The Role of Status Consumption and Materialism in Influencing Attitude towards Counterfeit Fashion Product

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Abstract: The act of counterfeiting spans across various industries and the impact can be seen beyond economic factors. In consumer behavior, the impact of status consumption and materialism has influenced purchase decisions in which consumption is not only based on how it makes an individual feel but also on those around them. Ultimately, the extent to which consumers may go in terms of getting status recognition influenced them to look for "cheaper" alternatives to genuine manufactured products. Hence the demand for counterfeit fashion products kept rising over the years. This research shows the impact of materialism and status consumption in influencing consumer attitudes toward counterfeit fashion products. Data were analyzed using a partial least square (PLS) approach to structural equation modeling (SEM). Materialism is significant in influencing attitude whereas there was no significant relationship found between status consumption and attitude.

Keywords: *Counterfeit fashion, Materialism, Status consumption, Attitude toward counterfeit.*

1. Introduction and Background

Counterfeiting has been plaguing the economics of many countries and Malaysia is not spared. According to the Ministry of Domestic Trade and Cost of Living (MDTCL) key statistics as of September 2022, there were 146 cases of counterfeit seizures of fashion-related products amounting to RM3,416,039 (Ministry of Domestic Trade and Cost of Living, 2022). Technology development is essential to the production and distribution of fake goods. Technology enables producers of counterfeit goods to make their goods seem and occasionally feel exactly like real goods. Due to several variables, counterfeit clothing is becoming exceedingly challenging to stop. In the past, most counterfeit fashion items were of low quality and quickly lost their color. Technology developments, outsourcing, and expanded international trade are a few of the elements that have a positive impact on the emergence of the trade in counterfeit goods. Often, the company hired to make the real things also makes the knockoffs of popular brands of clothes, so they are completely interchangeable with the real ones.

The practice of counterfeiting dates back to the time of the Roman Empire, when a particular wine merchant would duplicate trademarks on wine amphorae on inexpensive wines so that it would appear as though it was a more expensive Roman wine to fool customers and increase profit margins (Philips, 2007). There has been a significant increase in the production and consumption of counterfeit items during the past few decades. The expansion of the consumption pattern has been significantly influenced by factors such as globalization. Many businesses and brands are able to enter additional markets, which increases customers' desire to own global brands. International and well-known brands are frequently more expensive than local brands and are more in demand as a result of their well-known status in the marketplace. These and other similar factors are the primary determinants of the sale and purchase of counterfeit goods.

2. Literature Review

In essence, behavioral intention refers to an individual's purposeful attempt to carry out a given conduct, in this case, the intention to purchase counterfeit fashion products. Furthermore, the possibility of such an act being executed increases as the degree of intention to act increases (Ajzen, 1991). Consumers' intention to behave is a significant concept as it represents the estimated future behavior for market researchers. With regard to this study, intention is broadly described as the consumers' deliberate effort to purchase counterfeit products.

Attitude toward Counterfeit: The attitude construct has always been and still is a major focus of theory and

study in the social and behavioral sciences, as shown by the growing number of articles and/or reviews on attitude-related issues over the years including welfare effects of social media, response to CSR activities, attitudes towards e-HRM, and stock market reaction to COVID-19 (Allcott et al., 2020; Baker et al., 2020; Omar et al., 2015; Ramesh et al., 2018).

Attitude involves lasting preferences and aversions, likes and dislikes, towards a specific attitude object. According to Ajzen & Fishbein (1980), attitude is a person's judgment that performing the behavior is good or bad, that he or she is in favor of or against performing the behavior. Allport (1935) on the other hand, defines attitude as a predisposition to respond in a certain way. Although there is a high correlation between attitude and intentions, and attitude itself may result from behavior but they are not synonymous with behavior (Schiffman & Wisenbilt, 2019).

Materialism: Materialism has a significant influence not just on consumer behavior, but also on consumer perceptions, preferences, and decision making. The impact of being a materialist is that consumers will be more likely to be concerned regarding displaying their status and possessions towards their relevant social groups. Previous research has investigated the various impact of materialism, from its effect on sharing intention (Khalek & Chakraborty, 2023), materialistic attitude and material satisfaction (Ozgen & Esiyok, 2020), self-esteem (Wang et al., 2022) and as a mediator between religiosity and impulsive buying tendencies (Habib & Bekun, 2023).

It is important to consider the various definitions of materialism. According to (Belk, 1997), materialism refers to a person's desire to acquire stuff and the importance he or she places on worldly belongings. On the other hand, Richins & Dawson (1992) define materialism as the importance ascribed to the ownership and acquisition of material goods in achieving major life goals or desired states.

Furthermore, someone who is at the pinnacle of materialism would see possession of worldly goods as the focal point of their life and the largest source of satisfaction and dissatisfaction. Consumers with stronger materialistic tendencies are probably more engaged in breaking ethical rules to obtain goods because they prioritize possessions as a fundamental component in their lives (Muncy & Eastman, 1998). This can interfere with other elements of one's life and be harmful to the individual or society (Kozar & Marcketti, 2011).

Status Consumption: The desire for status products among consumers is the result of years of marketing initiatives by brand and product owners to persuade consumers to buy their goods. Market divisions have been developed by numerous companies and products that target distinct markets. According to Eastman et al., (1999), "status consumption" is the process through which people actively seek to elevate their social standing by ostentatiously consuming goods that both confer and symbolize status on the consumer and those around them.

Various research has looked at the impact of status consumption and its influence across different behavioral contexts, such as beauty products, premium alcohol, luxury fashion, perceived economic inequality and restaurant image (C. Dalziel & Sharp, 2023; Cunningham, 2023; Suttikun et al., 2023; Tangri & Yu, 2023; Velandia-Morales et al., 2022). Status goods are valued due to their ability to express or project the image of status; hence, consumers in this context may go beyond ethical boundaries to get the desired goods. However, different consumer generations might have different understandings of what status goods are and may look beyond brand names.

In this study, status consumption involves the desire for status products regardless of their originality. A desire for status involves an interest in status and status products. Counterfeit products are usually associated with products that have high brand recognition and are usually well-known among consumers worldwide. Further, a desire for status involves buying something that represents status to both the individual and its surroundings.

3. Research Methodology

In most cases, both secondary and primary data are used in data collection. Data collecting began with

secondary data and progressed to primary data sources. Secondary data used in this analysis include statistics from the Department of Statistics, forgeries from the Ministry of Domestic Trade and Cost of Living, and others. By examining a sample of the population, a survey design can quantify or numerically describe the trends, attitudes, or opinions of the population. One of the most common ways to get primary data is through surveys, which allow researchers to gather data in a set of questions and answers format.

PLS-SEM was conducted as it provides more robust estimations of the structural model and has the ability to model latent variables under non-normality conditions (Hair et al., 2014). Furthermore, it also leads to more theoretical parsimony and reduces model complexity (Hair et al., 2014).

To gather crucial data about the respondents as well as their responses to the factors and circumstances within the framework of this study, the questionnaire prepared for this study is divided into several sections. Basic demographic details like gender, age, education level, and income are included in the information gathered. The variables under consideration for this study, such as attitude towards counterfeit goods, materialism, and status consumption, are covered in other sections.

Figure 1: Measurement Model
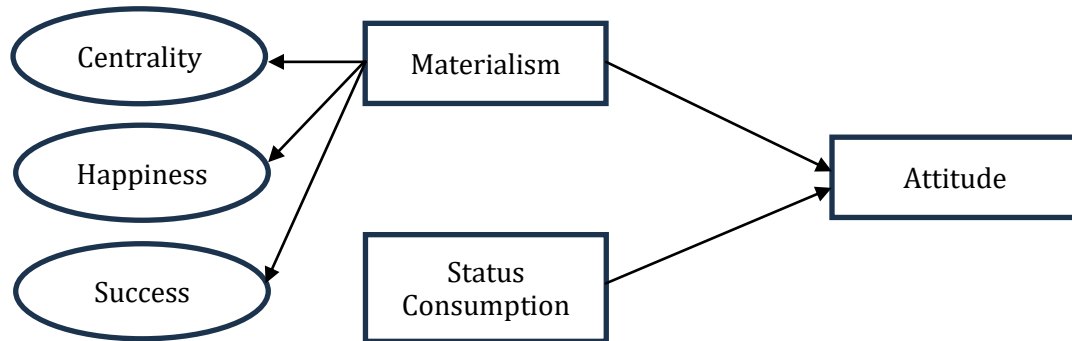
4. Results

This section presents sets of results relating to the profile of respondents together with previous counterfeit purchase experience. Data analysis is also presented which includes validity and hypothesis testing.

Profile of Respondents: Table 1 displays a summary of the characteristics of the total sample respondents based on their demographic factors. On the other hand, Table 2 shows the respondents' previous counterfeit purchase experience and product categories.

Table 1: Respondents' Profile

VARIABLE	FREQUENCY	PERCENTAGE
GENDER		
Males	176	43.1%
Females	232	56.9%
AGE		
18-25	211	51.7%
26-30	68	16.7%
31-40	111	27.2%
>41	18	4.4%
EDUCATION		
SPM/STPM	69	16.9%
Diploma	129	31.6%
Degree	186	45.6%
Professional	5	1.2%
Others	19	4.7%
OCCUPATION		

Government	112	27.5%
Private sector	83	20.3%
Self-employed	6	1.5%
Student	203	49.8%
Unemployed	4	0.7%
INCOME		
Less than RM1,000	198	48.5%
RM1,001 – RM3,000	87	21.3%
RM3,001 – RM5,000	68	16.7%
RM5,001 – RM7,000	43	10.5%
More than RM7,000	12	2.9%
RACE		
Malay	354	86.6%
Chinese	18	4.4%
Indian	24	5.9%
Others	12	2.9%

Table 2: Respondents' Counterfeit Purchase Experience

PREVIOUS PURCHASE	FREQUENCIES	PERCENTAGE
Experience		
Yes	281	68.9
No	127	31.1
Product		
Clothing	192	29
Shoes	152	23
Sunglasses	98	14.8
Watch	104	15.7
Handbag	92	13.9
Others	24	3.6

Materialism in this study is conceptualized as higher-order components (HOC), which are measured based on the first-order construct (lower-order components or LOC). Conceptually, the LOC will form the dimension for HOC, which in this study consists of three first-order constructs, centrality, happiness, and success. For analysis purposes, a repeated indicator approach was used (Lohmoller, 1989; Wold, 1982). All the LOCs have a similar number of indicators, which are two each, and essential to ensure that the relationships between the HOCs and LOCs and reduced biases (Becker et al., 2012)

Convergent Validity: This involves the degree to which each indicator reflects a construct converging in comparison to indicators measuring other constructs. Average Variance Extracted (AVE) is the degree to which a latent construct explains the variance of its indicators (Hair et al., 2017). For convergent validity to be adequately achieved, each construct should account for at least 50 percent of the assigned indicators' variance (AVE $\geq$ 0.50) (Fornell & Larcker, 1981; Hair et al., 2017). Based on Table 3, all item loadings have values that are greater than 0.6 and have satisfied the minimum value for both AVE and CR.

Table 3: Convergent Validity for Materialism

DIMENSION	INDICATORS	ITEMS LOADINGS	FACTOR LOADINGS	AVE	CR
Materialism				0.638	0.841
Centrality	CENT1	0.828	0.747	0.686	0.814
	CENT2	0.829			
Happiness	HAP1	0.855	0.822	0.744	0.853
	HAP2	0.869			
Success	SUC1	0.912	0.825	0.834	0.909
	SUC2	0.914			

Discriminant Validity: This refers to the degree to which indicators differ across constructs or measure distinct concepts by examining the correlations between the measures of potentially overlapping (Ramayah et al., 2018). Table 4 shows the results in the form of AVE square root estimates, which show each value is higher than the correlations between the dimensions and resulting in the achievement of discriminant validity. This allows the relationships between higher-level constructs to be examined further.

Table 4: Discriminant Validity for Materialism

DIMENSION	CENTRALITY	HAPPINESS	SUCCESS
Centrality	0.828		
Happiness	0.467	0.862	
Success	0.409	0.499	0.913

Table 5: Reliability and Convergent Validity

CONSTRUCTS	ITEM	LOADINGS	CR	AVE
Attitude	ATT1	0.802	0.878	0.594
	ATT2	0.799		
	ATT3	0.850		
	ATT4	0.794		
	ATT5	0.581		
Status Consumption	SC1	0.927	0.826	0.504
	SC2	0.855		
	SC3	0.517		
	SC4	0.500		
	SC5	0.639		

Table 5 summarizes the reliability and convergent validity of attitude and status consumption. The measurement value of the constructs has adequate levels of convergent validity meeting the minimum level of 0.5 for AVE and 0.7 for CR (Hulland, 1999)

Table 6: Hypothesis Testing

RELATIONSHIP	STD BETA	T-VALUE	P VALUE	DECISION
Mat -> Att	0.132	2.4*	0.016	Supported
SC -> Att	0.116	0.85	0.396	Not supported

*Significant at p<0.05

From Table 6 above, the relationship between materialism and attitude, the results showed that there is a significant relationship at a five percent confidence level (p<0.05) with a *p*-value of 0.016 and *t*-value of 2.4, which is more than the critical value of 1.96. The relationship between status consumption and attitude on the other hand, showed that there is no significant relationship with *p* value of 0.396 and *t* value of 0.85, which is less than the critical value of 1.96.

Discussion: With regards to the relationship between materialism and attitude, previous findings have shown mixed results where there is no significant impact (Amran Harun et al., 2012; Phau et al., 2009) and some showed a significant impact (Furnham & Valgeirsson, 2007; Phau & Teah, 2009), for this study, it is significant. As mentioned previously, materialism in this study is conceptualized as HOC. Results showed that the dimension centrality has the highest mean which may suggest that respondents feel material things are central in the current stage of their lives. On the other hand, the happiness dimension investigates how respondents feel materialistic things give them a sense of joy. Based on the overall mean, respondents may agree that materialistic things can or may provide some sort of happiness for them. Lastly, the success dimensions gave an insight into how respondents feel that owning materialistic things is a testament to success in life.

Furthermore, the relationship between status consumption and attitude has been found to have no significant

impact. Findings showed that respondents feel moderately neutral regarding the status of the product and how that might influence their consumption. This is also an indicator that the majority of respondents might feel that the status of a product is irrelevant in developing a favorable attitude towards certain objects, in this case, counterfeit fashion products.

5. Managerial Implications and Recommendations

This study provides insights into the factors that may influence consumer attitudes toward counterfeit fashion products. Materialism is significant which may indicate that it is due to the impact of advertisements or may be due to the influence of marketing activities which ultimately gave rise to a materialistic culture within a society. Status consumption on the other has no significant impact on attitude, thus suggesting other factors such as price, may be a huge reason why consumers resort to purchasing counterfeit fashion products.

Awareness is crucial in terms of getting consumers to understand the negative impact of counterfeiting. Thus, companies and organizations, which include the government and its agencies, must play a crucial role in educating society and letting them know the implications of counterfeit activities. The introduction of subject or syllabus related to intellectual property may be introduced in schools or higher education institutions, to provide a better understanding of intellectual property and how it may influence businesses.

Conclusion: The conceptualization of materialism as higher-order modeling (HOM), which summarizes the LOCs into a single multidimensional HOC, allows researchers to include more general constructs represented by several components of dimension in PLS-SEM. The findings in this study suggest that material things are indeed influential in shaping not just consumers' attitudes, but also central in their lives, contributing to happiness, and as a measure of one's success. For status consumption, findings may suggest that there may be other demographic or psychographic factors that influence attitude. Additionally, what constitute "status goods" might differ based on different consumer generation, and the fashion industry is one of the more dynamic ones that constantly changes according to consumer's generational preference. For future research, other behavioral variables can be considered to look at the antecedent of attitude in various contexts. Multigroup consumer analysis can also be conducted, for example, to look at different consumer behavior from different demographic backgrounds.

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