistent with a higher sense of community developed within genuine brand users who are aware of counterfeit practices. They declare they are more collaborative toward brands. Companies could exploit this disposition to promote brand communities or other communication initiatives aimed at showing the active engagement of genuine consumers.

The results of this study and the above-mentioned managerial implication do not assert that counterfeiting has an overall positive effect on companies. It is an illegal practice that threatens the profit opportunity of the brand involved. This side of

the problem is irrefutable, and therefore it is not the focus of this research. This survey tries to explore whether, in addition to the negative economic impact of counterfeit, it is likely that companies could even benefit from counterfeiting in terms of brand perception and evaluation. From this breach, supported by the empirical analyses, stems a further question addressed to policy-makers: What kind of action is suitable for those companies for which the effects of counterfeiting are only negative? We refer to companies whose offering is placed at the same price level as fakes, whose brands are not so salient, and which do not benefit from the cognitive and symbolic leverage effect shown in this article.

This study, of course, has got several limitations. First of all, the analysis is focused on only one brand and one country. This choice is due to the intention to explore the hypothesis in a bounded context. For further research, it would be interesting to include a wider range of brands affected by counterfeiting and to conduct an inter-country analysis, as the country of origin and the ethnocentrism could affect these results.

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