

**BEHAVIOURAL INTENTION TO PURCHASE COUNTERFEIT PRODUCTS AMONG
MALAYSIAN CONSUMERS: TO WHAT EXTENT ATTITUDE AND SOCIAL
INFLUENCE PLAY A SIGNIFICANT ROLE?**

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Abstract

Counterfeits product is common in certain countries especially the developing countries. Counterfeits product is a lame issues from a long time ago that are never resolved. There are a lot of studies done to find out the reasons why people purchase counterfeits product. Researchers also come out with a lot of solutions to defend the original products from being imitated. However, there is no best solution other than a strict and standard law enforcement to be practiced all around the world. This paper sets out to examine how attitude and social influences influence Malaysian consumers' behavioral intention to purchase counterfeit products. A mall intercept survey involving 393 respondents was conducted in major shopping malls in Kuala Lumpur, Malaysia. A self-administered questionnaire was designed using established scales. A variety of statistical techniques were used to analyze the data. Analyses conducted shown that attitude and social influences have positive influences on the behavioral intention to purchase counterfeit products. The findings are limited to Malaysian consumers in Kuala Lumpur and cannot be generalized across the whole of Malaysia or other international markets. The research provides an understanding of Malaysian consumers' behavioral intention to purchase counterfeit products.

Keywords: Counterfeit products, behavioral intention, attitude, social influence, Theory of Planned Behavior.

1. Introduction

Counterfeits product is not a new challenge to manufacturers all over the world. The problem rise a long ago before the development of the advance technology today (de Matos, Iituassu& Rossi, 2007; Chapa, Minor &Maldonado, 2006). Counterfeits product become a crime that is unstoppable. This problem is getting worse in developing countries with weak law enforcement (Wilcox, Kim & Sen., 2009). Selling counterfeits product is already a big issue but purchasing it while being aware of the actual fact is a bigger issue (Prendergast, Chuen&Phau, 2002).

Counterfeit is called by many different names such as knock-off, imitation, fake, bogus, copy, copycat and overrun, which are a little bit different in exact meaning but not different in creating similar problem to businesses (Wilke &Zaichkowsky, 1999). In the research of Phau and Teah (2009), they identified two types of customers which are deceptive counterfeit consumer (victim, unknowingly purchase the pirated products as look similar) and non-deceptive counterfeit consumers (purchase the counterfeit version even knew that is illegal).

In general, counterfeit products have been discovered be a serious problem around worldwide in recent days where counterfeiting is associated with many problems that cause havoc not only in economic activities but also affect social life as well. The international trade of counterfeit product is huge. As been mentioned by Hendriana, Mayasari and Gunadi (2013), counterfeiting is estimated to accounts for 5 to 7 percent of the global merchandise trade. However, Asia is considered as the worst violator of intellectual property rights and apart from China, India and Thailand, Malaysia among the countries that been labeled as “home of piracy” (Prendergast, Chuen&Phau, 2003; Haque, Khatibi, & Rahman, 2009).

Due to the prevalence of counterfeits available in the marketplace, many studies have examined the profile and factors influencing behavioral intention and purchase behavior of counterfeit products. The next section will discuss about the roles of attitude and social influences in influencing consumers to buy counterfeits.

2. Literature Review

Theory of Planned Behaviour (TPB) model by Ajzen (1991) stated that behavioural intention is the main predictor and regarded as the immediate antecedent of individual behaviour. Behavioural intention is defined as “the motivational factors that influence an individual’s readiness to act and to demonstrate the effort they would strive to perform the behaviour” (Ajzen, 1991). Armitage & Conner (2001) mention that, with the influence of positive attitude and perceived opportunity, a behavioural intention is likely will be performed.

In the case of counterfeiting, various studies has focused on a number of reasons as to why consumers behaviouralintention to purchase counterfeit products. The literature on counterfeit consumption suggests that while consumers buy counterfeit for different reasons, the overwhelming factor that influence behavioural intention to purchase is distinct price advantage over genuine counterparts (Tang, Tian & Zaichkowsky, 2014; Moores & Dhaliwal, 2004; Wang, 2005). Further, price is a key variable when choosing a counterfeit (Cordell,

Wongtada&Kieschnik, 1996). Consumers' behavioral intention to purchase counterfeits because they are priced much lower than genuine brands (Wee, Tan &Cheok, 1995). Even those who preferred to buy legitimate products found the low prices of counterfeit goods attractive (Tom, Garibaldi, Zeng & Pilcher, 1998). This is particularly common in cases where consumers cannot afford the genuine product and when the counterfeit compares well with the genuine in terms of physical appearance.

At first glance, it seems that consumers' behavioural intention to purchase counterfeit products primarily because of low price (Eisend&Schuchert-Guler, 2006). This would imply that counterfeits are primarily attractive to low income consumers. However, as what been mentioned in Gentry, Putrevu and Shultz, (2006) and Prendergast et al. (2002), although they can afford the genuine brands, high income consumers in well-developed countries also intent to buy counterfeits. Empirical research investigating the factors influencing counterfeit behavioural intention indicates other antecedents apart from financial motive as possible explanations for the behaviouralintention to purchase counterfeits (Tang, Tian &Zaichkowsky, 2014).

To response to this argument, the present study focuses on "why do they buy" issue by exploring the non-price determinants of consumers' behavioural intention to purchase counterfeit products. At this juncture, this study focuses only on consumers who knowingly intent to purchase counterfeit products and not on consumers who are tricked into buying counterfeit products in a reputable setting. In relation to the discussion above, apart from price factor, consumers might also look beyond the immediate economic benefits of lower price when deciding to purchase counterfeits. These factors include attitude and social influence which is the focus of the present study.

The influence of Attitude and BehaviouralIntention to Purchase Counterfeit Products

Attitude towards counterfeiting is an important construct in the study of counterfeit purchase behavior (Sharma & Chan, 2001), and many studies have found that unethical decision making such as the purchase of counterfeits is explained largely by attitudes, regardless of product category (Wee, Tan &Cheah, 1995, Phau&Teah, 2009; Ang, Cheng, Lim &Tambyah, 2001; Koklic, 2011, Vida, 2007). This means that, if a consumer s' attitude towards counterfeits is more favorable, then it is more likely that the consumer would consider purchasing a counterfeit product (Hidayat& Pau, 2003). Similarly, the more unfavourable attitudes toward counterfeiting are, the less likely are the chances of purchasing a counterfeit products (Wee et al., 1995; Riquelme, Abbas & Rios, 2012)

In general, previous studies have found that attitude is very important in predicting intentional behavior. Study conducted by Chen, Pan and Pan (2009) discovered that in the context of software piracy, attitude of the consumer is positively correlated with the consumer's use intention of pirated software. This is supported by Hidayat and Diwasasri (2013) who discovered that attitudes towards counterfeit products are positively affect the consumers' purchase behaviouralintention to buy counterfeit luxury bags in Indonesia. Similar studies conducted in Indonesia by Setiawan and Tjiptono (2013) found that in the context of pirate digital products, the more positive /favorable the attitude toward digital piracy, the more likely an individual

commits the act. In the same vein, Budiman (2012) in his study among Indonesian woman proves that the tendency of the positive respondents' attitudes towards the counterfeit bags gives the stronger encouragement towards the intention to buy the counterfeit bags. This is also supported by Khang et al. (2012) that attitude toward internet piracy is closely related with individuals' intentions of engaging in internet piracy. For the purchase of luxury brands, Phau and Teahstudy's (2009) proved that individuals with favourable attitudes towards counterfeit of luxury brands will also have stronger behavioural intention to purchase counterfeits of luxury brands.

Given the importance of attitude in predicting behaviouralintention, the need for specific research on the effect of attitude on consumer behaviouralintention to purchase counterfeit products is justified. The first hypothesis we consider is:

H1: Attitude is positively related to the behavioural intention to purchase counterfeit products.

Social Influences

The social influences of an individual is known as "the perception of individual towards his/her social influences or environmental referents that are around him/her, expect him/her to act or not to act towards certain behaviour (Ajzen&Fishbein, 1980; Ajzen, 1991). The examples of social influences are: parents, family, friends, government, neighbours, or physicians (doctors). Ajzen and Fishbein (2005) mention that both personal thoughts and social influences were predictors of behavioural intention, however, for certain individual personal thoughts were better predictors of intention.

Although some findings from the marketing literature were contradictory, many studies reported that subjective norms or social influences are crucial in describing the relationship between behaviouralintention and behaviour (Thogersen, 2002), and act as antecedent for behavioural intention (Blanchard et al, 2009). For example, Peace, Galetta and Thong (2003) established a model to explain the intentions toward software piracy based on Theory of Planned Behaviour and discovered that social influences norms act as an important precursor of behaviouralintention. Fernandes (2013) in his study of counterfeit fashion in UAE discovered that social influences are a significant factor for the consumer that is likely to purchase counterfeits indicating that the pressure of significant others is likely to influence purchase of counterfeits. Study by Chen et al. (2009) in Taiwan revealed that social influence is a positive contributor to consumer's use intention of pirated software. In a similar vein, Hidayati and Diwasasri (2013) found that the social factors have positive effect to the purchase behaviouralintention of buying luxury counterfeit hand bags.

As such, the following hypothesis is proposed:

H2: Social influence is positively related to behaviouralintention to purchase counterfeit products.

3. Research Methodology

Data was collected via a mall intercept at a major shopping complex in the city of Kuala Lumpur, Malaysia. Shoppers were approached to participate in a self-administered questionnaire. As counterfeit purchase intentions area is a sensitive topic, people might have been reluctant to answer the questionnaires sincerely. In order to reduce this potential concern, the respondents were notified that this research is purely for academic purposes and their names and information would remain confidential. Following the method by Phau and Teah (2009), every fifth individual that crossed a designated spot outside the main entrance of the mall was approached to participate. Prior to the data collection, research assistants were trained and instructed on how to administrate the survey instrument and to include respondents with different demographic profiles. The data collection was conducted over 3 months period on both weekdays and weekend. Out of the number of shoppers intercepted, 74 percent of them agreed (393 respondents) to take part in the survey.

Phau and Teah (2009) noted that measuring consumers' attitudes and behavior in a mall or shopping related environment would allow population of interest to relate to what the research intends to measure, which in this case are attitudes and consumer purchase behavior.

As Armitage and Conner (2001) indicate, behavioural intention is measured in terms of expectation, and were assessed in terms of intended, expected and desired. Therefore, in this study behavioural intention is operationalized as the likelihood of an individual's motivation and willingness to participate in counterfeit product purchase (Ajzen, 1991). Consumer behavioural intention was measured using the scale developed by Kim and Karpova (2010) and Riquelme and Abbas (2012). Five items were assessed in terms of will, intend, want and expect to purchase on the statements relating to counterfeit products.

Attitude is defined as the evaluations of the individual towards the behavior to purchase counterfeit products. Similarly, in line with definitions provided by Phau et al. (2009) and deMatos et al. (2007), this study operationalized attitude towards counterfeit products as consumer overall evaluation towards a counterfeit products and it is a uni-dimensional. The six items to measure consumer attitude towards counterfeit products was based on deMatos et al. (2007) and Riquelme and Abbas (2012).

In this study, social influence is defined as a concept that is concerned with perceived social pressure, that is, the person's potential to gain approval or suffer sanctions from significant others for engaging in a given behaviour (Rivis & Sheeran, 2003). It is operationalized as a person's perceptions of social pressure in which buying the counterfeit products is approved/expected/supported by their important or significant others (Bearden, Netemeyer & Teel, 1989; Ajzen, 2002). Social influence was measured using the scale adapted from Bearden et al. (1989) which consisted of five items. The higher the score for social influences, the more is the individual consumer concerned about other people's opinions.

4. Findings and Analysis

Out of 405 questionnaires distributed, 393 questionnaires were completed for analysis, representing a return rate of 97 percent. Out of the respondents, 60 percent were female (60%)

and aged between 21 to 30 years (38%). This is followed by those in the age group of 31 to 40 years (19%). The majority (40%) of the respondents are Malays (40%) followed by Chinese (38%), and more than half of the respondents are singles (60%). The majority of the respondents are working in private organization (33%), followed by government servants (18%) and self-employed (13%). Majority of the respondents are high school leavers (46%), followed by degree holders (20%) with majority of income between RM2000 to RM3000 (44%).

Table 1 Reliability Values and Mean Scores

	Alpha value
Behavioural intention to purchase	0.85
Attitude	0.83
Social influence	0.69

Table 2 Correlations between Variables

	Behavioural intention to purchase	Attitude	Social influence
Behavioural intention to purchase	1		
Attitude	0.53**	1	
Social influence	0.45**	0.61	1

** $p \leq 0.01$

As shown in Table 2 above, attitude and social influence are significantly correlated with behavioral intention to purchase counterfeit products, giving us a clue that these factors play significant influences on consumer behavioral intention to purchase counterfeit products. In order to test the hypotheses, multiple regression were used to analyze the effects of the independent variables on behavioural intention to purchase counterfeit products. Results generated are shown in Table 3 below.

Table 3 Regression of Attitude and Social Influence on Behavioural Intention to Purchase Counterfeit Products

Independent Variables	Standardized β	t-statistics	p-value
Attitude	0.678	6.051	0.000**
Social influence	0.325	3.614	0.002**

$n=393$; $adjusted R^2=0.48$; $F=5.663$; ** $p \leq 0.01$

As shown in Table 3, results indicate that attitude and social influences are significant variables having influences on the behavioural intention to purchase counterfeit products. These predictors are explained by 48 percent of the variance in behavioural intention to purchase counterfeit

products. In summary, there is sufficient statistical evidence to support hypotheses I and 2. Among these two independent variables, attitude shown to have greater influence on behavioural intention to purchase counterfeit products ($\beta=0.678$) compared with social influence ($\beta=0.325$).

5. Discussions and Conclusions

With the Theory of Planned Behaviour as the underpinning, the relationships between attitude and social influence on behavioural intention have been reconfirmed again, reflecting many previous studies (for example Ang et al., 2001; deMatos et al., 2007; Koklic, 2011; Phau & Teah, 2009).

We found that individuals with favourable attitude towards counterfeit products have stronger behavioural intention to purchase counterfeit products in the future. This finding is consistent with other findings of past research on counterfeiting, for instance, studies by Ang et al. (2001) and Wee et al. (1995). Given the fact that marketers work were to change consumer's behaviour through shaping attitudes and beliefs (Kotler & Armstrong, 2011), the findings from this study have important implications for policy makers and original producers in their effort to fight against counterfeiting. As illuminated by Yoo and Lee (2009), consumers with favorable attitudes toward counterfeit products may not aware that purchasing these products can be a social concern and hence promote strong behavioural intention to buy them.

Clearly, social influence plays an important role as well. This echoes findings by Fernandes (2013) and Hidayati and Diwasasri (2013) that consumers are more likely to purchase counterfeit products under the influence of their peers. The finding provides original producers further insights into strategizing their anti-counterfeiting campaigns. It is essential for the original product producers to properly target consumers who can easily be influenced by their peers. Thus, the finding emphasizes the importance of careful tailoring of original product brand advertisements that appeal to consumers. One way to discourage counterfeiting would be to emphasize on personal image. For consumers who appreciate and value the opinion of others and look forward to be associated with their peers, it will be embarrassing if they are discovered to be using or buying counterfeit or imitate products.

6. Limitations and Future Research

Bearing in mind the growth of counterfeiting markets as well as the dearth of research on counterfeit purchasing behaviour, further study is recommended. For example, the Hunt-Vitell (1986) theory describes the cultural environment as one of the influential factors affecting behavioural intention, and thus behavior. Thus, cross-cultural studies of consumer's behavioural intention to purchase counterfeits would be worthwhile. In addition, because there are many distribution venues for counterfeit products (e.g., flea markets, online shopping malls, street vendors, night market), it may be useful to investigate them in relation to perceived risk.

From a methodological standpoint, the limitations of this study may include the selection of samples. The collection of data was confined to only one area, the Klang Valley. This feature

may not be reflective of the overall population in Malaysia. Thus, the results cannot be used to generalize to the whole population of Malaysia. Future studies should therefore be extended with data collection on a wider spectrum that may yield the real picture of counterfeit purchase behavior in Malaysia. Also, further explanations using qualitative approaches to examine factors affecting purchase behavior of counterfeit products may provide deeper insights.

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