# Development of a Model to Determine the Purchase Intention of Counterfeit Luxury Products Among Consumers in Bengaluru

Annette Nikita <sup>1</sup> G. Devakumar <sup>2</sup>

#### **Abstract**

The luxury fashion industry is a profitable one and is expected to grow at a rate of 10.99% annually. With the luxury industry growing, the counterfeiting industry is also seeing rapid growth. India's trade has increased by 24% in the last two years. The research attempted to investigate the factors affecting consumers' attitudes toward the purchase intention of counterfeit luxury products in South-East Bengaluru. The primary data were collected through an online survey questionnaire. Using the cluster sampling technique, a total of 309 responses were received, of which seven were rejected due to incomplete responses. Therefore, a sample size of 302 was seen fit to use for statistical purposes. Based on the identified factors, initially, a conceptual framework was developed, and the model was tested using JMP Pro 16 software. The research findings revealed that low-income group consumers tended to buy counterfeits more often. The ordinal position of birth played a significant role where first-born children showcased an unfavorable attitude. However, later-born children showcased a more positive attitude. Young adults showed an approved attitude toward counterfeits. The social class of students and employees showed an encouraging attitude toward counterfeits. Several personal and social factors were found to have a strong influence on the attitude toward counterfeits. From the findings, suggestions and recommendations have been drawn to assist genuine brands to frame better tactics to curb counterfeiting.

Keywords: luxury, counterfeit, Bangalore, attitude, purchase intention

Paper Submission Date: July 30, 2021; Paper sent back for Revision: May 16, 2022; Paper Acceptance Date: June 10, 2022;

Paper Published Online: November 15, 2022

he luxury fashion industry is a very profitable one and is emerging at an astonishing growth rate, therefore, time and again, it becomes a victim of counterfeiting (Giri et al., 2022). These days, these counterfeit goods are low priced, excellent in quality, and easily accessible not just in grey and black markets but also on several online platforms (Pasricha & Jain, 2019). Due to this, people who can afford these authentic luxury products also are vigorously seeking to buy counterfeits (BASCAP, 2010).

We all have come across at least one person who owns high-end luxury products from Gucci, Prada, Louis Vuitton, Dior, Rolex, etc. Most of the time, there would be a clique, green with envy, publicizing them as "duplicate maal" of fake products. They mostly are not too far from the truth, taking into consideration how

DOI: https://doi.org/10.17010/ijom/2022/v52/i11/172433

<sup>&</sup>lt;sup>1</sup>Assistant Professor, Dr. NSAM First Grade College, Krishnarajpura Village, Shivakote Post Hesaraghatta, Hobli, Bengaluru - 560 089, Karnataka & <sup>1</sup>Student, Faculty of Management and Commerce, Ramaiah University of Applied Sciences, Gnanagangothri Campus, New BEL Road, MSR Nagar, Bangalore - 560 054. (Email: nikitaannette3@gmail.com) ORCID iD: https://orcid.org/0000-0002-0253-8731

<sup>&</sup>lt;sup>2</sup> *Professor,* Faculty of Management and Commerce and *Head* - Innovation and Entrepreneurship Development Research Centre (IEDRC), Ramaiah University of Applied Sciences, Gnanagangothri Campus, New BEL Road, MSR Nagar, Bangalore - 560 054. (Email: devakumar.ms.mc@msruas.ac.in); ORCID iD: https://orcid.org/0000-0002-1486-5940

extensive the counterfeit business is when it comes to luxury products. India is considered to be a hotbed, with almost every city swaggering with at least one popular destination for premium brands at non-premium rates.

In deceptive counterfeiting, the consumers are unaware of the fake items present in the market and therefore purchase low-quality products, due to which the authentic brands get affected. In non-deceptive counterfeiting, consumers knowingly purchase pirated goods. This non-deceptive counterfeit buying is generally observed in the luxury fashion sector. In this case, several factors influence the purchase of a fake product. These factors may have different influences and may vary between educational qualification, gender, age, income, family size, birth order, and social status.

The act of counterfeiting is a severe issue that has to be curtailed. By identifying the several factors influencing the purchase of counterfeits, authentic brand owners can devise specific strategies to survive and grow in the market.

Counterfeiting purchase intentions are affected by several factors like social status, aesthetics, social comparison, the rarity of original products, and many more. Consumers of different regions and countries buy fakes for different reasons. Indian consumers have been divided into five classifications. At the top of the pyramid is the elite of the rich, followed by the consuming class, followed by climbers, aspirants, and finally, the destitute (Prakash et al., 2021). At the top of this pyramid is the elite consisting of just 4% of the overall Indian population, that is, the people who can afford luxury goods without having to compromise or make any sacrifices. The majority of the Indian population lies at the mid or bottom of this pyramid. Hence, they have less purchasing power over luxury products. In other words, their gross disposable income is low (Chatterjee & Giri, 2021). Therefore, Indians may perceive counterfeits differently than the rest of the world.

Seeing the previous investigations, we try to find other dynamic factors that can influence Indian consumers' counterfeit luxury purchase intention by taking attitude as the mediating factor for studying these relationships. The findings of this study will help authentic luxury makers to understand the behaviors of South East Bangalorean consumers and their attitudes towards counterfeit luxury fashion products. This study used a selfdesigned questionnaire that was validated and circulated among the consumers. A total of 302 respondents were from southeast Bangalore in India. The causal relationships among the factors are analyzed through structural equation modeling. The key findings and implications are discussed in detail.

## **Literature Review**

## **Counterfeits Defined**

According to Cordell et al. (1996), "counterfeiting is a replica of any trademarked brand which includes similarity in labeling, packaging, and trademarks to come off as the authentic good" (p.41). An extensive study has documented two types of counterfeiting. Namely, non-deceptive and deceptive. Non-deceptive includes shoppers who enthusiastically and knowingly seek out counterfeit products (Phau et al., 2009). Deceptive counterfeiting is when consumers buy the products thinking that they are authentic (Bhatia, 2018). Conversely, for this study, the non-deceptive counterfeit purchase is studied.

#### **Personal Factors**

Personal factors vary from person to person. This may include how a person makes decisions, habits, opinions, and interests. These personal factors are also affected by socioeconomic factors such as age, income, gender, family size, social status, etc. (Khuong & Duyen, 2016). Hence, the following hypotheses are suggested:

\$\boldsymbol{\textbf{H01}} \text{Personal factors do not influence the attitude toward counterfeit luxury products.}

🖔 **Ha1:** Personal factors will directly and positively influence the attitude towards counterfeit luxury products.

#### Social Factors

Social factors assess the societal pressure on an individual to exhibit or not exhibit a particular behavior. It is the motivation to fulfill others' views. It implies the fact that a person should carry out an action and follow what others are doing (Moon et al., 2018). Some social factors assess the social demands on a person to carry out or not carry out a specific action (Phau et al., 2009). These factors have a stronger effect on the purchase objectives of counterfeit products. A study has indicated that due to counterfeit luxury products, authentic luxury products have been completely neglected. Baghi et al. (2016) said that sometimes, social factors appear to be the strongest predictor of choosing counterfeit luxury products. Another similar study by Thaichon and Quach (2016) found that social factors are the most influential over purchase intention. Social factors may include several reasons why a person has a favorable or unfavorable attitude toward counterfeit purchases. It may include information susceptibility and normative susceptibility (Wang et al., 2005). Normative susceptibility is when someone decides to impress others and fulfill their expectations (Koay, 2018), while information susceptibility is the purchase decision made by consumers based on opinions and expert opinions (Phau et al., 2009). Hence, it is hypothesized that:

🔖 **H02**: Social factors do not influence the attitude toward counterfeit luxury products.

🕏 **Ha2:** Social factors directly and positively influence the attitude toward counterfeit luxury products.

### **Attitudes Toward Counterfeits**

Moon et al. (2018) stated that knowledge has levels and foundations based on the consumer's awareness, with the consumer's overall understanding of a brand. According to Fernandes (2013), attitude is a psychological state that results in a bad or good image of a product. Attitude is an acquired tendency to a given situation unfavorably or favorably (Thaichon & Quach, 2016). Xiao et al. (2018) stated that attitude is based on knowledge and belief regarding a specific product which is the outcome of the information-gathering process and finally encourages a person to behave in a certain way. In 1991, Ajzen stated that the more favorable the attitude toward a behavior, the stronger an individual's intention to perform that behavior. Researchers have identified that attitude cannot be observed directly; hence, they must rely on other measurements (Phau et al., 2009). Consequently, a person's attitude toward counterfeit luxury products may be originated from several beliefs (Ajzen, 1991).

The attitude theory has been largely investigated and is seen as a forecaster of consumer consumption intention, especially in the luxury counterfeit category. Attitude is considered to have a sturdy bearing on customer purchase intention, and consumers with a positive attitude seem to have a greater purchase intent towards counterfeit luxury products (Pasricha et al., 2020).

Kassim et al. (2021) identified a positive association between attitude and consumer purchase intention of counterfeit products. Research on counterfeit buying behaviors of individuals by Jiang et al. (2019) also revealed a strong positive correlation between the attitude of an individual and purchase intentions. Fernandes (2013) emphasized counterfeit products and found a significant association between counterfeit luxury products' purchase intention and the attitude to purchase and repurchase them. Hence, it is hypothesized that:

\$\to\$ **H03**: Attitude has no positive influence on the purchase intention of counterfeit luxury products.

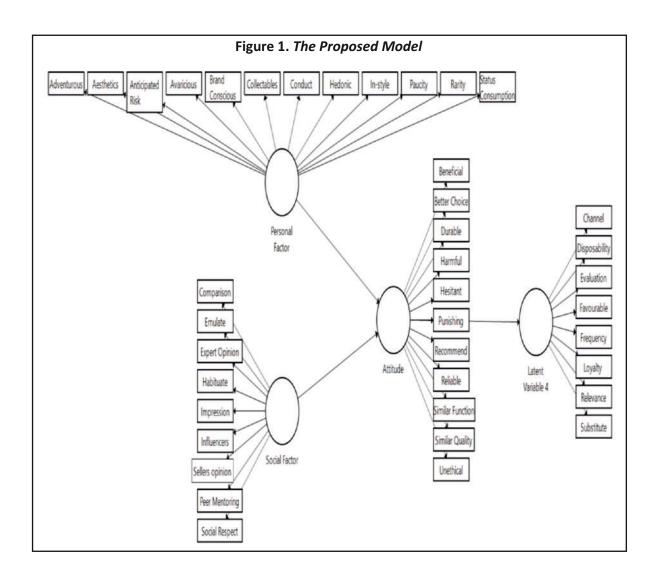
\$\Barrier \text{Ha3:} Attitude directly and positively influences the purchase intention of counterfeit luxury products.

#### **Purchase Intention**

According to Koay (2018), purchase intention is an apt determinant of purchase behavior, in which purchase intention is determined by attitudes. Buying behavior is determined by attitudes. Attitudes toward the purchase behavior rather than a specific product is a better predictor of the behavior. Hidayat and Diwasasri (2013) stated that the more favorable a consumer's attitude towards counterfeit products, the higher the chances that that consumer will buy these fake products. Figure 1 shows the proposed framework.

# **Gap Analysis and Aim**

Several demographical variables have been studied in the context of luxury counterfeiting. However, the ordinal position of birth has been very scantly studied in the context of counterfeit luxury consumption. Some of the variables identified through literature gaps, such as sense of adventure, collectibles, paucity, and rarity, have been explored very little in previous studies.



The aim is to develop a model with respect to the purchase intention of counterfeit luxury products among consumers in Bengaluru.

# **Objectives of the Study**

- \$\text{To identify the factors influencing the purchase intention of counterfeit luxury products.}
- \$\triangle\$ To analyze the influence of personal factors on the attitude toward purchase intention of counterfeit luxury products.
- \$\text{\text{\$\exiting{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\exiting{\$\text{\$\exiting{\$\text{\$\exiting{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\}\exititt{\$\tex{\$\text{\$\text{\$\text{\$\text{\$\}\exititt{\$\text{\$\text{\$\}}}}}}}} products.
- \$\text{To develop a model and provide suitable suggestions and recommendations to curb the purchase of counterfeit luxury products.

# **Research Methodology**

Using the probabilistic cluster sampling technique, a total of 309 responses were received, of which seven were rejected due to incomplete responses. Therefore, a sample size of 302 was seen fit to use for statistical purposes (n=302). The research was conducted over 6 months, from January – June 2021.

Based on an in-depth literature review, 35 variables were identified. Each statement was considered on the 5-point Likert scale. Respondents were questioned to identify their level of conformity or non-conformity with each statement. The reliability was tested using Cronbach's alpha, which showed good internal consistency according to the threshold value (Table 1).

# **Data Analysis and Results**

#### **Measurement Model**

This shows the relationships between the factors and the indicator variables. As a part of the measurement model assessment, indicators with factor loadings below < 0.50 were deleted (Truong & McColl, 2011). Around 10 items were deleted from the study due to low factor loadings. The first component in this model is the reliability analysis which measures composite reliability (CR). This has a threshold value of 0.70 (Ringle et al., 2020). Therefore, all the latent constructs of this model possessed CR (Table 1). The second component includes convergent validity. The average variance extracted (AVE) measures this. AVE holds a threshold value of 0.50 (Ringle et al., 2020), and all the constructs possess convergent validity (Table 1).

Table 1. Factor Loadings, Reliability, and Validity

Construct	Variable Code	Variable	α	CR	AVE	Loading
Personal Factors (PF)	PF1	Rarity and paucity	0.874	0.888	0.527	0.75
	PF2	In-Style				0.745
	PF3	Aesthetics				0.72
	PF4	Adventurous				0.724
	PF5	Collectables				0.681
	PF6	Avaricious				0.712

	PF7	Anticipated risk				0.718
	PF8	Hedonic needs				0.737
	PF9	Status consumption				0.743
Social Factors (SF)	SF1	Social comparison	.940	0.939	0.562	0.607
	SF2	Habituate				0.74
	SF3	Influencers				0.786
	SF4	Expert opinion				0.626
	SF5	Sellers				0.752
	SF6	Impression				0.711
	SF7	Peer mentor				0.807
	SF8	Emulate				0.713
	SF9	Respect				0.791
Attitude (A)	A1	Choice	0.854	0.885	0.466	0.766
	A2	Similar function				0.703
	A3	Similar quality				0.665
	A4	Durable				0.702
	A5	Benefits consumers				0.595
	A6	Reliable				0.708
	A7	Ethical				0.589
	A8	Unpleasant				0.671
	A9	Rewarding				0.673
	A10	Recommend				0.695
	A11	Non-hesitant				0.722
Purchase Intention (PI)	PI1	Frequency	.888.	0.888	0.527	0.774
	PI2	Relevance				0.765
	PI3	Durability				0.536
	PI4	Loyalty				0.767
	PI5	Channel				0.739
	PI6	Consider a				0.71
	Pi7	choice				0.699
	PI8	Favorable				0.818
	PI9	Evaluate				0.72

Table 2. Discriminant Validity Using HTMT

A	PF	PI	SF
A			
PF	0.839		
PI	0.843	0.823	
SF	0.64	0.676	0.713

Table 3. Discriminant Validity Using Cross Loading

	Attitude	Personal Factors	Purchase Intention	Social Factors
A1	0.766	0.651	0.725	0.611
A2	0.703	0.574	0.551	0.391
A3	0.665	0.467	0.526	0.372
A4	0.702	0.529	0.583	0.436
A5	0.795	0.411	0.433	0.294
A6	0.708	0.542	0.583	0.445
A7	0.589	0.395	0.436	0.249
A8	0.671	0.483	0.57	0.38
A9	0.673	0.483	0.517	0.341
A10	0.695	0.51	0.622	0.55
A11	0.722	0.549	0.63	0.374
PF1	0.61	0.75	0.596	0.513
PF2	0.55	0.745	0.518	0.468
PF3	0.502	0.72	0.521	0.464
PF4	0.518	0.724	0.54	0.369
PF5	0.491	0.781	0.429	0.398
PF6	0.533	0.712	0.551	0.444
PF7	0.559	0.718	0.523	0.473
PF8	0.559	0.743	0.538	0.442
PF9	0.584	0.737	0.577	0.503
PI1	0.665	0.572	0.774	0.589
PI2	0.678	0.599	0.765	0.547
PI3	0.373	0.411	0.536	0.435
PI4	0.67	0.592	0.767	0.436
PI5	0.596	0.499	0.739	0.549
PI6	0.541	0.438	0.71	0.373
PI7	0.56	0.569	0.799	0.479
PI8	0.717	0.613	0.818	0.522
PI9	0.589	0.503	0.72	0.374
SF1	0.295	0.344	0.331	0.707
SF2	0.474	0.493	0.52	0.74
SF3	0.509	0.527	0.577	0.77
SF4	0.514	0.503	0.536	0.804
SF5	0.474	0.471	0.517	0.815
SF6	0.42	0.48	0.47	0.786
SF7	0.404	0.467	0.453	0.737
SF8	0.306	0.308	0.379	0.726
SF9	0.461	0.457	0.474	0.752
SF11	0.494	0.547	0.541	0.807
SF12	0.417	0.416	0.454	0.713
Sf13	0.544	0.515	0.567	0.791

The third component is to measure the discriminant validity. These two methods are used in this study: crossloading and hetrotrait-monotrait (HTMT) ratio. According to Henseler et al. (2015), the value of the HTMT ratio should be less than or equal to 0.90. Subsequently, all the construct's values fulfill the threshold value. Similarly, the cross-loadings assessments reveal that none of the items loaded strongly on other constructs instead of their parent construct. Hence, discriminant validity is established (Tables 2 and 3).

#### Structural Model

A structural model shows the relations or paths amid the constructs. Here, H1 evaluates that the personal factor is positively related to attitude. The results expose that personal factor has a significant impact (total effect) on attitude ( $\beta = 0.615$ , t = 11.456, p = <0.001). Hence, Ha1 is supported. H2 evaluates whether the social factor is positively related to attitude. The results reveal that social factor has a significant impact (total effect) on attitude  $(\beta = 0.222, t = 3.928, p = < 0.001)$ . Hence Ha2 is supported. H3 evaluates if attitude is positively related to purchase intention. The results reveal that attitude has a significant impact (total effect) on purchase intention ( $\beta = 0.833$ , t = 41.437, p = < 0.001). Hence, Ha3 is supported. The results are presented in Table 4. The  $\beta$  value should be more than 0.20, and the t-value should be greater than 1.96 (Hair et al., 2017); since both the criteria are fulfilled, there is a full impact and the hypotheses are accepted as the p-value is < 0.001 (Table 4). The value of R - square should be equal to or over 0.1 (Falk & Miller, 1992). The results show that all R - squares are over 0.1; hence, the predictive capability is established (see Table 5).

## **Mediation Analysis**

Mediation analysis is done to assess the mediating role of attitude. The results reveal that there is a significant mediating role of attitude for personal factors ( $\beta = 0.512$ , t = 10.602, p = <0.001). Mediation analysis was executed

Table 4. Hypotheses Testing (Bootstrapping)

	Path Coefficient	Standard Deviation	t - Statistics	p - values
Attitude->PI	0.833	0.02	41.437	0.000
PF -> Attitude	0.615	0.051	11.456	0.000
SF-> Attitude	0.222	0.054	3.928	0.000

Table 5. Predictive Capability

	R - Square	R - Square Adjusted
Attitude	0.598	0.595
Purchase Intention	0.695	0.694

Table 6. Mediation Analysis (Specific Indirect Effects)

Relationships	Path Coefficient	Standard Deviation	t - Statistics	p - value
PF -> Attitude -> Purchase Intention	0.512	0.048	10.602	0
SF -> Attitude -> Purchase Intention	0.185	0.048	3.893	0

Table 7. Mediation Analysis (Direct Effects)

Relationship	Original Sample	Sample Mean	Standard Deviation	t - Statistics	p - value
Attitude -> PI	0.833	0.836	0.020	41.296	<0.001**
PF -> Attitude	0.615	0.615	0.051	12.154	<0.001**
SF -> Attitude	0.222	0.225	0.057	3.916	<0.001**

to assess the mediating role of attitude, and the results reveal a significant mediating role of attitude for social factors ( $\beta = 0.185$ , t = 3.893, p = < 0.001). Therefore, there is a partial mediation because the direct and indirect effects are also significant. Consequently, Ha3 is accepted (refer to Tables 6 and 7).

## **Discussion**

This research delivers an understanding of the dynamic factors influencing the attitude toward counterfeit luxury

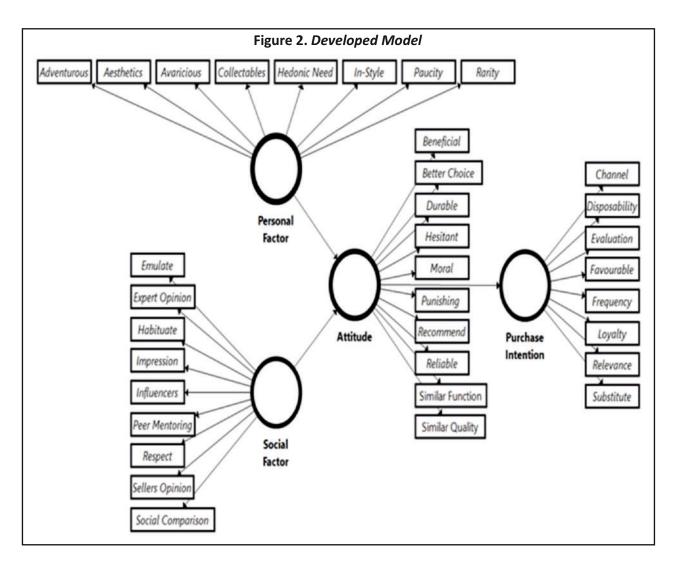


Table 8. Model Fit Summary

Indices	Value	Suggested Value
Chi-Squared Value	1308.320	-
DF	758	-
<i>p</i> -value	2.235	> 0.05 (Hair et al., 2017)
GFI	0.919	> 0.90 (Hu & Bentler, 1999)
AGFI	0.900	>0.90 (Hair et al., 2017)
NFI	0.892	> 0.90 (Hu & Bentler, 1999)
CFI	0.928	> 0.90 (Hooper et al., 2008)
RMSR	0.082	< 0.08 (Hair et al., 2017)
RMSEA	0.049	< 0.08 (Hair et al., 2017)

fashion products. Based on the findings, a model has been developed (Figure 2). The conceptual model results in the acceptance of all three hypotheses. Table 8 depicts that the developed model has a good summary of fit.

#### Personal Factors

In this study, the most influencing personal factor is the sense of adventure. Thaichon and Quach (2016) stated that consumers positively responded to risks, challenges, and adventures while buying products and found adventure an encouraging factor in using counterfeit products. To cope with the rarity of a product, some consumers look for another way to avoid this situation, and one such instance is buying a cheaper alternative (My Pham & Nasir, 2016). Similarly, in this study, consumers expressed that they chose counterfeits because luxury brands control access to their products by having limited editions, opening stores in high-end locations, etc. Visual aesthetics is echoed in many customer expectations and, most strikingly, in fashion products (Toufani et al., 2017). The respondents in the study also stated that aesthetics such as the logo, texture, color, material, and other aspects should be appealing and similar to that of luxury products.

Doss and Robinson (2013) stated that consumers are a dynamic entity, and their demands change quickly and are not stagnant. The buyers of counterfeits stated that they choose to buy fakes because the trend in luxury fashion keeps changing, and they do not want to spend a lot every time the trend changes. Therefore, they purchase fakes and stay in style to keep up with the trend. Hedonic shopping value comprises joy and pleasure. It is derived from emotional benefits, pleasure, and satisfaction generated by the joy of the shopping experience (Wu & Zhao, 2021). Similarly, the respondents stated that they bought fakes because they felt a sense of pleasure, joy, and excitement. Avaricious consumers bought luxury products (Bhatia, 2018), but avaricious consumers who lacked financial resources bought the fakes of a brand (Chaudhry & Stumpf, 2011).

#### Social Factors

Social factors are unavoidable, and a number of them have been analyzed in this study. Emulating others occurs when a person feels he/she is less informed, resulting in imitative behavior (Quoquab et al., 2017). Even in a counterfeit purchase setting, people tend to emulate others' actions to be sure of their purchase decision. Seeking the opinions of others before making a purchase is a serious dimension of social factors (Musnaini et al., 2017). The respondents stated that they sought the opinion of experts, sellers, and important people whom they looked up to before buying any counterfeit products. Peer mentoring is an effective way to influence consumer buying decisions (Glazzard et al., 2021). People seeking to buy counterfeits are often reinforced by their peers and friends. Consumers are more likely to take opinions and endorsements sent by influencers who seem as experts in their field (Chetioui et al., 2020).

Many studies disclosed that influencers could considerably influence consumers' attitudes toward a specific brand (Bergkvist et al., 2016; Hayes & Carr, 2015). Therefore consumers who cannot afford luxury brands try and follow the influencers by buying counterfeits of the brand. Social respect, social comparison, and fit-in are determinants of purchase decisions (Chetioui et al., 2020). Therefore, these factors affect consumer association with counterfeits and turn them towards purchase behavior.

### **Attitude Toward Counterfeit Luxury Fashion Products**

The attitude buyers portrayed towards counterfeits was mixed. There were positive as well as negative attitudes portrayed. As imitations are inexpensive substitutes, there might not be an evident difference in the perceived quality (Toklu & Baran, 2017), which will destroy genuine luxury brands. This study showcased that consumers in Bangalore previewed counterfeits to have a similar quality to authentic brands and be equally durable. They felt that counterfeits and luxury both served the same purpose and satisfied similar functions. Wu and Zhao (2021) found a relationship between product benefits and their impact on the purchase decision. In this study, consumers believed that buying fake goods benefitted them in innumerable ways, especially monetarily. Positive comments about a product or brand are important for luxury makers because it enhances a person's willingness to own the product (Patiro & Sihombing, 2014). The buyers of fakes in this study said that they would recommend others to make these counterfeit purchases.

According to Phau et al.'s (2009) study, the consequences of being caught while using counterfeits would be humiliating and embarrassing. These feelings would keep the consumers away from purchasing counterfeits of brands (Kaushik & Gupta, 2009). However, the results of this study show that the users of counterfeits anticipated that they would not be caught, accepting that others would not question the authenticity of the items they use. On the negative side, consumers stated that buying counterfeits can be punished because they may cause mishaps due to the substandard products used. Bhatia (2018) stated that consumers buying substandard goods might be apprehensive about the product and experience post-purchase dissonance.

## Purchase Intention of Counterfeit Luxury Fashion Products

Finally, the ultimate reasons why consumers chose counterfeits were because these are easily available in grey markets and other sources. Consumers felt that they could use counterfeits a few times and dispose of them because they are priced less. It is seen that Bangalorean consumers even viewed counterfeits as a substitute for the luxury products they could not get their hands on. They were of the opinion that they would buy and use counterfeits regularly, evaluate these products, and say favorable things about them to others.

#### Conclusion

The demographic details show that persons between the age of 21–30 years consumed counterfeit luxury products the most. This may be because these young adults want to stand out, establish themselves, and always look presentable. The average income of these consumers was below ₹ 20,000 per month. This indicates that because their disposable income is low, they tend to buy counterfeits instead of original and authentic luxury brands. Persons with a large family size, such as four members or more, were more prone and open to buying counterfeits because the spending had to be split among so many family members on different matters, and they could not

afford luxury products. The social class of employees and students showcased a more positive outlook toward counterfeits.

Another important demographic factor examined in this study is birth order. According to Alfred Adler, a renowned psychologist, firstborn children are supposed to be more unadventurous. They are seen as leaders who oblige to rules. They submit to authority. They are usually good at pleasing adults and behaving socially appropriately (Rink, 2010). This study shows that firstborn children were more ethical and did not like the idea of purchasing counterfeits. However, the later-born children, such as second, third, and fourth, etc. born children were more open and excited to buy fake goods.

It is hence concluded that personal factors and social factors have a positive influence on the attitude of Bangalorean consumers towards the purchase intention of counterfeit luxury products.

# Theoretical and Managerial Implications

The results of this study show that consumers of counterfeit products in Bangalore gave a lot of importance to their physical appearance, due to which they exhibited a positive attitude towards counterfeit luxury products. To look presentable at all times, and they are willing to buy fakes as they feel it will enhance their looks. These consumers are also extremely brand conscious and give a lot of importance to materialistic things.

The act of counterfeiting is a huge problem globally. This issue is extensive in India, and there should be a joint effort to curtail it. The authorities must take some accountability to inform the laypeople about the adverse effects of fake goods. Fines and penalties can be forced on both the buyers and sellers if caught doing counterfeit-related activities on a case-to-case basis, subject to the condition of the unethical and illegal acts and according to the severity of the act.

Several countries have developed anti-counterfeiting software. However, very few people are aware of it. This should be known to laypeople. With the rise of electronic commerce, there has been a parallel increase in sales of counterfeit products. But, unlike physical markets, it may be comparatively easier to tackle online fake product sales if brands work closely with web platform providers. Search engine optimization can be incorporated where brands can spend on content creation that endorses genuine brands and can help consumers become conscious of genuine products, their pricing, and features. Additionally, by having a more noticeable digital presence, like a website with online sales, social media handles, etc., brands can counter the efforts of counterfeiters. Luxury brands can also leverage blockchain solutions to ensure that both companies and customers get the quality they're paying for.

# **Limitations of the Study and Future Directions**

This study has several limitations that must be acknowledged. First, this study was conducted only in Koramangala, HSR Layout, BTM Layout, Madiwala, and Bommanahalli (South-East Bengaluru) using a cluster sampling technique. More areas can be studied to gain a better insight into consumers of Bengaluru as a whole. Second, the study limits itself to a sample size of 302 respondents. Third, this study emphasizes on only three main factors (personal, social, and attitudinal) that influence the purchase intention of fake luxury fashion products. There can be other constructs that contribute to the tendency of purchase intentions of counterfeit luxury products.

Future research can be carried out on Indians' views of religious and moral issues in buying counterfeits. A comparative study can be carried out on factors affecting consumer purchase intention of fakes and authentic brands. Further research can also be conducted to identify the purchase intention of counterfeits for different product categories.

### **Authors' Contribution**

Annette Nikita conceived the idea and developed a model to undertake the study. She also extracted research papers with high repute, filtered these based on keywords, and generated concepts and codes relevant to the study design. Dr. G. Devakumar verified the analytical methods and supervised the study. The questionnaire was circulated by Annette Nikita and Dr. G. Devakumar in English. The numerical computations were done by Annette Nikita using SPSS 20.0. Annette Nikita wrote the manuscript in consultation with the other author.

### **Conflict of Interest**

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

# **Funding Acknowledgement**

The authors received no financial support for the research, authorship, and/or publication of this article.

## References

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behaviour and Human Decision Processes*, 50(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T
- 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
- BASCAP. (2010). *Research report on consumer attitudes and perceptions on counterfeiting and piracy*. https://www.wipo.int/meetings/en/doc details.jsp?doc id=142755
- Bergkvist, L., Hjalmarson, H., & Mägi, A. W. (2016). A new model of how celebrity endorsements work: Attitude toward the endorsement as a mediator of celebrity source and endorsement effects. *International Journal of Advertising*, 35(2), 171–184. https://doi.org/10.1080/02650487.2015.1024384
- Bhatia, V. (2018). Examining consumers' attitude towards purchase of counterfeit fashion products. *Journal of Indian Business Research*, 10(2), 193–207. https://doi.org/10.1108/JIBR-10-2017-0177
- Chatterjee, S., & Giri, A. (2021). Understanding consumer behavior through neuromarketing: A strategic approach towards the mobile phone industry. *Indian Journal of Marketing*, 51(5–7), 64–80. https://doi.org/10.17010/ijom/2021/v51/i5-7/161648
- Chaudhry, P. E., & Stumpf, S. A. (2011). Consumer complicity with counterfeit products. *Journal of Consumer Marketing*, 28(2), 139–151. https://doi.org/10.1108/07363761111115980
- Chetioui, Y., Benlafqih, H., & Lebdaoui, H. (2020). How fashion influencers contribute to consumers' purchase intention. *Journal of Fashion Marketing and Management*, 24(3), 361–380. https://doi.org/10.1108/JFMM-08-2019-0157

- Cordell, V. V., Wongtada, N., & Kieschnick Jr, 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
- Doss, F., & Robinson, T. (2013). Luxury perceptions: Luxury brand vs counterfeit for young US female consumers. Journal of Fashion Marketing and Management, 17(4), 424–439. https://doi.org/10.1108/JFMM-03-2013-0028
- Falk, R. F., & Miller, N. B. (1992). A primer for soft modeling. University of Akron Press.
- Fernandes, C. (2013). Analysis of counterfeit fashion purchase behavior in UAE. Journal of Fashion Marketing and Management, 17(1), 85–97. https://doi.org/10.1108/13612021311305155
- Giri, A., Biswas, W., & Salo, J. (2022). 'Buy Luxury': Adapting the SHIFT framework to explore the psychological facets enabling consumers for sustainable luxury consumption. Indian Journal of Marketing, 52(6), 59-66. https://doi.org/10.17010/ijom/2022/v52/i6/169836
- Glazzard, J., Rose, A., & Ogilvie, P. (2021). The impact of peer mentoring on students' physical activity and mental health. Journal of Public Mental Health, 20(2), 122-131. https://doi.org/10.1108/JPMH-10-2018-0073
- Hair Jr., J.F., Black, W.C., Babin, B.J. & Anderson, R.E. (2017). Multivariate data analysis: A global perspective (7th ed.). Pearson Education.
- Hayes, R. A., & Carr, C. T. (2015). Does being social matter? Effects of enabled commenting on credibility and brand attitude in social media. Journal of Promotion Management, 21(3), 371-390. https://doi.org/10.1080/10496491.2015.1039178
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variancebased structural equation modeling. Journal of the Academy of Marketing Science, 43, 115–135. https://doi.org/10.1007/s11747-014-0403-8
- Hidayat, A., & Diwasasri, A. H. (2013). Factors influencing attitudes and intention to purchase counterfeit luxury brands among Indonesian consumers. International Journal of Marketing Studies, 5(4), 143-151. https://doi.org/10.5539/ijms.v5n4p143
- Hooper, D., Coughlan, J., & Mullen, M. R. (2008). Structural equation modeling: Guidelines for determining model fit. Electronic Journal on Business Research Methods, 6(1), 53-60. https://academicpublishing.org/index.php/ejbrm/article/view/1224
- Hu, L.-T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. Structural Equation Modeling: A Multidisciplinary Journal, 6(1), 1-55. https://doi.org/10.1080/10705519909540118
- Jiang, Y., Miao, M., Jalees, T., & Zaman, S. I. (2019). Analysis of the moral mechanism to purchase counterfeit luxury goods: Evidence from China. Asia Pacific Journal of Marketing and Logistics, 31(3), 647-669. https://doi.org/10.1108/APJML-05-2018-0190
- Kassim, N. M., Zain, M., Bogari, N., & Sharif, K. (2021). Why do consumers buy counterfeit luxury products? A tale of two major cities in two different countries. Asia Pacific Journal of Marketing and Logistics, 33(2), 416–446. https://doi.org/10.1108/APJML-06-2019-0361

- Kaushik, N., & Gupta, D. (2009). A study of consumers' buying patterns of cosmetic products in South Haryana. *I n d i a n J o u r n a l o f M a r k e t i n g*, 3 9 (9), 2 7 3 4. http://indianjournalofmarketing.com/index.php/ijom/article/view/37083
- Khuong, M. N., & Duyen, H. T. (2016). Personal factors affecting consumer purchase decision towards men skin care products A study in Ho Chi Minh city, Vietnam. *International Journal of Trade, Economics and Finance*, 7(2), 44–50. https://doi.org/10.18178/ijtef.2016.7.2.497
- Koay, K. Y. (2018). Understanding consumers' purchase intention towards counterfeit luxury goods: An integrated model of neutralisation techniques and perceived risk theory. *Asia Pacific Journal of Marketing and Logistics*, 30(2), 495–516. https://doi.org/10.1108/APJML-05-2017-0100
- Moon, M. A., Javaid, B., Kiran, M., Awan, H. M., & Farooq, A. (2018). Consumer perceptions of counterfeit clothing and apparel products attributes. *Marketing Intelligence & Planning*, 36(7), 794–808. https://doi.org/10.1108/MIP-11-2017-0272
- Musnaini, M., Astuti, S. W., Sukoco, B. M., & Yacob, S. (2017). Effect of hedonic value and consumer knowledge on buying intention for luxury brand counterfeit products. *International Journal of Business and Globalisation*, 19(4), 497–511. https://doi.org/10.1504/IJBG.2017.087297
- My Pham, T., & Nasir, M. A. (2016). Conspicuous consumption, luxury products and counterfeit market in the UK. *The European Journal of Applied Economics*, 13(1), 72–83. https://doi.org/10.5937/ejae13-10012
- Pasricha, D., & Jain, K. (2019). Antecedents affecting purchase of luxury ayurvedic skin care products. *Indian Journal of Marketing*, 49(9), 7–21. https://doi.org/10.17010/ijom/2019/v49/i9/146937
- Pasricha, D., Jain, K., & Singh, G. (2020). Antecedents affecting the purchase intention of millennials towards luxury fashion goods: A mixed methods study. *Indian Journal of Marketing*, 50(1), 24–41. https://doi.org/10.17010/ijom/2020/v50/i1/149772
- Patiro, S. P., & Sihombing, S. (2014). Predicting intention to purchase counterfeit products: Extending the theory of planned behaviour. *International Research Journal of Business Studies*, 7(2), 109–120. https://doi.org/10.21632/irjbs.7.2.109-120
- Phau, I., Teah, M., & Lee, A. (2009). Targeting buyers of counterfeits of luxury brands: A study on attitudes of Singaporean consumers. *Journal of Targeting, Measurement and Analysis for Marketing, 17*, 3–15. https://doi.org/10.1057/jt.2008.25
- Prakash, A. R., Kumar, R. S., & Vinoth, P. (2021). Consumer market in India. In, *International Conference on* "Innovative Management Practices". https://ijariie.com/AdminUploadPdf/Consumer Market in India C 1145.pdf
- Quoquab, F., Pahlevan, S., Mohammad, J., & Thurasamy, R. (2017). Factors affecting consumers' intention to purchase counterfeit products: Empirical study in the Malaysian market. *Asia Pacific Journal of Marketing and Logistics*, 29(4), 837–853. https://doi.org/10.1108/APJML-09-2016-0169
- Ringle, C. M., Sarstedt, M., Mitchell, R., & Gudergan, S. P. (2020). Partial least squares structural equation modeling in HRM research. *The International Journal of Human Resource Management*, *31*(12), 1617–1643. https://doi.org/10.1080/09585192.2017.1416655
- Rink, D. R. (2010). The impact of birth order upon consumers' decision-making, buying, and post-purchase processes: A conceptualization, *Innovative Marketing*, 6(4), 71–79.

- 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. https://doi.org/10.1016/j.jretconser.2016.08.003
- Toklu, I. T., & Baran, S. (2017). Attitude towards counterfeit of luxury brands: A research on consumers in Turkey. International Journal of Academic Research in Business and Social Sciences, 7(11), 618-632. http://dx.doi.org/10.6007/IJARBSS/v7-i11/3503
- Toufani, S., Stanton, J. P., & Chikweche, T. (2017). The importance of aesthetics on customers' intentions to purchase smartphones. Marketing Intelligence & Planning, 35(3), 316–338. https://doi.org/10.1108/MIP-12-2015-0230
- Truong, Y., & McColl, R. (2011). Intrinsic motivations, self-esteem, and luxury goods consumption. Journal of Retailing and Consumer Services, 18(6), 555–561. https://doi.org/10.1016/j.jretconser.2011.08.004
- Wang, F., Zhang, H., Zang, H., & Ouyang, M. (2005). Purchasing pirated software: An initial examination of Chinese consumers. Journal of Consumer Marketing, 22(6), 340-351. https://doi.org/10.1108/07363760510623939
- Wu, Q., & Zhao, S. (2021). Determinants of consumers' willingness to buy counterfeit luxury products: An empirical test of linear and inverted U-shaped relationship. Sustainability, 13(3), 1194. https://doi.org/10.3390/su13031194
- 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

#### **About the Authors**

Annette Nikita is an Assistant Professor at Nitte Group of Institutions - Dr. NSAM FGC. She received a bachelor's degree in hospitality management and a master's degree in business administration. She is a budding researcher with great enthusiasm for marketing and allied research.

Dr. G. Devakumar holds 21 years of industry experience and 16 years of teaching experience, which includes 11 years of applied research experience. He heads the Innovation and Entrepreneurship Development Research Centre at Ramaiah University of Applied Sciences.