Georgia Southern University

Digital Commons@Georgia Southern

Spring 2023

Combating Luxury Brand Counterfeiting: Recommended Action Strategies

Md Shahidul Islam
University of South Alabama, msi2021@jagmail.southalabama.edu

Recommended Citation

Combating Luxury Brand Counterfeiting: Recommended Action Strategies

Shahidul Islam
*University of South Alabama*

ABSTRACT

In the past few decades, luxury brand counterfeiting has grown significantly worldwide, and this growth caused considerable damage to the knowledge-based globalized economy and the brands. The rapid development of e-commerce business, primarily during the pandemic, has facilitated the counterfeiting trades through small shipments by different modes of transportation. Counterfeit products can be found in many industries, such as common consumer goods, IT goods, agriculture goods, pharmaceutical items, and luxury items (fashion apparel). The measures adopted to combat luxury brand counterfeiting are minimal to what should have been done. This study proposes that social media activism against counterfeiting is critical to altering consumers' attitudes toward luxury brand counterfeiting and creating moral awareness about counterfeiting to change consumers' counterfeit purchase intentions. Similarly, there is no denying that enforcement activism is fundamental to deter counterfeiters from keeping the counterfeiting-proliferation under control.

Keywords: *Counterfeiting, Intellectual Property (IP), Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Anti-Counterfeiting Trade Agreement (ACTA), Attitudes toward Counterfeiting, Deterrence, Copyright, Social Media Activism, Luxury Brands, Enforcement, Moral Awareness.*

INTRODUCTION

The induction of e-commerce in the 2000s gave a historical rise of counterfeiting worldwide, especially in East Asia, such as the People's Republic of China and Hong Kong (Chow, 2000). Chow (2000) claimed that the overwhelming use of IoT (Internet of things) in the new millennium facilitated the counterfeiters of China to penetrate consumers not just in China but also in the United States and worldwide. A joint study by the Organization for Economic Co-operation and Development (OECD) and European Union Intellectual Property Office (EUIPO) reported that China dominates the global trade in counterfeits and pirated goods, followed by Hongkong, Singapore and Turkey (Figure 1.1).

Figure 1.1: Top Provenance Economies of Counterfeits and Pirated goods (2016). Adapted from OECD & EUIPO (2019)
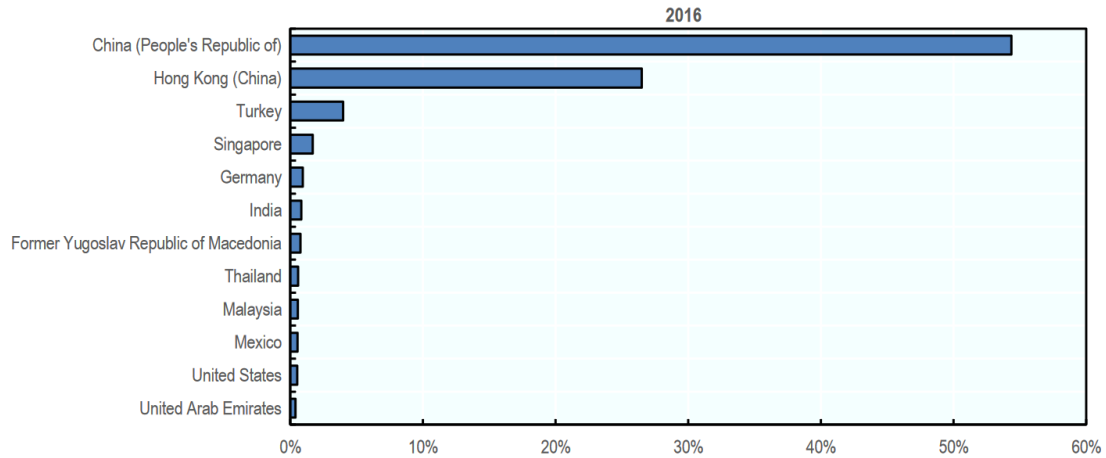
Several reports suggest that over 20% of the goods sold in the Chinese market are counterfeits (Bian & Veloutsou, 2017; Phau & Teah, 2009). More surprisingly, the United States has consistently continued to top the table for many years, whose Intellectual Property (IP) rights are infringed and whose economy is the most impacted by global counterfeiting (OECD & EUIPO, 2019) (Figure 1.2).

Figure 1.2: Top economies of origin of right holders whose IP rights are infringed, 2014-16. Adapted from OECD & EUIPO (2019)
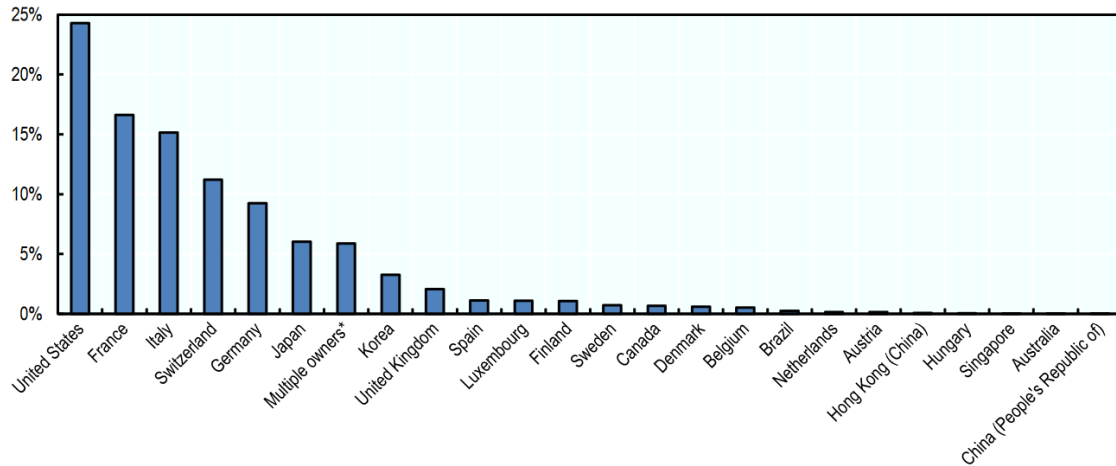
The unprecedented rise of counterfeiting has posed severe threats to luxury brands for many years (Staake et al., 2009; Tsai & Chiou, 2012; Bitton, 2012). The adverse impact of counterfeiting on brand owners is manifold. On the one hand, the brand owners face a loss of revenues, over-production costs, and brand reputation damage (Maaz & Ali, 2020), and on the

other hand, the value, satisfaction, and luxury of genuine brands are diminished by the availability of counterfeits (Bian & Moutinho, 2011; Staake et al., 2009). The counterfeit literature projected different statistics about the loss of revenues and the economic value of counterfeit products. Maaz & Ali (2020) claimed that counterfeiting accounts for over $600 billion annually worldwide. According to a recent study by Tuncel (2022, p.1), "the global economic value of counterfeit and pirated products is escalating persistently—it was $0.9 trillion in 2015 and is estimated to reach $1.9 trillion in 2022." Over the years, counterfeiting has caused fatal damage to the health and hygiene of consumers worldwide (Magdun, 2021; Chen et al., 2021). According to Chen et al. (2021), counterfeiting is "the world's second greatest public health hazard after drugs."

With the inception of social media, the world has experienced a paradigm shift in social movement from rationally driven activism to a technology-driven interface (Yankah et al., 2017). The rationally driven social mobilization is based on building a relationship on an individual level. In contrast, technology-driven social mobilization is based on building relationships on a virtual networking platform with a shared vision (Yankah et al., 2017). Social media has eventually become an effective tool for 21st-century social movements (Freelon et al.,2016). The case of Black Lives Matter is a unique example of social media activism to successfully mobilize the citizens of social media on a movement against racial inequality (Mundt et al., 2018). Social media activism mustered tens of thousands of protesters at Tahrir Square protests in Egypt, which ultimately exploded the Arab Spring in 2011 (Khamis & Vaughn, 2012). The 'gun control issue' created a vibe in the US due to social media activism after the tragic mass shooting in Las Vegas in 2017, when 58 people were killed (Solis, 2017). Social media activism can create powerful coalitions in building and sustaining movements (Shaw, 2013). Unfortunately, the strength of social media activism has not been effectively exploited as an effective tool for combating counterfeiting. Icha (2015) opines that social media activism can generate substantial moral awareness to alter consumers' attitudes towards counterfeiting. The paper hypothesizes that social media activism, the first exogenous construct of the paper, will be one of the dominant actors in combating luxury brand counterfeiting.

Although most developed nations have signed or passed several laws and agreements such as the IP Law, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the Anti-Counterfeiting Trade Agreement (ACTA) to protect the brands from counterfeiting, the volume of counterfeiting has been rising alarmingly (Fitzpatrick, 2012; Bitton, 2012). Counterfeiting has increased by more than 10,000% in the last two decades (Bitton, 2012). The study reveals no significant issues with IP laws, TRIPS, or ACTA; compliance with such laws or agreements is the primary concern. The enforcement of IP law has been and continues to be a challenging task for countries worldwide. Both practitioners and scholars believe that aggressive enforcement is a key to suppressing counterfeiting (Kontnik, 2006). The fear of being caught by law enforcement agencies and severely punished for infringing on the laws will deter counterfeiters. According to Kontnik (2006), most companies would always support effective criminal anti-counterfeiting legislation and employment. The paper hypothesizes that enforcement activism, the second exogenous construct of the paper, will deter counterfeiters and create moral awareness to combat luxury brand counterfeiting.

Consumers' attitudes toward counterfeit products significantly impact counterfeit consumption (Xiao et al., 2018; Harun et al., 2020). According to Eisen & Schuchert-Güler (2007), the demographics and psychographic factors, the product price and attributes, the social and cultural context, and the situation influence consumers' attitudes towards counterfeiting. Although counterfeiting has become a global concern, neither marketing nor management literature covers significant research on combating luxury brand counterfeiting (Staake et al., 2009). However, researchers in economics have a handful of studies on the economic impact of counterfeiting. This study will help us to understand the strength of social media activism and enforcement activism in altering consumers' attitudes toward luxury brand counterfeits and generating moral awareness about illegal counterfeit consumption. This research will contribute to formulating strategic action steps to combat luxury brand counterfeiting. The study will unfold by defining counterfeiting, illustrating the determinants of counterfeiting from different works of literature, elaborating on laws, agreements, and rights related to counterfeiting, explaining all six constructs and developing hypotheses to combat luxury brand counterfeiting. This research will test the hypotheses to recommend action strategies for managerial implications. Later, this paper will also highlight future opportunities to expand this research.

Research Questions

RQ1: Can social media activism against counterfeiting alter consumers' attitudes toward luxury brand counterfeiting and generate awareness to impact consumers' counterfeit purchase intentions?

RQ2: Can enforcement activism create adequate deterrence to counterfeiters and generate moral awareness to impact consumers' counterfeit purchase intentions?

Scope of the Study

The term "counterfeit" refers to tangible goods that infringe trademarks, design rights or patents, and "pirated" refers to tangible goods that infringe copyright. This study defines correlated terms in the subsequent chapters. According to a quantitative report by OECD and EUIPO (2019), the counterfeited and pirated product categories have exceeded over 130 000 worldwide in recent years. The most counterfeited and pirated product categories include footwear, clothing, leather goods, machines (including ICT devices), luxury goods (including luxury watches, perfume, high-end leather goods, branded sunglasses, branded shoes, and branded clothing), agricultural products, pharmaceutical products, and software industry. This study focuses on luxury brand counterfeiting only, and this study does not include intangible infringements, such as online piracy or infringements of other IP rights.

LITERATURE REVIEW

Theoretical Framework

What is Counterfeiting?

A clear conception of counterfeiting is of utmost importance before formulating action strategies to combat luxury brand counterfeiting. The term counterfeiting might confuse with other related terms such as imitation and piracy. Bian et al. (2016, p.4250) define counterfeits "as products that bear a trademark that is identical to, or indistinguishable from, a trademark registered to another party and that infringe the rights of the holder of the trademark." Eisend & Schuchert-Guler's (2006) definition of counterfeiting was synonymous with Bian et al.'s (2016) definition. According to Eisend & Schuchert-Guler (2006), counterfeiting is all about copying the characteristics of an original product with a remarkable brand value into another product that looks indistinguishable from the original. Previous research has categorized two types of counterfeiting - deceptive and non-deceptive (Bian & Moutinho, 2011; Wilcox et al., 2009). Deceptive counterfeiting occurs when a consumer is deceived about the brand of a product and unknowingly buys a fake brand (Eisend & Schuchert-Guler, 2006). On the other hand, non-deceptive counterfeiting occurs when consumers knowingly purchase counterfeits instead of branded products (Bian & Moutinho, 2011). However, all the above-cited definitions clearly show that counterfeiting is a direct copy of a trademark product.

In contrast, imitation is not a direct copy of the original product; instead, imitation refers to borrowing or copying some aspects or attributes of the original product (Wilke & Zaichkowsky, 1999). According to Wilke & Zaichkowsky (1999), it is difficult to deal with imitation goods because they differ from branded products. On the other hand, piracy is defined as the exact copies of the original products and is typically limited to technology categories, such as software (Wilcox et al., 2009).

Why is Counterfeiting?

The reasons for counterfeiting are manifolds. According to Tsai & Chiou (2012, p.7), counterfeits may enter a market "when the quality of counterfeits is not too low, or the counterfeit's price is not too high". In other words, when the price of the original products is too high, the probability of counterfeits emerging in the market increases. According to Tom et al. (1998) and Schlegelmilch & Öberseder (2007), low-income consumers prefer counterfeits instead of branded products because of affordability. Bian et al. (2016) opined the same through an in-depth qualitative analysis and suggested that the apparent reason for purchasing counterfeit is saving money. However, the authors Bian et al., 2016) identified several other antecedents of extrinsic and intrinsic motivation for buying counterfeits. First, the consumption of counterfeits allows consumers to achieve their desired social identity. Second, counterfeit consumers believe that counterfeit luxury brands give them a sense of attainment, which is referred to as "the thrill of the hunt" and being part of a "secret society". Third, the counterfeits give the consumers a perceived hedonic benefit (exclusivity, excitement, and adventure) to enhance counterfeit
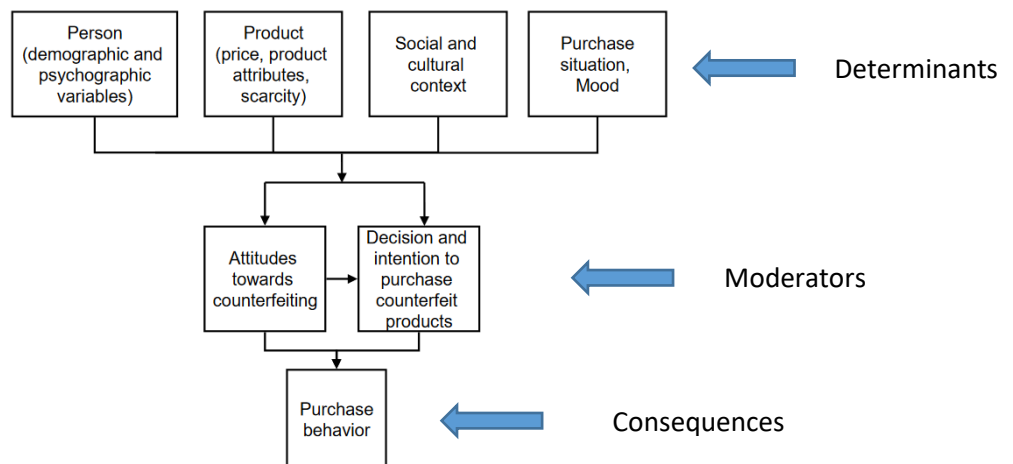
consumption. The motivational antecedents for counterfeiting, illustrated by Bian et al. (2016), are copied in **Figure 2.1**.

Figure 2.1. **Motivational Antecedents for Counterfeit Consumers**
(adopted from Bian et al. (2016)

Enhanced self-image

- Desired Social identity
- Consumer hierarchy

"Thrill of the hunt"

Part of "secret society"

Genuine interest

Saving Money

In an empirical study, Eisend & Schuchert-Güler (2007) identified several significant determinants of consumers' purchase intentions of counterfeit goods, such as the person, the product, the broader cultural context, and the situation. The following Figure 2.2 represents the determinants, moderators, and consequences of the deliberate purchase of counterfeits (adapted from Eisend & Schuchert-Guler, 2006).

Figure 2.2. The Determinants, Moderators, and Consequences of the Counterfeits
(adapted from Eisend & Schuchert-Guler, 2006)

Person (demographic and psychographic variables)	Product (price, product attributes, scarcity)	Social and cultural context	Purchase situation, Mood

Determinants

Attitudes towards counterfeiting → Decision and intention to purchase counterfeit products

Moderators

Purchase behavior

Consequences

People (Demographic and Psychographic Variable).

The previous studies in the counterfeiting literature established a strong link between psychographic and demographic factors with luxury brand consumption (Eisen et al., 2017; Khan et al., 2021). Eisen et al. (2017) provided a meta-analysis of the psychographic and demographic characteristics of the consumers that contribute to developing attitudes and intentions toward branded counterfeit luxury products. Both papers (Eisen et al., 2017, p.91; Khan et al., 2021) referred to the **identity theory**- "an identity includes a multiplicity of perceptions that people have or would like to be." So, the identity theory in the counterfeiting literature suggests that many consumers resort to counterfeit brands to build their identity because they cannot afford expensive genuine luxury brands. According to Hoe et al. (2003), consumers use counterfeits as substitutes for designer brands that help them to create their identities and to impress others.

Product (Price, Product Attributes, Scarcity).

Product characteristics are essential for consumers to buy counterfeits. Consumers will tend to purchase brands or counterfeits with brand value and market demand (tom et al., 1998). Similarly, consumers' appetite for the counterfeits of the perished brands would be low. The study suggests that the consumers would not prefer to buy the counterfeits of Calvin Klein underwear or Lacoste shirts because both brands had lost their exclusivity in those years. According to Eisend & Schuchert-Guler (2006, p.13), "scarcity of the original product influences not only the value perception of the original but also of the faked brand." Previous studies have also focused on counterfeits quality as an essential determinant of counterfeiting (Triandewi & Tjiptono, 2013). The willingness of the consumers to buy the counterfeits will increase/decrease if they can rate the quality of the counterfeits before purchase (Eisend & Schuchert-Guler, 2006).

Social and Cultural Context.

A deep dive into counterfeits consumption's social and cultural context will help us understand why some societies or cultures accept counterfeits consumption (Khan et al., 2021) and others do not. The theory of collectivism suggests that the ideas generated by any entity of a society should be shared amongst the society, and an originator does not retain the sole right to enjoy a property once it is generated (McDonald & Roberts, 1994; Khan et al., 2021). Eisend & Schuchert-Guler (2006) argued that societal influence obliges consumers of certain societies to buy counterfeits for three significant reasons: (1) to demonstrate that they can afford to buy the branded products, (2) to represent themselves as the elite members of the society, and (3) to have contended with the symbolic self-extension.

Purchase Situation and Mood.

A few counterfeiting works of the literature identified '**situational context**' as a significant determinant of counterfeiting (Eisend & Schuchert-Guler, 2006; Khan et al., 2021). Both the papers mentioned the '**holiday mood of the consumers'**, which may (at times) induce the consumers to buy counterfeits even if they possess an anti-counterfeiting attitude. The other

situation explained by Khan et al. (2021) is the economic situation, which compels consumers to buy counterfeits because of financial constraints.

Construct Definitions and Hypotheses Development

Social Media Activism against Counterfeiting

Activism is an important research topic in different fields, such as public relations, sociology, and political science (Chon & Park, 2020). In public relations, activism is "characterized by a community-based response and holistic, strategic campaigns conducted with minimum resources" (Demetrious, 2013, p.2). In sociology, activism is defined as a sequence of provocative acts by which general people attempt to change social issues through collective action (Tilly & Wood, 2020). Political science activism is about cause-oriented activities (Norris, 2004). However, Chon & Park (2020) summarized the cross-disciplinary definitions of activism and identified the following core components of activism: (a) contentious issues, (b) collective action, (c) solidarity or collective identity, (d) polarized groups based on issues, and (e) an effort to solve problems using communication.

According to Chon & Park (2020, p.74), "activism has continued to evolve since the emergence of social media, and today, social media is a strategic means for activism." Over the years, social media activism has become an effective communication tool and a solid platform to facilitate collective actions against social issues (Chon & Park, 2020). Murthy's (2018) definition of social media activism includes reporting incidents, signing petitions, and online and offline campaigning to shape social movements or issues. Social media continues to play the central role in the temporality of shaping social issues from G20 demonstrations to the Arab Revolutions and from the Occupy Movement to the Black Lives Matter protest (Poell, 2020).

Luxury brand counterfeiting has become a social issue worldwide for many years (Wilcox et al., 2009). Unfortunately, social media activism is yet to be utilized sufficiently to demonstrate the adverse impact of counterfeit consumptions. Instead, the counterfeiters were more successful than the brands in misleading the customers by falsifying the branded items (Wilke & Zaichkowsky, 1999). According to Chen et al. (2021, p.31), "almost one-fifth of the content posted on social media concerning branded apparel is illegal." So, this study hypothesizes activism as a collaborative action on social media platforms to change consumers' attitudes toward luxury brand counterfeiting and create moral awareness about the adverse impact of counterfeiting consumption.

Consumers' Attitudes toward Counterfeiting

The word 'attitudes' is defined, "a learned predisposition to behave in a consistently favorable or unfavorable manner with respect to a given object" (Schiffman and Kanuk, 1997, p. 167). Consumers grow varied attitudes about counterfeit goods due to several reasons. According to Tom et al. (1998, p.409), consumers "who knowingly purchase counterfeit products perceive counterfeits to be as good as the legitimate products". Consumers who knowingly purchase counterfeits are generally aware of the damage caused by counterfeits and the ethical issues of

counterfeit consumption (Bian et al., 2016). According to Eisend & Schuchert-Güler (2006), counterfeiting-inclined consumers will continue buying the counterfeits whenever available. The determined consumers will always argue that they are not personally accountable for their social norm-violating behavior (Bian et al., 2016). However, many consumers face difficulty identifying branded goods from counterfeits because of a lack of knowledge (Bian & Moutinho, 2011). So, the counterfeiting literature distinguishes two opposing consumers' attitudes to counterfeiting: (1) consumers determined to buy counterfeits and (2) consumers possessing insufficient knowledge of counterfeits and brands.

In an empirical study, Augusto de Matos et al. (2007) identified several antecedents of attitudes toward counterfeiting, such as price-quality inference, risk averseness, subjective norm, perceived risk, integrity and personal gratification. A previous study suggested that price and risk are important factors related to attitude toward counterfeits (Huang et al., 2004). A consumer will have negative attitudes toward counterfeiting who firmly believes in the price-quality inference. Risk averseness is all about avoiding risks. Augusto de Matos et al. (2007) suggested that consumers who are more (less) risk averse will have unfavorable (favorable) attitudes toward counterfeits. Ajzen (1991) defined 'subjective norm' as a social factor that exerts social pressure to perform or not perform a given behavior. Societal acceptance/rejection of buying the counterfeits will influence consumers' attitudes toward counterfeits.

Regarding integrity, a consumer's respect for lawfulness will determine how much engagement he/she will have in buying counterfeits (Cordell et al., 1996). Lastly, personal gratification is defined as a sense of accomplishment, social recognition, and enjoying the finer things in life (Ang et al., 2001). Consumers' sense of accomplishment will affect their attitude toward counterfeits. The results of Augusto de Matos et al.'s (2007) study concluded that price-quality inference, subjective norm, perceived risk, integrity and personal gratification are strongly associated with consumers' attitudes toward counterfeiting.

Most researchers identified materialism as an essential personality trait influencing attitudes towards luxury brand counterfeits. Tunçel (2022), in an empirical study, observed that materialistic consumers tend to have a more favorable attitudes toward luxury brand counterfeits, which, in turn, increases their counterfeit purchase intentions. Cordell et al. (1996) claimed that consumers' lawfulness and morality could distinguish consumers' attitudes toward counterfeit. In comparison, Wilcox et al. (2009) and Martinez & Jaeger (2016) found that consumers' propensity to buy counterfeits was linked to social motivations underlying their attitudes toward luxury brands. In contrast, Muhammad (2012) claimed that consumers' attitudes toward counterfeit products will either positively or negatively affect their counterfeit purchase intentions.

Social Cognitive Theory (SCT)

The social cognitive theory acknowledges the influential role of evolved factors in human adaptation and change (Bandura, 2001). In social cognitive theory, "socio-structural factors operate through psychological mechanisms of the self-system to produce behavioral effects" (Bandura, 2001, p.15). The theory suggests that an influential role played by social media

activism may trigger human adaptation and change. The theory indicates that an effective social media activism can alter the perception of the consumers who have insufficient knowledge of counterfeits and brands. In other words, social media activism may infuse awareness to impact on consumers' attitudes toward counterfeiting. Hence, the study hypothesizes:

> **H1a**: Social media activism against counterfeiting is positively associated with consumers' attitudes toward counterfeiting.

Moral Awareness

Moral awareness is a critical first step in moral decision-making (Martinez & Jaeger, 2016). Miller et al. (2014) defined moral awareness as the cognitive ability to recognize the moral issue within a situation. According to Clarkeburn (2002, p.443), moral awareness is "the spontaneous recognition of moral issues and the interpretation of a situation in moral terms." Erwin's (2000, p.116) definition of moral awareness was synonymous with others, "the realization that one's behavior may violate a moral principle." Lambkin & Tyndall (2009) unveiled significant ethical and welfare issues arising from health and safety problems in the context of deceptive counterfeiting, especially in the pharmaceutical industry. Over the last few decades, the increasing trend of counterfeiting has contributed significantly to organized criminal activities affecting the social order (Lambkin & Tyndall, 2009). Baghi et al. (2016) claim that consumers' moral awareness of counterfeiting can significantly influence consumers' perceptions and brand equity development.

On the other hand, Cordell et al. (1996) investigated the consumers' attitudes toward lawfulness to counterfeit consumption and argued that consumers, fully aware of counterfeits, are unwilling to buy the high investment-on-risk products (camera). Cordell et al.'s (1996) study showed that consumers' negative attitudes to lawfulness directly influence consumers' likelihood of knowingly purchasing counterfeits. In other words, consumers' moral awareness will develop positive attitudes towards lawfulness. It is perceived that social media activism can positively influence consumers' moral awareness.

Theory of Moral Reasoning

Kohlberg's (1976) theory of moral reasoning indicates that a consumer's behavior is based on logical comprehensiveness, universality, consistency, and a subjective sense of justice. The theory indicates that a higher moral judgement will be a barrier to illegal counterfeit consumption. Later, Pollock (1986) introduced several essential features to the theory of moral reasoning. First, the theory defines a strong connection between moral reason and motivation. People are typically moved by assessing what they morally ought to do if there is no conflicting concern. The theory suggests that the consumers will be demotivated to counterfeit consumption since counterfeiting is a conflicting concern and is illegal and promotes organized criminal activities. Second, the moral reasoning theory suggests that people care about other people. If consumers realize that counterfeit consumptions harm the original manufacturers, the consumers are likely to reject counterfeit luxury brand consumption. Third, the moral reasoning theory implies that people are concerned about the existence of the "*Naturalistic fallacy*". Pollock

(1986) explained the *"Naturalistic fallacy"* as a gap between moral judgements and judgements about the physical world. Pollock's *naturalistic fallacy* supports Kohlberg's subjective sense of justice, which will intrinsically motivate consumers against illegal counterfeit luxury brand consumption. Therefore, this study hypothesizes,

> **H1b**: Social media activism against counterfeiting is positively associated with consumers' moral awareness.

> **H2**: Consumers' moral awareness is negatively associated with consumers' attitudes toward counterfeiting.

Enforcement Activism

The researchers have yet to adequately address the enforcement activism against luxury brand counterfeiting until now (Tsai & Chiou, 2012). Higgins & Rubin (1986) were pioneers in outlining a model of enforcement of laws against counterfeiting in terms of both public and private enforcement. According to Higgins & Rubin (1986, p.218), "the goal of enforcement is the maximization of consumer surplus (relative to the price buyers pay) given a predetermined value of the trademark". A couple of years later, Grossman (1988) discussed the enforcement of trademark protection law and investigated the efficacy of enforcement activity to combat counterfeiting. According to Grossman (1988), tighter enforcement will cause more consumers to choose generic goods instead of counterfeits. Tsai & Chiou (2012) identified government enforcement as the barrier to entry of counterfeits. Counterfeit will not occur when the government enforcement level and the probability of being caught by law enforcement agencies are higher. The study suggests that if the government strengthens enforcement against counterfeiting, the counterfeits' price will inevitably increase because of the deterrence effect. Consequently, the price, sales and profit of the original will increase.

Banerjee (2003) emphasized the Government enforcement activity by monitoring and penalizing the pirate's illegal operations to combat software piracy. However, Banerjee & Chatterjee (2010, p.392) made a strong statement claiming that "only strict regulatory enforcement policies can improve product quality". Fitzpatrick's (2012) findings on practical enforcement actions to bring about a change in luxury brand counterfeiting are similar to Banerjee's (2003) and Banerjee & Chatterjee (2010).

Laws, Rights, and Agreements

Fitzpatrick (2012) illustrated Intellectual Property Laws, TRIPS, and ACTA, which legitimize enforcement against counterfeiting. Understanding counterfeiting laws, rights, and agreements will help conceptualize enforcement activism.

US Intellectual Property (IP) Laws

US Patent Laws: The US Patent Law grants IP protections for three categories of inventions: (a) utility patents, (b) design patents and (c) plant patents (US Patent Law, 2012; Fitzpatrick, 2012).

US Patent Law (2012) states that "whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent, therefore, infringes the patent". Thus, creating or marketing identical clones of patented products/inventions is viewed as a direct infringement of the protective and commercial rights afforded to patent holders under US law (Fitzpatrick & Dilullo, 2006). According to Fitzpatrick (2012), the US International Trade Commission (USITC) is entrusted with investigating and adjudicating IP-related import violations. The US Congress made several amendments to the US Patent Laws to correct the import/export-related "loopholes" over time (Fitzpatrick, 2012).

US Trademark Law: According to Fitzpatrick (2012, p.120), "Trademarks constitute words, symbols, designs or other visual characteristics which are used to distinguish one product from another". The Trademark Laws in the United States are regulated under the auspices of the Lanham Act (1946). Landau (2005) analyzed the legal issues of the Trademark Laws and stated that Trademark Laws generally protect two distinctly different groups: (1) commercial entities, the companies that use the trademarks in connection with the advertising and selling of their goods and services, and (2) public, who are likely to be confused or tricked by counterfeiting. "The enforcement of trademark laws allows a trademark owner to reap the benefits of the 'goodwill and reputation that have been cultivated over the years, while also preventing competitors from taking a 'free ride' on that reputation" (Landau, 2005, p.40).

> *"The Lanham Act (section 43. a) of the Trademark Laws prevent unfair competition, false designations of origin, false advertising, infringement of unregistered marks, infringement of trade dress, and a cause of action that is akin to the 'right of publicity, namely creating a false impression of endorsement, sponsorship, or affiliation" (Landau, 2005).*

From an empirical study, Fitzpatrick (2012) concluded that trademark infringement generally occurs when an attempt to use a registered trademark to confuse potential buyers as to the origin/manufacturer of a product or service. The US courts have sought out eight comparative characteristics of alleged infringements. These include (1) similarities in actual marks (i.e., words, symbols, designs, etc.); (2) overall similarities between products of the right holder and alleged infringer; (3) similarities in channels of distribution; (4) similarities in advertising/promotion; (5) similarities in target market segment/types of consumers; (6) actual evidence of buyer confusion when comparing genuine and imitative products; (7) the alleged infringers commercial intent when using the right holder's trademark; and (8) the perceived strength/recognition of the right holder's trademark in commerce (Fitzpatrick, 2012).

US Copyright Law: Copyright refers to the intellectual property owner's legal right. In simpler terms, "copyright is the right to copy. This means that the original creators of products and anyone they give authorization to are the only ones with the exclusive right to reproduce the work" (Bitton, 2012). The Copyright law primarily relates to the increasing criminalization of personal use infringement. According to Landau (2005), the purpose of copyright law is to provide incentives in the form of exclusive rights for limited times for authors and artists to create, thereby adding to the marketplace of ideas and benefiting the public by providing them with access to more works".

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)

The world was devoid of any international standard of Intellectual Property rights until 1995. The agreement on TRIPS came into being in 1995 for two primary reasons: to establish a global standard for the enforcement of intellectual property rights and to settle unforeseeable issues related to intellectual property rights through the World Trade Organization (WTO) (Bitton, 2012). According to the agreement on TRIPS, the signatory states are liable to process legal enforcement action against any act of infringement of Intellectual Property rights (Bitton, 2012). Hence, the agreement on TRIPS was highly significant in rendering legal protections to the patent, copyright and trademark holders of other signatory nations (Fitzpatrick, 2012).

Anti-Counterfeiting Trade Agreement (ACTA)

ACTA "is an initiative to increase enforcement of intellectual property rights and combat counterfeiting beyond the existing enforcement provisions of the TRIPS" (Bitton, 2012, p.68). ACTA was initiated and negotiated by a few developed countries to enhance international copyright and trademark enforcement measures. As a whole, 36 nations and the European Union participated in this anti-counterfeiting initiative (Fitzpatrick, 2012). However, Argentina, Brazil, China and India were not invited to participate in these discussions. According to Bitton (2012), the ACTA signifies the most robust intellectual property enforcement agreement at the international level. The goals of the ACTA include: (1) strengthening international cooperation, (2) improving enforcement practices, and (3) providing a solid legal framework for intellectual property rights enforcement (Bitton, 2012, p.69). Under ACTA, judicial bodies are granted the authority to develop appropriate methodologies for assessing/awarding damages or compensation to the victims of infringement (Fitzpatrick, 2012, p.126).
Therefore, this study hypothesizes,

> **H3a**: Enforcement activism is positively associated with consumer moral awareness regarding counterfeiting.

> **H3b**: Enforcement activism is negatively associated with consumers' attitudes toward counterfeiting.

Deterrence Actions to Counterfeiting

This study has highlighted IP rights law, TRIPS and ACTA to protect brands from counterfeiting worldwide. Although the WTO signatory states are obligated to take legal actions against the counterfeiters to comply with the agreements, several WTO signatory states are yet to build the necessary infrastructure to comply with IP rights law and TRIPS (Bitton, 2012). Qian (2014) argued that government initiative is vital to strengthen the enforcement structure of any nation to counter counterfeiting. The study suggested that enhancing enforcement activity is the only means to deter counterfeiters. According to Qian (2014, p.341), "Company-level enforcement activities and licensed stores are shown to deter counterfeit entry or reduce counterfeit sales". Galloni (2006) suggested a strong lobbying strategy with the government to declare counterfeits

as illegal so that counterfeiters are deterred from manufacturing and selling counterfeits, participating in leasing, shipping, and any other part of the supply chain that leads to the sale of counterfeits.

China is one of the leading counterfeits-producing nations in the world (Chow, 2020). According to Chow (2020), counterfeiting in China results in billions of dollars in losses to multinational companies each year and causes irreparable harm to the goodwill and reputation of their brands. Chow (2000) recommended administrative, criminal, and civil enforcement actions to combat counterfeiting in China. The study defined administrative enforcement as "action that involves a **raid** conducted by enforcement officials of the counterfeiter's premises and a **seizure** of counterfeit goods, labelling, packaging, and equipment." The government-regulated bodies and the enforcement agencies must conduct raids or seizure operations as soon as a brand owner files a formal complaint to create deterrence (Chow, 2000). As such, the literature suggests that enforcement activism by conducting **Raids and Seizures** can make a meaningful deterrence to counterfeiters.

Berman (2008) recommended allocating a substantial budget to the brands to deter counterfeiting. The action strategies outlined by Berman (2008) focused on both the demand and supply sides. The demand-side budget to reduce counterfeit demand should focus on two significant actions; first, make counterfeits easier to identify, and second, promote educational initiatives that make consumers more aware of the risks associated with counterfeit purchases. On the contrary, the actions of supply-side budget items to reduce and deter the supply of counterfeits should include controlling the outsource suppliers, monitoring websites to search for counterfeits, undertaking legal actions, reducing grey market activity, and using track and trace technologies (Berman, 2008). Lambkin & Tyndall (2009, p.42) state that "the most common action against counterfeiters is civil litigation. The action generally involves proceedings against those directly involved in producing, distributing and selling counterfeit goods." The legislative actions against the counterfeiters will deter both counterfeiters and consumers.

The Deterrence Theory

Peace, Galletta, & Thong (2003) pioneered the deterrence theory in the counterfeiting literature. The deterrence theory has two major components – the punishment probability factor and the punishment level factor. The deterrence theory suggests that as punishment certainty and severity are increased, the level of illegal behavior is decreased. It is evident from the definition that counterfeiting is an unlawful act. The study also highlighted that counterfeiting kept rising globally, despite different laws and agreements to protect intellectual properties. The punitive measures against the counterfeiters were inadequate to create any lasting impression. According to the deterrence theory, a criminal will reduce illegal initiative when he believes that the legal enforcement is highly aggressive in exerting power for unwanted acts (Jervis, 1979). In counterfeiting, law enforcement agencies need to exercise power against the counterfeiters for the breach of IP Rights law or other agreements to create deterrence. According to Jarvis (1979), the deterrence theory focuses on a fear of a surprise attack by a legitimate authority. In sum, strict enforcement of the IP rights and effective employment of the agreement on TRIPS and

ACTA by the WTO signatory states will deter global counterfeiters and create awareness. Hence, the study hypothesizes,

> **H3c**: Enforcement activism is positively associated with deterrence actions to counterfeiting.

> **H4**: Deterrence actions to counterfeiting are positively associated with consumers' attitudes toward counterfeiting.

Counterfeit Purchase Intentions

Product knowledge and product involvement are the two crucial behavioral factors that counterfeit researchers often investigate (Khan et al., 2021). According to Chen et al. (2021), consumers' **insufficient knowledge** about brands often leads to counterfeit purchases. On the other hand, the consumers who knowingly buy luxury brand counterfeits invest substantial time and effort during counterfeit purchases because of the high level involved in the products (Khan et al., 2021). A low-level product involvement may result in poor decision-making and consequently lead to social harassment (Bian & Moutinho, 2009). Similarly, Tom et al. (1998), in an empirical study, revealed that counterfeit consumers are generally divided into two groups. The study observed that over 61% of the sample unknowingly purchased counterfeits, whereas 39% of the sample knowingly purchased counterfeits. The study also uncovered that most counterfeit consumers are younger (mean 29 years).

Eisend & Schuchert-Guler (2007) studied the consumers' moral factors of counterfeit purchase behavior and suggested that the weak impact of moral consciousness is explained by the consumers who were unaware of the illegality and negative consequences of purchasing the counterfeits. The authors experienced mixed results regarding the consumers' purchase behavior who were fully aware of the negative consequences of purchasing the counterfeits. Many respondents justified their purchase behavior of counterfeit goods, whereas many opined to alter their purchase intentions on moral grounds. Until now, Thaichon & Quach (2016) were more exhaustive in determining counterfeit purchase intention's internal and external motives. The dark motives outlined by Thaichon & Quach (2016) are listed in **Table 2.1,** and their flow chart is shown in the following **Figure 2.3**.

Figure 2.3. The Determinants, Moderators, and Consequences of the Counterfeits
(adapted from Thaichon & Quach, 2016)
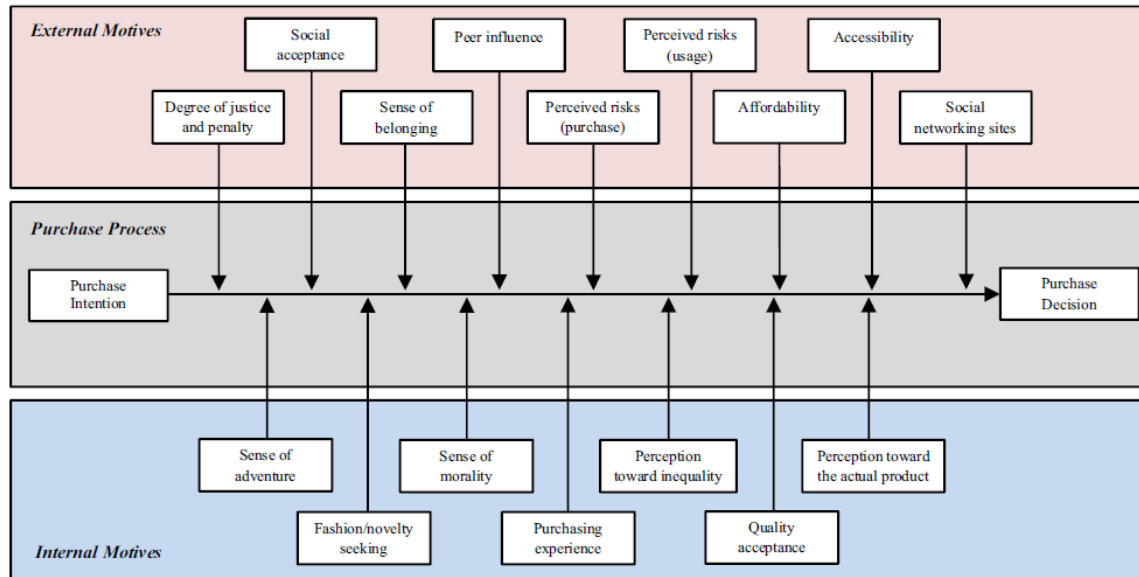
The literature on factors contributing to the consumers' purchase intentions of counterfeit is shown in table 2.1.

Table 2.1. Factors Contributing to Counterfeit Purchase Intentions

Year	Factors Contributing to Consumers' Purchase Intentions of Counterfeits	Example Studies
1996	a. **Attitudes toward Lawfulness**. Knowingly purchasing counterfeits falls in the class of nonnormative consumer behaviors. A consumer's purchase of a counterfeit is not a criminal act, but it does abet the sale, which is criminal. As such, a consumer's likelihood of counterfeit purchase intentions is negatively related to his/her attitude toward lawfulness. b. **Product Performance Expectations**. Consumers will never expect that counterfeits would outperform branded products; however, consumers will always expect that counterfeit's quality performs at some minimally acceptable level. "The better the expected functional performance, the more likely the consumer is to buy the counterfeit." c. **Perceived Risk**. Consumers will always seek to reduce uncertainty and unfavorable consequences of counterfeit purchase decisions.	(Cordell et al., 1996)
2004	a. **Product-class Involvement**. Product-class involvement represents the average interest a consumer has in a product category. For products with lower consumer involvement,	(Huang et al., 2004)

Year	Factors Contributing to Consumers' Purchase Intentions of Counterfeits	Example Studies
	consumers tend to purchase impulsively. In contrast, for products with higher consumer involvement, consumers would spend more energy on consumption-related activities and hence make more rational decisions. In such situations, consumers with a more favorable attitude toward counterfeits would be more likely to purchase counterfeits.	
2007	a. **Attitudes**. Attitudes play a significant role in counterfeit purchase intentions, and consumers with more favorable (unfavorable) attitudes toward counterfeits will have more favorable (unfavorable) counterfeit purchase intentions.	(Augusto de Matos et al., 2007)
2009	a. **Consumer Personality.** Value consciousness, risk aversion, integrity (lawfulness), and personal gratification are the critical variables influencing consumer purchase intentions. b. **Consumer Attitude.** Price consciousness, price/quality inference, and perceived risk influence consumers' attitudes towards counterfeits/brands. c. **External Influences.** Normative susceptibility, information susceptibility, and purchase situation are the external influencing factors that lead to consumers' purchase intentions. d. **Previous Experiences.** The previous performance of the counterfeits will play a dominant role in shaping future purchase intentions.	(Lambkin & Tyndall, 2009)
2009	a. **Product Involvement.** With high product involvement, consumers will exert more cognitive effort to evaluate the actual merits of a product. b. **Product Knowledge.** Consumers with higher levels of product knowledge will have a greater cognitive capacity to evaluate comparative alternatives. c. **Brand Image.** Brand image is the consumers' perception of a brand, which contributes to purchase intentions. d. **Perceived Risks.** Consumers will always seek to reduce uncertainty and the unfavorable consequences of purchase decisions.	(Bian & Moutinho, 2009)
2009	a. **Subjective Norms.** Subjective norms are defined as the valuation of the quality and functionality of the products.	(Staake et al., 2009)

Year	Factors Contributing to Consumers' Purchase Intentions of Counterfeits	Example Studies
	b. **Embarrassment Potential.** Consumers who anticipate possible threats of social embarrassment would prefer to avoid counterfeits. c. **Search Costs and Accessibility.** Search costs and accessibility to branded products significantly influence consumers' purchase intentions.	
2011	a. **Attitudes towards Counterfeiting**. Consumers with an unfavorable attitude towards counterfeiting are less likely to purchase counterfeits or visa-vis. b. **Counterfeit Proneness**: Counterfeit proneness is defined as a general tendency of consumers to prefer counterfeit over genuine products. Counterfeit proneness is the psychological trait that includes the cognitive and socio-normative elements associated with purchasing counterfeit products. c. **Value Consciousness.** Value-conscious customers are concerned with getting the best value for their money. d. **Brand Consciousness**. Brand-conscious customers are often motivated to buy expensive brands at a lower price.	(Sharma & Chan, 2011)
2013	a. **Past Purchase of Counterfeits**. Past purchase of counterfeits will result in an intention to purchase counterfeits and past purchase of originals will lead to an intention to purchase originals. b. **Attitudes toward the Economic Benefits**. Consumers can buy a product of equivalent standard at a lower price. c. **Attitudes toward the Hedonic Benefits**. Luxury brand counterfeits will provide pleasure, emotions, and self-esteem to the consumers. d. **Materialism**. Materialism in counterfeit literature refers to material possession. The possession of luxury brand counterfeits will give counterfeit consumers a sense of personal satisfaction, pleasure, and happiness. e. **Purchase Intention of Origin**. Counterfeit consumers buy counterfeits for the social recognition and status of genuine brands without paying for them.	(Triandewi & Tjiptono, 2013)
2014	a. **Functional Requirement.** Consumers will prefer to buy counterfeits when the functional requirement is met with the counterfeits that were purchased at a lower price.	(Wilcock & Boys, 2014)

Year	Factors Contributing to Consumers' Purchase Intentions of Counterfeits	Example Studies
	b. **<u>Product Quality</u>.** "Inferior counterfeit products will have a negative impact on future sales as they compromise the brand image."	
2016	a. **<u>External Motives</u>**. The external motives include (1) social acceptance, (2) peer influence, (3) sense of belonging, (4) perceived risks (associated with purchase), (5) perceived risks (associated with usage), (6) affordability, (7) accessibility, (8) degree of justice and penalty, and (9) advantages of social networking sites. b. **<u>Internal Motives</u>**. The internal motives include (1) sense of adventure, (2) fashion/novelty seeking, (3) sense of morality, (4) perception toward inequality, (5) perception toward the actual product, (6) quality acceptance, and (7) purchasing/ using experience.	(Thaichon & Quach, 2016)

Hence, the study hypothesizes,

H5a: Deterrence actions to counterfeiting are negatively associated with and consumers' purchase intentions.

H5b: Consumers' attitudes toward counterfeiting are positively associated with counterfeit purchase intentions.

Mediating Effect

The study also hypothesizes the following mediating relationships:

H6: Consumers' attitudes toward counterfeiting mediate the relationship between social media activism against counterfeiting and counterfeit purchase intentions.

H7: Consumers' attitudes toward counterfeiting mediate the relationship between consumers' moral awareness and counterfeit purchase intentions.

H8: Consumers' attitudes toward counterfeiting mediate the relationship between enforcement activism and counterfeit purchase intentions.

H9: Consumers' attitudes toward counterfeiting mediate the relationship between deterrence to counterfeiting and counterfeit purchase intentions.

H10: Consumers' moral awareness mediates the relationship between social media activism against counterfeiting and consumers' attitudes toward counterfeiting.

H11: Consumers' moral awareness mediates the relationship between enforcement activism and consumers' attitudes toward counterfeiting.

H12: Deterrence actions to counterfeiting mediate the relationship between enforcement activism and consumers' purchase intentions.

H13: Deterrence actions to counterfeiting mediate the relationship between enforcement activism and consumers' attitudes toward counterfeiting.

H14: Deterrence actions to counterfeiting and consumers' attitudes toward counterfeiting mediate the relationship between enforcement activism and counterfeit purchase intentions.

H15: Consumers' moral awareness and consumers' attitudes toward counterfeiting mediate the relationship between social media activism& counterfeiting and counterfeit purchase intentions.

H16: Consumers' moral awareness and consumers' attitudes toward counterfeiting mediate the relationship between enforcement activism and counterfeit purchase intentions.

Figure 2.4 Conceptual Model
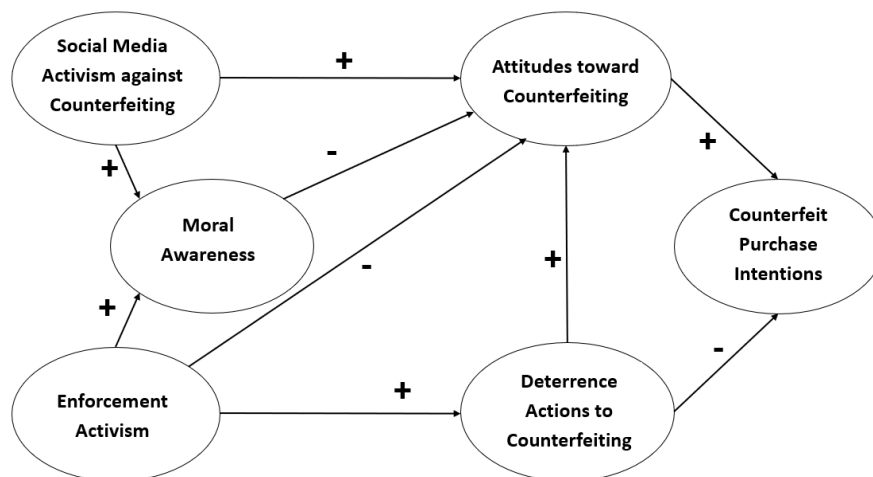
THEORETICAL AND MANAGERIAL IMPLICATIONS

### Anti-counterfeiting Campaigns using Social Media

Brands are the worst victim of counterfeiting because they lose substantial revenues, brand exclusivity and their unique speciality (Hieke, 2010). To combat this situation, luxury brands should initiate anti-counterfeiting campaigns using multiple relevant social media platforms. The hypotheses imply that social media anti-counterfeiting campaigns can influence consumers' attitudes toward counterfeiting. Luxury brands need to invest funds and undertake substantial efforts to develop a collective awareness of the extent of the problem that will influence consumers' attitudes toward counterfeiting. For example, a luxury brand could highlight on social media the adverse hygienic issues of counterfeit consumption. The sharing aspects of social media will engage consumers to propagate the message and influence collective awareness of the extent of the problem. Non-luxury brands could also disseminate similar information to their social media network platforms to develop a consensus saying 'No' to counterfeits. A substantial share of counterfeit consumers must become aware of the extent of illegal consumption and the harmful impact of counterfeit consumption before this strategy will be effective. Therefore, brand initiatives will be quite important in disseminating these messages to consumers.

To be successful, social media activism must overcome current obstacles and challenges. First, a holistic and well-coordinated campaign will be paramount to altering counterfeit consumers' motivations, particularly the substantially lower cost of counterfeits. Second, the campaign content must be appealing, thought-provoking, meaningful, innovative, and attractive to young consumers. Third, the ethical, moral, and legal issues of counterfeiting should be prominent in the campaign. And fourth, the campaign should primarily target young consumers and consumers of low earnings because they are associated with a substantial proportion of counterfeit purchases.

Educating Consumers

The literature suggests many consumers have been deceived and unknowingly purchased counterfeits. Brands must be innovative in educating current and potential consumers about counterfeit identification techniques using the strength of social media platforms. According to Wilson and Grammich (2021), training customer to identify counterfeit products will reduce counterfeiting purchases. For example, an authentic branded Gucci bag chain has compact spacing, whereas the chain of a counterfeit has hollow spacing (**Picture 3.1**). Similarly, explicit knowledge of the font style of the Luis Vuitton logo and its uniqueness will help consumers to distinguish luxury brands from the counterfeits (**Picture 3.2**). According to Han et al. (2010), one of the critical responsibilities of the firms is to educate specific target customers about recognizable details of the authentic products from the counterfeits to effectively combat luxury-brand counterfeiting.

Picture 3.1 and 3.2: Distinguishing brands from counterfeitings
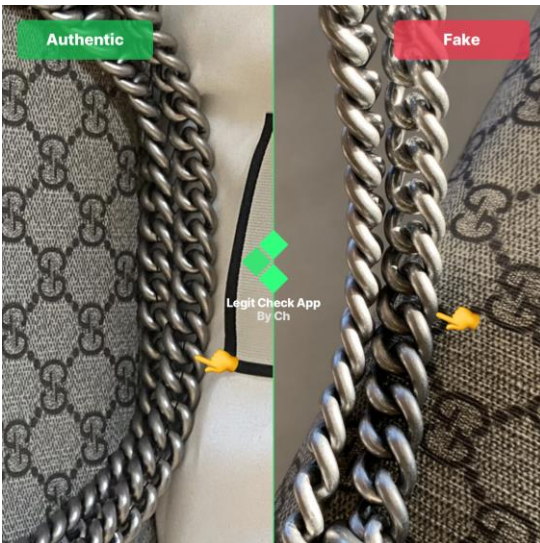
Picture 3.1 - Gucci bags: Authentic vs Counterfeit. (Picture captured from open source)

Picture 3.2 - Louis Vuitton: Authentic vs Counterfeit. (Picture captured from open source)

IP Right Enforcement

The hypotheses indicate that effective enforcement activism is critical to increasing moral awareness, deterring counterfeiters and counterfeit consumers, and ultimately influence consumers' attitudes toward counterfeiting. Governments have a role in enforcing IP rights, TRIPS and ACTA. According to Thaichon and Quach (2016), law enforcement agencies (LEA) and other government legal authorities should enforce legal protection and regulatory policies regarding counterfeiting. Law enforcement agencies should execute periodic raids and seizure operations on retail stores selling counterfeits, factories, and distribution centers as part of their enforcement strategies (Green & Smith, 2002). Heavy and strict penalties should be applied to sellers and buyers of counterfeit products to deter counterfeiters and consumers. Thaichon and Quach (2016) also suggest penalizing those who use counterfeit products in public areas, such as airports, train stations, tourist attractions, universities, and shopping centers, to reduce counterfeiting.

Liaise with Law-Enforcing Agencies (LEA)

At the current time, governments are unlikely to enforce IP infringement laws proactively. Instead, brands must place pressure on government agencies to use social media campaigns and build inter-organizational rapport between the brands and LEA. In addition, brand managers likely need to liaise with the LEA and other legal entities so relevant organizations can ensure enforcement activism with minimal delay. Finally, the LEA, customs officials, legal authorities,

and brand managers must thoroughly understand IP rights and laws if the strategy is to be effective.

Monitoring Intelligence

Brand managers must allocate funds to enhance domestic and offshore monitoring capabilities. Intense monitoring will help brand managers to identify counterfeits' supply chains, manufacturing facilities, sales channels, hoarding, and export/import intelligence. In an empirical study, Wilson and Grammich (2021) concluded that market monitoring and website monitoring are unique tactics to protect brands from counterfeiting. Since the brands are the victims most impacted by counterfeiting, they must be proactive in collecting counterfeiting intelligence and passing it on to the concerned LEA for appropriate action steps. These strategies will not only facilitate protection for luxury brands, but also deter the counterfeiters.

Investigation on E-Commerce Industry

This research indicates the emergence of e-commerce in the 2000s contributed to a historical rise in counterfeiting worldwide (Chow, 2000). Currently, online counterfeit retailers either import or export luxury brand counterfeits without fear of being caught by the LEA or customs. Governments globally should invest in tougher legal systems and strengthen the IT infrastructure to manage online retail operations (Thaichon & Quach, 2016). An in-depth investigation followed by policy formulation on e-commerce operations must be elevated to a higher priority to reduce accessibility to counterfeit products. These strategies will curtail counterfeiter's degrees of freedom, decrease the demand for luxury brand counterfeits, and ultimately improve the e-commerce environment and protect luxury brands from counterfeiting.

FUTURE RESEARCH

Table 4. Future Research Opportunities

Future Research Topics and Discussion	Possible Research Questions
Brands at large have not used social media platforms to mount anti-counterfeiting campaigns. The underlying reasons for not exploiting the strength of social media until now are crucial to combat luxury brand counterfeiting holistically.	Why have anti-counterfeiting campaigns by brands not been more prevalent on social media platforms?
Anti-counterfeiting campaigns in social media need to be meaningful, realistic, and attractive so that the online campaign can intrinsically motivate the target consumers to alter their attitudes of counterfeiting.	How does the use of social media platforms for successful anti-counterfeiting campaigns impact consumers' attitudes toward counterfeiting?

Future Research Topics and Discussion	Possible Research Questions
Social media activism can increase consumers' moral awareness against luxury brand counterfeiting. Hence, the contents of the anti-counterfeiting campaigns should be emotionally appealing to trigger consumers' moral awareness.	How can luxury brand anti-counterfeiting campaigns be made emotionally appealing to trigger consumers' moral awareness?
LEA and other legitimate government organizations must have explicit knowledge of IP rights and other anti-counterfeiting laws and agreements to implement IP infringement laws effectively against counterfeiting. Both government and brands must work together to exchange knowledge to educate counterparties.	How do we educate law enforcement, customs, border protection authorities, and other LEA on anti-counterfeiting laws and agreements for effective enforcement against IP infringements?
One or two brands in isolation cannot fight an anti-counterfeiting campaign. It is a collective battle; hence synchronized, holistic, and long-term approach is essential to keep counterfeiting under control. The principle of promoting a holistic approach that integrates and coordinates all brands is an important tactic for protecting brands from counterfeiting (Wilson & Grammich, 2021)	How can brands launch a synchronized, well-coordinated anti-counterfeiting campaign?

CONCLUSIONS

The counterfeiting of luxury brands has been growing exponentially worldwide, resulting in brand reputation damage and loss of revenues. Scholars of different disciplines continue to propose ideas and strategies to combat luxury brand counterfeiting. This research will contribute to the existing literature by focusing on several unobserved antecedents of consumers' attitudes toward counterfeiting, which likely influence counterfeit purchase intentions. This research proposed two antecedents of attitudes toward counterfeiting, social media activism against counterfeiting and enforcement activism, if executed effectively, can reduce counterfeit purchase intentions. The suggested relationships were then empirically tested.

The literature indicated that social media is a solid platform to impact consumers' attitudes toward counterfeiting and enhance their moral awareness through online anti-counterfeiting campaigns. The same is valid for enforcement activism that can impact consumers' moral

awareness, attitudes toward counterfeiting and create deterrence to counterfeiters and reduce the number of counterfeit consumers.

This research recommended several action strategies for the brand managers and LEA of the government. First, brands should initiate anti-counterfeiting campaigns using relevant social media platforms. The brands need to invest funds and undertake substantial effort to develop collective awareness to impact consumers' attitudes toward counterfeiting. Second, brands must be innovative in educating their consumers about counterfeit identification techniques using the strength of social media platforms. Third, law enforcement agencies (LEA) and other governmental legal authorities should enforce legal protections and regulatory policies regarding counterfeiting. Fourth, brand managers need to liaise with the LEA and other legal agencies so the concerned organizations can implement enforcement activism with minimal delay. Fifth, brands must allocate funds to enhance domestic and offshore monitoring capabilities. Finally, government agencies globally should invest in tougher legal systems and strengthen the IT infrastructure to manage online retailers.

REFERENCES

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, *50*(2), 179-211.

Ang, S.H., Cheng, P.S., Lim, E.A.C. and Tambyah, S.K. (2001). Spot the difference: Consumer responses towards counterfeits. *Journal of Consumer Marketing*, *18*(3), 219-35.

Augusto de Matos, C., Trindade Ituassu, C., & Vargas Rossi, C. A. (2007). Consumer attitudes toward counterfeits: A review and extension. *Journal of Consumer Marketing*, *24*(1), 36–47. https://doi.org/10.1108/07363760710720975

Baghi, I., Gabrielli, V., & Grappi, S. (2016). Consumers' awareness of luxury brand counterfeits and their subsequent responses: When a threat becomes an opportunity for the genuine brand. *Journal of Product & Brand Management*, *25*(5), 452–464. https://doi.org/10.1108/JPBM-11-2014-0747

Bandura, A. (1999). Social cognitive theory: An agentic perspective. *Asian journal of Social Psychology*, *2*(1), 21-41.

Banerjee, D., & Chatterjee, I. (2010). The impact of piracy on innovation in the presence of technological and market uncertainty. *Information Economics and Policy*, *22*(4), 391–397. https://doi.org/10.1016/j.infoecopol.2010.09.005

Banerjee, D. S. (2003). Software piracy: A strategic analysis and policy instruments. *International Journal of Industrial Organization*, *21*(1), 97–127. https://doi.org/10.1016/S0167-7187(01)00090-X

Berman, B. (2008). Strategies to detect and reduce counterfeiting activity. *Business Horizons*, *51*(3), 191–199. https://doi.org/10.1016/j.bushor.2008.01.002

Bian, X., & Moutinho, L. (2009). An investigation of determinants of counterfeit purchase consideration. *Journal of Business Research*, *62*(3), 368–378. https://doi.org/10.1016/j.jbusres.2008.05.012

Bian, X., & Moutinho, L. (2011). Counterfeits and branded products: Effects of counterfeit ownership. *Journal of Product & Brand Management*, *20*(5), 379–393. https://doi.org/10.1108/10610421111157900

Bian, X., & Moutinho, L. (2011). The role of brand image, product involvement, and knowledge in explaining consumer purchase behaviour of counterfeits: Direct and indirect effects. *European Journal of Marketing*, *45*(1/2), 191-216.

Bian, X., Wang, K.-Y., Smith, A., & Yannopoulou, N. (2016). New insights into unethical counterfeit consumption. *Journal of Business Research*, *69*(10), 4249–4258. https://doi.org/10.1016/j.jbusres.2016.02.038

Bian, X., & Veloutsou, C. (2017). Consumers' attitudes regarding non-deceptive counterfeit brands in the UK and China. In *Advances in Chinese Brand Management* (pp. 331-350). Palgrave Macmillan, London.

Bitton, M. (2012). Rethinking the anti-counterfeiting trade agreement's criminal copyright enforcement measures. *J. Crim. L. & Criminology*, *102*, 67.

Chen, C.-L., Shang, X., Tsaur, W.-J., Weng, W., Deng, Y.-Y., Wu, C.-M., & Cui, J. (2021). An anti-counterfeit and traceable management system for brand clothing with hyperledger fabric framework. *Symmetry*, *13*(11), 2048. https://doi.org/10.3390/sym13112048

Chon, M.-G., & Park, H. (2020). Social media activism in the digital age: Testing an integrative model of activism on contentious issues. *Journalism & Mass Communication Quarterly, 97*(1), *72–97.* https://doi.org/10.1177/1077699019835896

Chow, D. C. K. (2000). Enforcement against counterfeiting in the people's republic of China. *Northwest Journal of International Law and Business*, 447.

Chow, D. C.K. (2020). Alibaba, Amazon, and counterfeiting in the age of the Internet, *Northwest Journal of International Law and Business*, *40*, 157. https://scholarlycommons.law.northwestern.edu/njilb/vol40/iss2/1

Clarkeburn, H. (2002). A test for ethical sensitivity in science. *Journal of Moral Education*, *31*(4), 439-453.

Cordell, V. V., Wongtada, N., & Kieschnick, R. L. (1996). Counterfeit purchase intentions: Role of lawfulness attitudes and product traits as determinants. *Journal of Business Research, 35*(1), *41–53*. https://doi.org/10.1016/0148-2963(95)00009-7

Demetrious, K. (2013). *Public Relations, Activism, and Social Change: Speaking Up*. United Kingdom: Routledge

Eisend, M., Hartmann, P., & Apaolaza, V. (2017). Who buys counterfeit luxury brands? A meta-analytic synthesis of consumers in developing and developed markets. *Journal of International Marketing*, *25*(4), 89–111. https://doi.org/10.1509/jim.16.0133

Eisend, M., & Schuchert-Güler, P. (2006). Explaining counterfeit purchases: A review and preview. *Academy of Marketing Science Review*, *2006*, 1.

Eisend, M., & Schuchert-Guler, P. (2007). Do consumers mind buying illicit goods? The case of counterfeit curchases. *ACR European Advances*.

Fitzpatrick, W. M., & DiLullo, S. A. (2012). Global IP management: Preserving intellectual property rights and combating product counterfeiting. In *Competition Forum* (Vol. 10, No. 1). American Society for Competitiveness.

Freelon, D., McIlwain, C., & Clark, M. (2016). Beyond the hashtags: #Ferguson, #Blacklivesmatter, and the online struggle for offline justice. Retrieved from https://ssrn.com/abstract=2747066

Galloni, A., (2006). Bagging Fakers and Sellers. *Wall Street Journal*, 31, B1–2

Green, R. T., & Smith, T. (2002). Executive insights: Countering brand counterfeiters. *Journal of international Marketing*, *10*(4), 89-106.

Grossman, G. M., & Shapiro, C. (1985). Foreign counterfeiting of status goods. *National Bureau of Economic Research, 103*(1), 79-100. https://doi.org/10.2307/1882643

Han, Y. J., Nunes, J. C., & Drèze, X. (2010). Signaling status with luxury goods: The role of brand prominence. *Journal of Marketing, 74*(4)*, 15-30.* https://doi.org/10.1509/jmkg.74.4.015

Harun, A., Mahmud, M., Othman, B., Ali, R., & Ismael, D. (2020). Understanding experienced consumers towards repeat purchase of counterfeit products: The mediating effect of attitude. *Management Science Letters*, 13–28. https://doi.org/10.5267/j.msl.2019.8.019.

Hieke, S. (2010). Effects of counterfeits on the image of luxury brands: An empirical study from the customer perspective. *Journal of Brand Management*, *18*, 159-173.

Higgins, R. S. & Rubin, P. H. (1986). "Counterfeit Goods." *The Journal of Law and Economics*. *29*(2), 211–230

Huang, J., Lee, B. C. Y., & Hsun Ho, S. (2004). Consumer attitude toward gray market goods. *International Marketing Review*, *21*(6), 598–614. https://doi.org/10.1108/02651330410568033

Icha, O. (2015). Effectiveness of social media networks as a strategic tool for organizational marketing management. *J Internet Bank Commerce*, S2.

Jervis, R. (1979). Deterrence theory revisited. *World Politics*, *31*(2), 289-324.

Khan, S., Fazili, A. I., & Bashir, I. (2021). Counterfeit luxury consumption: A review and research agenda. *Journal of Consumer Behavior*, *20*(2), 337–367. https://doi.org/10.1002/cb.1868

Khamis, S., & Vaughn, K. (2012). "We Are All Khaled Said": The potentials and limitations of cyber activism in triggering public mobilization and promoting political change. *Journal of Arab & Muslim Media Research*, *4*, 145–163.

Kohlberg, L. (1976). Moral stages and moralization: The cognitive-development approach. Moral development and behavior: *Theory Research and Social Issues*, 31-53.

Kontnik, L. T. (2006). Manufacturer and industry responses to the counterfeiting challenge. *Journal of Pharmacy Practice*, *19*(3), 140–145. https://doi.org/10.1177/0897190006292940

Lambkin, M., & Tyndall, Y. (2009). Brand counterfeiting: A marketing problem that won't go away. *Irish Marketing Review*, *20*(1).

Landau, M. (2005). Copyrights, moral rights, and the end of the right of attribution under US trademark law. *International Review of Law, Computers & Technology*, *19*(1), 37–64. https://doi.org/10.1080/13600860500051291

Maaz, M., & Ali, T. (2020). How counterfeits goods are destroying brand reputation. *J Eng Econ Dev*, *6*(2), 38-49.

Martinez, L. F., & Jaeger, D. S. (2016). Ethical decision making in counterfeit purchase situations: The influence of moral awareness and moral emotions on moral judgment and purchase intentions. *Journal of Consumer Marketing*, *33*(3), 213–223. https://doi.org/10.1108/JCM-04-2015-1394

Miller, J. A., Rodgers, Z. J., & Bingham, J. B. (2014). Moral awareness. In *Research Companion to ethical behavior in organizations*. Edward Elgar Publishing.

Muhammad Rizwan, H. K. (2012). Antecedents of Purchase Intentions A Study From Pakistan. *IOS Journal of Business and Management*, 7668, 58-66.

Mundt, M., Ross, K., & Burnett, C. M. (2018). Scaling social movements through social media: The case of Black lives matter. *Social media + Society*, *4*(4), 205630511880791. https://doi.org/10.1177/2056305118807911

Murthy, D. (2018). Introduction to social media, activism, and organizations. *Social media + Society*, *4*(1), 205630511775071. https://doi.org/10.1177/2056305117750716

OECD & European Union Intellectual Property Office. (2019). Trade in Counterfeit and Pirated Goods: Value, Scope and Trends. *OECD*. https://doi.org/10.1787/g2g9f533-en.

Peace, A. G., Galletta, D. F., & Thong, J. Y. (2003). Software piracy in the workplace: A model and empirical test. *Journal of Management Information Systems*, *20*(1), 153-177.

Phau, I., & Teah, M. (2009). Devil wears (counterfeit) Prada: A study of antecedents and outcomes of attitudes towards counterfeits of luxury brands. *Journal of Consumer Marketing*, *26*(1), 15–27. https://doi.org/10.1108/07363760910927019

Poell, T. (2020). Social media, temporality, and the legitimacy of protest. *Social Movement Studies*, *19*(5-6), 609-624.

Pollock, J. L. (1986). A theory of moral reasoning. *Ethics*, *96*(3), 506-523.

Qian, Y. (2014). Brand management and strategies against counterfeits. *Journal of Economics & Management Strategy*, *23*(2), 317-343.

Schiffman, L.G. and Kanuk, L.L. (1997), Consumer Behavior, 8th ed., Prentice Hall, Englewood Cliffs, NJ.

Schlegelmilch, B. B., & Öberseder, M. (2007). Ethical issues in global supply chains. *Symphonia: Emerging Issues in Management*, *2*, 12–23.

Sharma, P., & Chan, R. Y. K. (2011). Counterfeit proneness: Conceptualization and scale development. *Journal of Marketing Management*, *27*(5–6), 602–626. https://doi.org/10.1080/0267257X.2010.489829

Sharma, P., & Chan, R. Y. K. (2017). Exploring the Role of Attitudinal Functions in Counterfeit Purchase Behavior via an Extended Conceptual Framework: Attitudinal Functions And Counterfeit Purchase. *Psychology & Marketing*, *34*(3), 294–308. https://doi.org/10.1002/mar.20989

Shaw, R. (2013). The activist's handbook: Winning social change in the 21st century. Berkley, CA: University of California Press.

Peace, A. G., Galletta, D. F., and Thong, J. Y. L. (2014). Software piracy in the workplace: A model and empirical test. (2003). *Journal of Management Information Systems*, *20*(1), 153–177. https://doi.org/10.1080/07421222.2003.11045759

Solis, M. (2017, October 11). Support for gun control on the rise after Las Vegas shooting, poll shows. *Newsweek*. Retrieved from http://www.newsweek.com/support-gun-control-spikesafter-las-vegas-shooting-poll-shows-682250

Spector, P. E., & Brannick, M. T. (2011). Methodological urban legends: The misuse of statistical control variables. *Organizational research methods*, *14*(2), 287-305.

Staake, T., Thiesse, F., & Fleisch, E. (2009). The emergence of counterfeit trade: A literature review. *European Journal of Marketing*, *43*(3/4), 320–349. https://doi.org/10.1108/03090560910935451

Stone, M. (1974). Cross-validatory choice and assessment of statistical predictions. *Journal of the Royal Statistical Society, 36*(2), 111–147.

Thaichon, P., & Quach, S. (2016). Dark motives-counterfeit purchase framework: Internal and external motives behind counterfeit purchase via digital platforms. *Journal of Retailing and Consumer Services*, *33*, 82-91.

Tilly, C., & Wood, L. J. (2020). *Social Movements, 1768–2008*. Routledge

Tom, G., Garibaldi, B., Zeng, Y., & Pilcher, J. (1998). Consumer demand for counterfeit goods. *Psychology and Marketing, 15*(5), 405–421. https://doi.org/10.1002/(SICI)1520-6793(199808)15:5<405::AID-MAR1>3.0. CO;2-B

Triandewi, E., & Tjiptono, F. (2013). Consumer intention to buy original brands versus counterfeits. *International Journal of Marketing Studies*, *5*(2), 23.

Tsai, M.-F., & Chiou, J.-R. (2012). Counterfeiting, enforcement and social welfare. *Journal of Economics*, *107*(1), 1–21. https://doi.org/10.1007/s00712-011-0249-1

Tunçel, N. (2022). Willingness to purchase counterfeit luxury brands: A cross-cultural comparison. *International Journal of Consumer Studies, 46*(2), 494–514. https://doi.org/10.1111/ijcs.12696

Wilcock, A. E., & Boys, K. A. (2014). Reduce product counterfeiting: An integrated approach. *Business Horizons*, *57*(2), 279–288. https://doi.org/10.1016/j.bushor.2013.12.001

Wilcox, K., Kim, H. M., & Sen, S. (2009). Why do consumers buy counterfeit luxury brands?. *Journal of marketing research*, *46*(2), 247-259.

Wilson, J. M., & Grammich, C. A. (2021). Protecting brands from counterfeiting risks: tactics of a total business solution. *Journal of Risk Research*, *24*(9), 1141-1160.

Wilke, R., & Zaichkowsky, J. L. (1999). Brand imitation and its effects on innovation, competition, and brand equity. *Business Horizons*, *42*(6), 9-9.

Xiao, J., Li, C., & Peng, L. (2018). Cross-cultural effects of self-discrepancy on the consumption of counterfeit branded luxuries. *Asia Pacific Journal of Marketing and Logistics, 30*(4), 972–987. https://doi.org/10.1108/APJML-12-2017-0341.

Yankah, S., Adams, K. S., Grimes, L., & Price, A. (2017). Age and online social media behavior in prediction of social activism orientation. *The Journal of Social Media in Society*, *6*(2), 56-89.

ABOUT THE AUTHOR

Shahidul Islam (A.B.D., University of South Alabama). His research interest includes marketing strategy, brand strategy, counterfeiting, and social media. He completed master's degrees in four disciples – an MBA from Saint Mary's University, Canada, another MBA specializing in HRM from Southeast University, Bangladesh, a Master of Defense Studies from National University, Bangladesh, and a Master of Arts in English from National University, Bangladesh. He was awarded the Faculty of Graduate Studies and Research Award in 2017 from Saint Mary's University, Canada, and Kenneth WJ Butler - MBA Fellowship Award in 2016 from Saint Mary's University, Canada.