

# Counterfeit Purchase Intention of Fashion Brands: The Personal Values and Social Aspect of Consumers as Determinants

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**Abstract:** Counterfeiting has become a growth industry in Indonesia. Consumers in Indonesia tend to find counterfeit products very easily, especially fashion products. The aim of this quantitative study is to analyze personal values and social factors toward counterfeit items and the intention to purchase counterfeit goods in Indonesia, with a focus on fashion products. The study also aims at analyzing the influence of novelty seeking, integrity values, and status consumption on people's attitudes toward counterfeit goods. Furthermore, this study also addresses the influence of perceived risk, information susceptibility, physical vanity, and vanity-achievement on the intention to purchase counterfeit products. One hundred and ninety-three respondents were included in our study after survey questionnaires had been distributed in Indonesia. The respondents were 19 to 44 years old, living in Jakarta, Tangerang, Bogor, Bekasi, Yogyakarta, Bandung, Medan, Jambi, Batam, Pekanbaru and Samarinda, all of which are larger cities in Indonesia. Data were analyzed using partial least squares. The results of the study showed that the attitude toward counterfeit items was the most important factor in the willingness to purchase counterfeit goods. Novelty seeking, integrity, status consumption, and information susceptibility were also important determinants of people's attitudes toward counterfeit products. Perceived risk, physical vanity, and achievement vanity were found to have an insignificant relationship with the intention to purchase counterfeit products. This study also has an impact on marketing strategies. One of them is marketers can offer very prestigious brands to reduce the trade in counterfeit luxury brands.

**Keywords:** consumer behavior, counterfeits, personal values, social factor, purchase intention, Indonesia.

**JEL Classification:** M0, M310

## Introduction

The globalization process has increased the diffusion of luxury brands across national borders. The brands have a uniform positioning and image worldwide (Douglas & Craig, 2012). Based on the study by Frank and Watchravesringkan (2016), global brands are mostly consumed by young consumers, who are the target market, because of their increasing preference toward global brands (Lu & Xu, 2015). The global appetite for luxury items is the fastest growing brand segment (Hennigs, Wiedmann, Klarman, & Behrens, 2015). Consumers from any social class could consume prestige brands (Van Kempen, 2003). These global brands are usually expensive. Fashion products are considered to be a visible product and represent an important status symbol for the younger generation (Koksal, 2014).

Not all consumers are able to purchase them, but most of them would want to have them. Brand imitation or counterfeiting might offer an alternative for consumers (d'Astous & Gargouri, 2001). Consumers with low spending power will buy the counterfeit alternatives (Fernandes, 2013). The global appetite for luxury brands faces a serious challenge from the counterfeit brands (Shukla & Purani, 2011). Based on the previous studies, there are some Asian countries, including China, which also face challenges caused by people's preferences for counterfeit brands (Cheung & Prendergast, 2006); Chinese and Singaporean consumers (Phau, Teah, & Lee, 2009); Chinese consumers (Jiang & Cova, 2012); the Indian perspective as the consumers (Jain, Roy, & Ranchhod, 2015); the purchase of counterfeit Prada items by Chinese and Taiwanese consumers (Teah, Phau, & Huang, 2015); counterfeit luxury goods in Malaysia (Ting, Goh, & Isa,

2016); Singapore and Taiwan toward counterfeit brands (Chiu & Leng, 2016); Hong-kong with Chinese consumers toward deliberate counterfeit (Sharma & Chan, 2016); and the moral reasoning behind counterfeiting in China (Chen, Teng, & Liao, 2018).

Previous studies have analyzed counterfeit products, such as those found in Jambi (a city in Indonesia) (Musnaini & Jacob 2015); counterfeit brands consumed by Indonesian consumers (Abraham et al., 2018) and counterfeit bags (Budiman, 2012). Based on a study by the Indonesian Anti-Counterfeiting Society, counterfeit products caused a total loss of US\$4.82 billion to the national economy of Indonesia (The Jakarta Post, 2017). The percentage of fake products in the clothing and leather products categories was 38.9% and 37.2% respectively. The Indonesian Retail Entrepreneurs Association stated that counterfeit goods are now an open secret in Indonesia. Their existence is certainly a threat to the sellers of original branded fashion products. The prices for fake products are much cheaper, when compared to the original products. Indonesia, with a population of over 250 million, is a lucrative market for any business, including the fake goods business. Based on a study by the Indonesian Anti-Counterfeiting Society (MIAP) and, losses due to the trade in counterfeit goods in Indonesia were estimated to reach Rp65.1 trillion in 2014. The value of the losses experienced by the whole world due to the sale of counterfeit goods is even more fantastic. Based on the report of the Organization for Economic Co-operation and Development (OECD), in 2013 the total imports for counterfeit goods reached around Rp6,000 quadrillion. This amount accounts for 2.5% of the total global imports. Of the total, 63.2% of the counterfeit goods came from China, followed by Hong

Kong, with a volume of 21.3%. The proliferation of the counterfeit fashion goods business cannot be separated from the ability or purchasing power of Indonesian people, as well as the low public awareness of copyright laws (Sari, 2017).

To date, there are a lot of studies focusing on counterfeit products, especially the determinants of counterfeit purchases using the perspective of attitude. The previous studies focused on counterfeit products, their titles are as follows: “Adolescents’ brand sensitivity in apparel” (Lachance et al., 2003); “An integrated model of consumer attitudes toward counterfeit items” (de Matos et al., 2007); “Product conspicuousness” (Zhou & Wong, 2008); “A lifestyle analysis of affluent Chinese consumers” (He et al., 2010); “Purchasing pirated products” (Rahman et al., 2011); “Consumer’s attitude” (Norum & Cuno, 2011); “Brand image, product involvement, and knowledge” (Bian & Moutinho, 2011); “Antecedents of the attitude and intention toward counterfeit symbols” (Michaelidou & Christodoulides, 2011); “Word of mouth in counterfeiting” (Lan et al., 2012); “Counterfeit sporting goods” (Chiu et al., 2014); “The counterfeit consumption” (Tang et al., 2014); “The effect of social influence” (Chew & Leng, 2014); “Social feedback” (Wang et al., 2014); “Self-construal on moral judgment” (Kim & Johnson, 2014); “Counterfeit Prada” (Teah et al., 2015); “Consumer orientation toward counterfeit fashion products” (Agarwal & Panwar, 2016); “Consumer’s awareness of counterfeit luxury brand items” (Baghi et al., 2016); “Ethical decision in counterfeit purchase” (Martinez & Jaeger, 2016); “The Malaysian market” (Quoquab et al., 2017); and “Trend imitation” (Vogel & Watchravesringkan, 2017).

This study analyzed the determinants of consumers’ intentions to purchase counterfeit fashion brands, based on personal aspects and social factors. The factors here are analyzed based on the basic conceptual model of consumer behavior, in that both the internal and external factors can predict a particular behavior or intention. These factors are the determinants, as the influential factors, using the framework from the previous studies of Ting et al., (2016); Teah et al., (2015); and Liao and Hsieh (2013). Ting et al., (2016) examined whether social aspects, including information susceptibility, normative susceptibility and personality factors have an impact on consumer attitudes toward counterfeit luxury goods, and investigated the relationship between consumer attitudes toward counterfeit luxury goods and purchase intention. Meanwhile, Liao and Hsieh (2013) analyzed the influential factors of consumers’ willingness to purchase gray-market smartphones by considering a model that included the constructs of novelty seeking, status consumption, integrity, and perceived risk. The social factors were information susceptibility and collectivism and the personality factors were integrity, personal gratification, and status consumption.

This research showed the concept of vanity as the determinant related to the purchase intention. Based on the research conducted by Workman and Lee (2013), vanity is an important factor for social comparisons. Consumers decide the similarities between others and themselves using social comparisons. In this study, the focus is also on counterfeit brands in fashion including bags, dresses, and shoes in Indonesia. The reports show that the market for this product category has received much attention, because of the proliferation of the products in Indonesia, but limited research has been

conducted into counterfeit brands in Indonesia. It is very important to analyze what motivates consumers to choose the counterfeit brands. The willingness to purchase counterfeit products is driven by one's lifestyle. In line with this, when consumers are purchasing luxury branded goods, they focus on simultaneously increasing their physical appearance and socially accepted status (Cheah et al., 2015). Mamat et al., (2016) argued that the trait of vanity is related to luxury purchase intentions. In fact, the emergence of the new middle-income class also requires a new lifestyle. Indonesia has a large middle class and it is comprised mainly of the millennial generation. They are characterized as having a consumptive, stylish lifestyle, and wanting to experience things. The middle class millennial generation prefer to spend their money on fashion, tourism and culinary items. However, their increasing purchasing power is not always sufficient to purchase luxury brands. Consequently, the easiest thing to do, and following the global trend, is to buy counterfeit products that can support their lifestyle and experiences. The acceptance and consumption of counterfeit goods with a low-to-moderate income level will be high, as the goods are a substitute for the unaffordable genuine products (Chiu & Leng, 2016; Rahman et al., 2011).

The objectives of this study are to extend the existing conceptual model of consumer behavior when choosing counterfeit products by incorporating the concept of vanity and integrating some other concepts including:

- Determining factors affecting the counterfeit brand intention among consumers;
- Understanding the relationship between novelty seeking, integrity, status con-

sumption and attitude toward counterfeit brands;

- Understanding the relationship between perceived risk, susceptibility information, physical vanity and achievement vanity and the intention to purchase counterfeit brands;
- Analyzing the relationship between the attitude toward counterfeit goods and the intention to purchase them.

## Literature Review

Counterfeiting is the process of producing and selling any unauthorized products that infringe upon intellectual property rights (brand names, patents, trademarks, or copyrights) (Chaudhry & Walsh 1996). Cordell et al., (1996) define counterfeit goods as reproductions of a trademarked brand, including the resemblance to the originals' packaging, labeling, and trademarks. Counterfeit goods are also unauthorized products of a poor quality and with standards that are different from those of the original producer (Staake et al., 2009). Radon (2012) also added that the counterfeiting of luxury brands is still rampant due to the desire to show one's status by possessing items that seem to be original.

Counterfeit products make the study of the factors affecting consumer purchase behavior important. The underlying reason is the ability to further explore the underlying factors. This research model provides for theoretical research on the study's attitude toward counterfeit goods and the intention to purchase them. The determinants of people's attitudes toward counterfeit goods focuses on novelty seeking, integrity and status consumption, meanwhile the determinants of the intention to purchase counterfeit

products are the perceived risk, social influence, physical vanity and vanity achievement.

### *Conceptual framework and hypotheses*

#### *Intention to purchase*

The theory of planned behavior suggests that behavior is driven by the purchase intention while the purchase intention is preceded by attitude (Ajzen, 1991). Chiu and Leng (2016) have listed a number of positive relationships between attitude and the intention to purchase counterfeit items. Consumers will have more positive attitudes toward the purchase of counterfeit products (Chiu et al., 2014; Swami et al., 2009; Phau & Teah, 2009).

#### *Attitude toward counterfeit items*

Attitude is a learned predisposition to behave in a consistently favorable or unfavorable manner, with respect to a given object. Ajzen and Fishbein (1980) argued that attitude is correlated with one's intention and as a strong predictor of behavior. A greater attitude should be associated with a stronger intention.

The personal aspect analyzed in this study addressed the value driven purchasing of counterfeit brands. Agarwal and Panwar (2016) argued that the psychological benefits of owning a brand should be stressed because if the physical benefits are only considered, the counterfeit items are able enough to satisfy the purchasers. Ting et al., (2016) highlighted that personal values, as part of the purchaser's personality, also determine consumer purchase intentions toward counterfeit luxury goods. Manchiraju and Sadachar (2014) analyzed the factors of the personal aspects of consumer purchase

intentions toward ethical fashion. The personal aspects in this study were novelty seeking, integrity and status consumption.

#### *Novelty seeking*

Hirschman (1980) argued that novelty seeking is the motivating force that drives individuals to seek new information. Novelty seeking is divided into inherent novelty seeking and actualized novelty seeking. Inherent novelty seeking is the willingness of the individual to find new stimuli while actualized novelty seeking signals the real behavior of the individual when acquiring novel stimuli. Wee et al., (1995) analyzed the factors of the psychographic variables, including people's attitudes toward counterfeiting, brand status and novelty-seeking. Agarwal and Panwar (2016) argued that buying a counterfeit item may be a value-driven decision for some, based on a personal view. Based on their research, buying a counterfeit fashion product was an exciting prospect for some people, while for others it was a substandard practice. High perceived status, antiquity, uniqueness and novelty seeking emerged as factors that demotivated consumers from opting for counterfeit items. Teah et al., (2015) also added that attitudes toward the counterfeiting of luxury brands can be driven by personality factors such as value consciousness, integrity, personal gratification, novelty seeking and status consumption.

H1: Novelty seeking has a positive effect on people's attitude toward counterfeit luxury brands.

#### *Integrity*

Personal ethical standards and the law determine the integrity of someone (Phau et

al., 2009). Wang et al., (2005) also argued that integrity becomes the important dimension in trustworthiness. Furthermore, if consumers consider integrity to be among the important values in life, they would not view the purchase of counterfeit goods as being acceptable.

Liao and Hsieh (2013) argued that purchasing counterfeit items indirectly encourages the production of illegal counterfeit goods. Martinez and Jaeger (2016) highlighted the ethical dimension of counterfeit purchases including the ethical obligation, ethical judgment and personal integrity. Consumers with high ethical determination would not indirectly support such illegal activities. Integrity has a negative influence on the attitude toward counterfeit goods. Cordell et al., (1996) and de Matos et al., (2007) highlighted that consumers who display integrity and a higher level of obedience toward the law would not buy counterfeit products. Ang et al., (2001) also highlighted that consumers who place more importance on integrity do not have a positive attitude toward counterfeiting.

H2: Integrity has a negative effect on attitude toward counterfeit luxury brands.

### *Status consumption*

Eastman et al., (1999) argued for status consumption as the motivation for people trying to show their status through purchasing products that can display their status to others and to themselves. Phau et al., (2009) also argued that status consumption is the motivation for consumers to support their social status through the consumption of products that can portray themselves as people from the higher class. Hoe et al., (2003) argued that status consumers look to own

brands that reveal the symbol of the brand, thus reflecting their self-identity and this has an effect on their attitudes toward the counterfeiting of luxury brands. Teah et al., (2015) argued that status consumption influences the purchase of counterfeit goods.

H3: Status consumption has a negative effect on attitude toward counterfeit luxury brands.

### *Perceived risk*

Tang et al., (2014) argued that there are two types of perceived risks in choosing counterfeit items. One type is the risk that the product consumed has negative physical consequences. The second risk is the social risk. The choice of a counterfeit product may result in the individual not having the expected support from his/her peers or society. When risks are perceived, consumers are driven to avoid the negative consequences, both from social and physical risks (Mandel, 2003).

Alber –Miller (1999) argued that perceived risk influences the purchase of counterfeit goods. Furthermore, de Matos et al., (2007) supported the idea that purchasing counterfeit items is related to the fact that the products are of a lower quality than the original brands. The products will not be as safe as the original ones. Yeap and Ramayah (2006) also argued that purchasing a counterfeit product is considered to be a risk action because consumers will perceive the risk from the monetary aspects, social elements and the legal risk. Consumers with a high-risk perception from the purchase of counterfeit luxury brands will not intend to buy them.

H4: Perceived risk has a negative effect on *intention to purchase* counterfeit luxury brands.

### *Social influence (information susceptibility)*

The social aspects, including the social norms and values, influence consumer purchase decisions. This enables individuals to change their behavior, according to their social system (Khare et al., 2011). This study uses the aspect of consumer's susceptibility. McGuire (1968) argued that an individual's susceptibility to interpersonal influences is a common trait and differs from one person to another. Kim and Karpova (2010) argued that information susceptibility and normative susceptibility are the psychographic traits that affect individuals' decisions to buy counterfeit fashion products. This study will focus on information susceptibility. Bearden et al., (1989) argued that informational influence affects consumer decision-making. Information influence is the willingness to accept information from others. Informational influence works through a process of internalization. Informational influence has been considered to have an effect on the intention to purchase counterfeit products .

H5: Information susceptibility has a positive effect on *intention to purchase* counterfeit luxury brands.

### *Vanity*

Netemeyer et al., (1995) argued that vanity consists of four distinct trait components. They are: 1) A concern for one's physical appearance. 2) A positive view of one's physical appearance. 3) A concern for one's achievements. 4) A positive view of one's achievements. Physical vanity is concern for one's physical appearance, meanwhile achievement vanity is concern for one's personal achievements. It has been argued that one's physical appearance is im-

portant in sustaining and maintaining one's self-concept. Many products including cosmetics and clothing are addressed to support a person's physical attractiveness. Hirschman (1990) also argued that personal achievement includes showing off one's material possessions. It is also related to materialism as it is used for the achievement symbol. Workman and Lee (2013) argued that vanity is an important aspect in the social comparison theory proposed by Festinger.

Achievement vanity is the concern for one's personal achievements (Soh et al., 2017). Cheah et al., (2015) argued that vanity has significant effects on consumers' behavior. Consumer are willing to buy luxury products to support their self-esteem. To support their self-image, consumers will purchase luxury fashion products that can enhance their physical appearance. In line with this, when consumers purchase luxury branded goods, their focus is on simultaneously increasing their physical appearance and social status (Cheah et al., 2015). Mamat et al., (2016) argued that the trait of vanity is related to luxury purchase intentions. The consumer's fashion style does not only express his or her individuality; but it also signals his/her enthusiasm to follow the social norms and cultural practices (Apeageyi, 2011). Related to counterfeit products, the products are perceived to be of a lower quality. Consequently, these products are not considered for purchase because they cannot enhance one's self-image.

H6: Physical vanity has a negative effect on *intention to purchase* counterfeit luxury brands.

H7: Achievement vanity has a negative effect on *intention to purchase* counterfeit luxury brands.

*Attitude to counterfeit luxury brands and purchase intention toward counterfeit luxury brands*

The relationship between attitude and behavioral intention is supported theoret-

ically by the theory of planned behavior (Ajzen and Fishbein, 1980). Attitude relates to consumers' evaluation of counterfeit products, and the purchase of such products. Intention shows consumers' eagerness and tendency to purchase the products (Eisend, 2019). Phau and Teah (2009)

Tabel 1. The previous studies on independent variables influencing counterfeiting.

Previous Studies	Social Factors		Personal Factors					
	IS	NS	NoS	In	SC	PR	PV	AV
Wee et al., (1995)			v					
Cordell et al., (1996)				v				
Wang et al., (2005)				v				
Yeap and Ramayah (2006)						v		
De Matos et al., (2007)				v				
Phau et al., (2007)					v			
Kim and Karpova (2010)	v	v						
Workman and Lee (2013)							v	V
Liao and Hsieh (2013)			v	v	v	v		
Manchiraju and Sadachar (2014)			v	v	v			
Tang et al., (2014)						v		
Teah et al., (2015)	v			v	v			
Martinez and Jaeger (2016)				v				
Ting et al., (2016)		v	V	v	v	v		
Agarwal and Panwar (2016)			v					
Soh et al., (2017)							v	V

Note: information susceptibility (IS), normative susceptibility (NS), novelty seeking (NoS), integrity (In), status consumption (SC), perceived risk (PR), physical vanity (PV) and achievement vanity (AV).

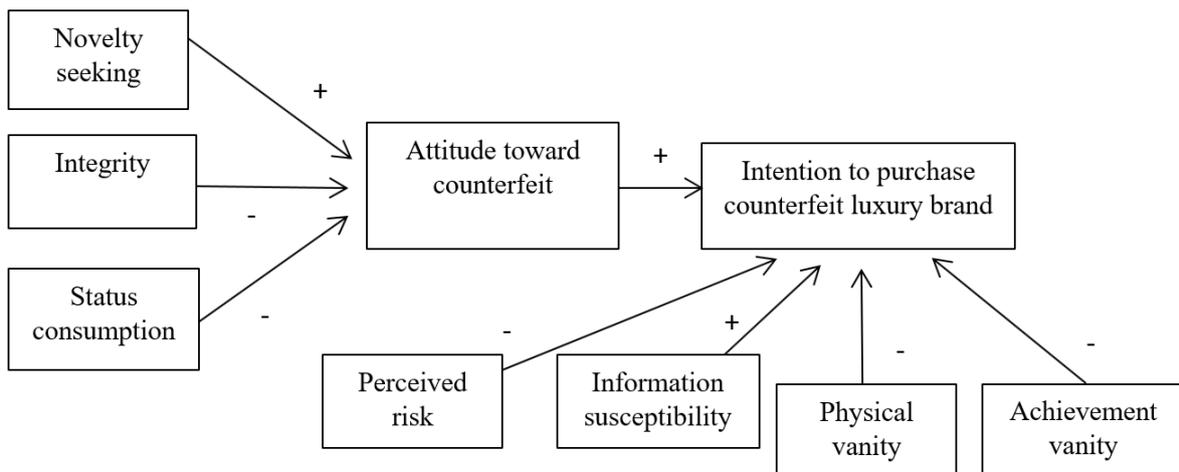


Figure 1. The conceptual framework based on the attitude theory

argued that there is a relationship between people’s attitudes toward counterfeiting and their behavioral intention. Quoquab et al., (2017) argued that if the consumer’s attitude toward counterfeiting is favorable, he/she will have a positive intention to purchase counterfeit brands. On the contrary, if the consumer’s attitude toward counterfeiting is unfavorable, they will have less intention to purchase counterfeit brands. The previous studies of Jee and Ernest (2013) and Allameh et al., (2015) support the assumption that consumers who have a positive attitude toward counterfeiting are more likely to buy counterfeit products.

H8: Attitude to counterfeit luxury brands has a positive effect on purchase intention toward counterfeit luxury brands.

## Methods

### *Sampling and data collection*

This study used consumers who were aged between 19 and 44 years old, living in Jakarta, Tangerang, Bogor, Bekasi, Yogyakarta, Bandung, Medan, Jambi, Batam, Pekanbaru and Samarinda, which are some of the bigger cities in Indonesia. The choice of the various cities was not a priority of this research. The sampling used non-probabil-

ity sampling; those chosen were required to already known the counterfeit brands. The study used a snowball sampling and collected the data through an online survey. A total of 193 completed responses were received. All the data were already well screened and used for a partial least squares analysis. The value fulfilled the minimum response rate of approximately 64.3%.

The data showed that the number of male respondents was 40.93% while the number of female respondents was 59.07%. The respondents’ ages were skewed toward consumers with 68% of the respondents being between the ages of 25 to 34, and 32% of the respondents aged between 19 and 24. The willingness to buy is driven by the enjoyment and willingness to show the others. Related to their education levels, the respondents in this sample have an education. 65% possess a bachelor’s degree; 21 % have a master’s degree; and 14% have a diploma. The counterfeit products were bags, shoes, clothes, watches, hats, perfume, and other fashion accessories.

### *Measurement*

This study used a questionnaire with a 5-point Likert scale to collect data for each

**Table 2.** Sources of measurement scale items

Variable measurement	Source	Number of items	Type of variable
Novelty seeking	Adapted from Fraj and Martínez (2006)	4	Independent
Integrity	Adapted from Ting et al., (2016)	5	Independent
Status consumption	Adapted from Ting et al., (2016)	5	Independent
Attitude toward counterfeiting	Adapted from De Matos al. (2007)	5	Dependent
Perceived risk	Adapted from De Matos al. (2007)	4	Independent
Information susceptibility	Adapted from Phau and Teah (2009)	4	Independent
Physical vanity	Adapted from Soh et al., (2017)	5	Independent
Achievement vanity	Adapted from Soh et al., (2017)	4	Independent
Intention to purchase	Adapted from Phau and Teah (2009)	4	Dependent

variable of the study. The measurement scale in Table 2 has been validated in previous research (Ting et al., 2016; Soh et al, 2017; Agarwal and Panwar, 2016; Phau et al., 2007).

## Results

### *The measurement model*

Confirmatory factor analysis was used to analyze the data's validity and reliability with PLS 2.0 software. According to Sekaran

and Bougie (2010), a reliability test measures whether an instrument can measure the construct being measured, while a validity test measures how well an instrument measures the construct being analyzed. The construct validity in Table 3 represents the actual coefficients in the sample (Hair et al., 2013). The item loading values in Table 3 are above 0.50.

Relating to the convergent validity, it is about the degree to which multiple items agree on a estimation of the same concept (Ting et al., 2016). The loading for all the in-

**Table 3.** The output of Measurement Model

Construct	Indicators	Loading	Cronbach's Alpha	Composite Reliability	(AVE)	R square
Integrity	I1	0.886772	0.910	0.933	0.738	
	I2	0.856231				
	I3	0.896420				
	I4	0.896843				
	I5	0.752046				
Novelty seeking	N1	0.881201	0.863	0.907	0.711	
	N2	0.911849				
	N3	0.756465				
	N4	0.815404				
Perceived risk	R1	0.503000	0.722	0.809	0.527	0.086
	R2	0.590753				
	R3	0.884697				
	R4	0.852041				
Status consumption	S1	0.858269	0.816	0.867	0.575	
	S2	0.814959				
	S3	0.790602				
	S4	0.799401				
	S5	0.463436				
Attitude toward counterfeiting	SKP1	0.861186	0.922	0.942	0.765	0.667
	SKP2	0.861713				
	SKP3	0.801237				
	SKP4	0.923283				
	SKP5	0.922639				
Social influence (information susceptibility)	SOS2	0.734415	0.643	0.785	0.479	
	SOS3	0.738148				
	SOS5	0.645407				
	SOS7	0.646299				

Physical vanity	VF1	0.745072	0.696	0.780	0.481	
	VF2	0.856970				
	VF3	0.924239				
	VF4	0.593155				
	VF5	0.703096				
Achievement vanity	VP1	0.593879	0.850	0.879	0.597	
	VP2	0.530344				
	VP3	0.914448				
	VP4	0.675155				
Intention to purchase	W1	0.916257	0.920	0.944	0.810	0.731
	W2	0.948143				
	W3	0.912304				
	W4	0.819204				

Source: The Research Data, 2019.

dicators was greater than the minimum value of 0.50 (Hair et al., 2013). The measurement model of this study, in Table 4, has fulfilled the requirement for convergent validity. The results shown in Table 4 confirm that the composite reliability values range from 0.785 to 0.944, which are greater than the recommended value of 0.708. Meanwhile, the alpha values range from 0.643 to 0.922 which are greater than the recommended value of 0.6. It can be concluded that the measurements of the study are reliable.

Table 4 displays the output of the discriminant validity test. It can be seen that the square root AVE value is higher than the inter-latent correlation among the construct ( $\sqrt{AVE} > \text{correlation value}$ ). Related to the hypotheses' testing, the study used PLS to test the eight hypotheses. The R<sup>2</sup> value of 0.677 for the attitude toward counterfeit luxury brands indicated that 67.7% of the variance can be explained by novelty seeking, integrity and status consumption. The R<sup>2</sup> value of 0.733 for the intention to purchase counterfeit luxury brands indicated that 73.3% of

**Table 4.** Discriminant validity

	Integrity	Novelty	Risk	Status	Attitude	Social	Physical	Achievement	Intention
Integrity	1.000								
Novelty seeking	0.381	<b>0.617</b>							
Perceived risk	0.252	0.153	<b>0.501</b>						
Status consumption	0.621	0.412	0.321	<b>0.788</b>					
Attitude toward counterfeit	0.630	0.682	0.307	0.637	<b>0.793</b>				
Information susceptibility	-0.043	0.288	0.048	-0.059	0.290	<b>0.307</b>			
Physical vanity	-0.246	-0.103	-0.197	-0.312	-0.147	0.132	<b>0.495</b>		
Achievement vanity	-0.206	0.029	-0.224	-0.295	-0.095	0.375	0.301	<b>0.453</b>	
Intention to purchase	0.552	0.598	0.359	0.554	0.8431	0.262	-0.225	-0.105	<b>0.742</b>

Source: The Research Data, 2019.

**Table 5.** Summary of path coefficient and hypothesis testing

	Coefficient	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STERR )	Supported
H1 (novelty seeking attitude)	0.462	0.467	0.073	6.331	Yes
H2 (integrity attitude)	-0.285	0.283	0.087	3.269	Yes
H3 (status consumption attitude)	-0.269	0.263	0.080	3.329	Yes
H4 (perceived risk intention to purchase)	0.096	0.095	0.067	1.436	No
H5 (information susceptibility intention)	0.577	0.557	0.079	6.660	Yes
H6 (physical vanity intention to purchase)	0.007	-0.010	0.060	0.121	No
H7 (achievement vanity intention)	-0.096	-0.096	0.064	1.495	No
H8 (attitude intention)	0.790	0.777	0.055	14.149	Yes

Source: *The Research Data, 2019.*

the variance can be explained by perceived risk, information susceptibility, physical vanity and achievement vanity. The hypothesis results presented in Table 5 show that novelty seeking ( $\beta = 0.462, p < 0.01$ ), integrity ( $\beta = -0.282, p < 0.01$ ), and status consumption ( $\beta = -0.269, p < 0.01$ ) influenced attitudes toward counterfeit luxury brands. The results support the previous research. Status consumption and integrity have a negative influence on consumer attitudes toward counterfeit luxury brands. Thus H1, H2 and H3 are supported. Perceived risk ( $\beta = 0.096, p < 0.01$ ), information susceptibility ( $\beta = 0.037, p < 0.01$ ), physical vanity ( $\beta = 0.007, p < 0.01$ ) and achievement vanity ( $\beta = -0.096, p < 0.01$ ) influence the intention to purchase counterfeit luxury brands. H4, H6 and H7 are not supported while H5 is supported. The attitude toward counterfeit luxury brands ( $\beta = 0.796, p < 0.01$ ) significantly influences the intention to purchase counterfeit luxury brands.

## Discussion

The results of this study are varied. This study shows that the novelty seeking variable affects the attitude toward counterfeit luxury brands. Novelty seeking explains that individuals keep on storing new information against future uncertainties and, based on this information, they keep on trying new things (Hirschman, 1980). This supports the study of Wee et al., (1995). This research shows that people's attitudes toward counterfeit luxury brands are influenced by curiosity or trial and error toward something new. The study of Wang, et al., (2000) showed that in China, among young people who care about hedonic values, they are influenced into showing novelty seeking behavior. A counterfeit luxury brand tends to be perceived as having a more hedonic value than a rational value. Consumers tend to enjoy using counterfeit luxury brands, because they want to

try something new. This also supports the research of Agarwal and Panwar (2016), which showed that someone's desire for counterfeit goods was because he/she had an urge to find something unique and interesting that he/she had never encountered before. The novelty seeking aspect influences a person's attitude toward the counterfeiting of luxury brands (Teah et al., 2015). Novelty seeking is the tendency or willingness to find something new and becomes the driver of the respondents' intent to purchase a counterfeit product. The respondents, as modern customers, are repeatedly driven to buy something new, especially fashion goods. This is also in line with the study of Abdullah and Yu (2019). Since the genuine goods are not affordable, counterfeit products become the favored choice.

Regarding integrity, the results of this study support the previous studies, including Wang et al., (2005). This study shows that the integrity variable has an impact on the attitude toward counterfeit luxury brands. This shows that consumers understand the integrity aspects related to honesty, responsibility and consistency, while they still have the option to think about their attitudes toward counterfeit luxury brands. This condition explains that there are aspects of understanding all the consequences of the consumers' views in the moral aspects. They consider the negative consequences of their attitudes toward luxury brands. The drive to have a counterfeit luxury brand tends to be weaker when they have a full understanding of the negative consequences. The study by Tang et al., (2014) showed that customers feel that buying a counterfeit product causes harmful effects to other people in society.

Status consumption had a negative effect on the attitude toward counterfeit luxury

brands in the study. This hypothesis was supported. The results of this study supported the results of previous studies by de Matos, et al., (2007), Liao and Hsieh (2013), Manchiraju and Sadachar (2014), Teach et al., (2015), Martinez and Jaeger (2016), and Ting et al., (2016). Consumers have a negative attitude toward counterfeit luxury brands when they are associated with concerns about the purchaser's status. This status consumption tends to influence the purchaser's self-image, so counterfeit luxury brands are not considered as creating a good self-image. Status consumers seek to have brands that show their self-identity, they are more status conscious about displaying their accomplishments, and they have favorable attitudes toward counterfeit luxury goods (Phau & Teah, 2009; Phau et al., 2009).

Related to the perceived risk, the analysis of this study shows contradictory results with the previous study of Ting et al., (2016). Perceived risk is found not to affect the intention to purchase counterfeit luxury brands. This is not similar to the previous research by de Matos et al., (2007) and Yeap and Ramayah (2006). Purchasing counterfeit goods is not perceived to be a risky action. Consumers may not put themselves at monetary risk or social risk. Furthermore, the perceived risk is not considered to be an influence when purchasing counterfeit luxury brands, even if they are not aware of the possibility of being subsequently charged by law enforcement institutions for purchasing counterfeit products. The results of this study show that consumers have no perception of the risk or worries about the purchase of counterfeit luxury brands. The low price is realized to be directly proportional to the quality. They seem to be aware of the consequences of the risk of the products' quality.

Likewise, the information susceptibility variable has an influence on the intention to purchase counterfeit luxury brands. This study supports the research of Kim and Karpova (2010) who examined the effect of information susceptibility on counterfeit purchases. The desire to buy counterfeit luxury brands tends to be influenced by information provided by colleagues or friends. The desire to buy is caused by social concerns (Phau & Teah, 2009; Wang et al., 2005).

The variables of physical vanity and achievement vanity research also show different results from the previous studies. Physical vanity and achievement vanity do not have an effect on the intention to purchase counterfeit luxury brands, so the research hypothesis is not supported. The results of this study are contradictory to previous studies (Soh et al., 2017). This shows that the choice of counterfeit luxury brands does not have the ability to support one's appearance. Counterfeit brands are perceived to be unable to improve the purchaser's self-image, as they are not produced to a high quality.

Soh et al., (2017) argued that achievement vanity is the concern for personal achievements. The vanity aspects of consumers can influence them into purchasing goods (Wang and Waller, 2008). Consumers who purchase genuine high-quality products will keep on choosing to spend their money on the same original luxury goods, to support their self-esteem. Counterfeit luxury brands will not be an option for them.

Related to the attitude toward luxury brands, the results of the study show that this variable has an influence on the intention toward counterfeit luxury brands. The results of this study are in line with the previous studies of Ting et al., (2016), Ramayah et al., (2003), Wang et al., (2005), de Matos et al.,

(2007), Phau et al., (2009). Chiu and Leng (2016) have shown that a number of studies, specific to counterfeiting, have established a positive relationship between the attitude toward the purchase of counterfeit goods and the intention to purchase counterfeit items.

The theory of planned behavior explains the relationship between attitude, as the consumers' evaluation of counterfeit products, and of the act of purchasing these products. This theory also explains the determining factors affecting consumers' intentions to purchase counterfeit brands. This study shows that there are relationships between novelty seeking, integrity, status consumption and attitude toward counterfeit brands. This study shows that there is a tendency for respondents to understand the rules, but they do not feel worried about buying counterfeit products. They perceive that there is no penalty for purchasing counterfeit goods. The study's results show there is no effect of physical vanity and achievement vanity. The analysis shows that counterfeit brands cannot increase a person's physical appearance, or the achievements of the respondents.

## Conclusion

In the Asia Pacific region, future marketing opportunities are accelerating and there is a high demand for luxury goods (Socha, 2008). These countries have recently recognized the rising middle class as a potential target market (Wu et al., 2015). Globalization cannot be denied, and it will influence consumer behavior in Indonesia, especially for the middle class. This is characterized by product and brand turnover between countries (Frank & Watchravesringkan, 2016). They are easily exposed to all the information about the marketing of new products, life trends or lifestyles that are currently popular

and happening. This information easily becomes a reference for consumers to choose a brand from a number of existing brand choices. Meanwhile, middle income countries have about one third of the global GDP (World Bank, 2018). The desire of consumers to keep abreast of the latest trends is also supported by the characteristics of the growing middle class today. This middle class has the characteristics of a group that has the desire to follow the latest trends, one of which is the desire to buy foreign products or brands. However, not all the members of this group have the ability to buy luxury brands in order to be able to follow the trends. Therefore, one way is to buy counterfeit luxury brands. Related to the novel seeking variables in this study, marketers need to develop strategies that are better able to accommodate the consumers' desires. This has actually been anticipated by marketers who are already offering a number of luxury but affordable brands, namely massive prestige brands. The study of Mayasari and Wiadi (2017) showed that to anticipate the emergence of the needs of the middle class, marketers are offering massive prestige brands that are affordable, in terms of price, so they can reduce the desire to buy counterfeit luxury brands. It is expected that marketers offering these massive prestige brands will also reduce the counterfeit luxury brand purchases. This is because it relates to conditions that indicate the respondents of this study believe in the value of integrity, but still have a willingness to purchase counterfeit luxury brands. This is also related to the perceived risk variable, which explains that consumers, when purchasing, do not have risk perceptions related to the regulations or the products' quality. They feel there is no problem in choosing to purchase counterfeit luxury brands. Therefore, there needs to be a government policy so that consumers recog-

nize the perceived risk associated with purchasing counterfeit luxury brands, for example by formulating policies that make it easier for consumers to be able to buy the original brands. In addition, law enforcement must be strengthened so it is able to enforce the penalties for making, selling and purchasing counterfeit luxury brands.

The results of this study also show that information susceptibility affects the intention to buy counterfeit luxury brands. The encouragement to buy is more from individuals. In line with that, the physical vanity and achievement vanity variables do not affect the intention to purchase counterfeit luxury brands. The results of this study indicate that consumers still have a sense of prestige when using luxury brands. They feel that using a counterfeit luxury brand does not enhance their self-image. Moreover, Indonesian people tend to have a communal culture so they have a high self-monitoring tendency. They feel worried that they will not be appreciated when using a counterfeit luxury brand. For the marketers, it is suggested they do not offer the counterfeit products to consumers. It will be better for them to provide products with value added, such as massive prestige brands. These brands are still affordable and easily available, and are original.

## Limitation

There are some limitations in this study. First, the self-administered survey may not give the overall picture of consumer behavior. It does not reveal their actual behavior. Second, the study was only conducted in certain large Indonesian cities such as Jakarta, Tangerang, Bogor, Bekasi, Yogyakarta, Bandung, Medan, Jambi, Batam, Pekanbaru and Samarinda. The generalizability of the findings to all the cities and people in Indonesia is lim-

ited. Third, this study was limited to certain fashion products. Other product categories might produce different results. For any future study, it should apply a qualitative study to focus on the consumers' behavior toward counterfeit luxury brands. Second, the choice of cities should be enlarged, so the results are

not dominated in certain cities. Third, future studies can address large product categories that can play important roles in the choice of counterfeit products. Fourth, for further research, using income as the control variable could be considered.

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**Appendix**

Constructs	Indicators	Items
Novelty seeking	N1	I want to have a new experience when buying a counterfeit product.
	N2	Counterfeit products for me are innovations of products that can provide new experiences.
	N3	Counterfeit products are innovative products that I haven't seen before.
	N4	Buying a counterfeit product provides a different experience.
Status consumption	S1	Purchasing a counterfeit product will only reduce the self-worth of the consumer.
	S2	Purchasing a counterfeit product will only reduce the status of the consumer.
	S3	I choose to pay higher prices for authentic products than lower prices for counterfeit products.
	S4	I choose to buy authentic products instead of counterfeit products because they have more value.
	S5	Owning an authentic product describes a person's social status when compared to others.
Integrity	I1	Buying a counterfeit product is a dishonest thing to do.
	I2	Buying a counterfeit product illustrates a person's lack of self-control.
	I3	Buying a counterfeit product describes someone who has less regard for the applicable rules.
	I4	Buying a counterfeit product shows someone who lacks wisdom.
	I5	People should avoid buying counterfeit products because this behavior is against the law.
Attitude toward counterfeit	SKP1	I have a positive perception of counterfeit products.
	SKP2	Buying a counterfeit product is a better choice when shopping.

Constructs	Indicators	Items
Perceived risk	SKP3	There is nothing wrong with buying a counterfeit product.
	SKP4	I have a desire to buy a counterfeit product.
	SKP5	Buying a counterfeit product is an interesting idea for me.
	R1	Buying a counterfeit product could pose a risk to me.
Intention to purchase	R2	The purchase of a counterfeit product basically can cause the risk of unexpected overspending.
	R3	Counterfeit products have a higher risk of failing to function optimally.
	R4	Counterfeit products are less reliable.
	W1	I have the desire to buy a counterfeit product within the next 3 months.
Social influence	W2	I have the desire to buy a counterfeit product within the next 6 months.
	W3	I have the desire to buy a counterfeit product in the future.
	W4	I am recommending that my family and close friends buy counterfeit products.
	SOS1	An important consideration in purchasing a well-known product is the extent to which it can give a positive personal impression to others.
	SOS2	The consideration to purchase a well-known product is inseparable from the influence of close friends.
	SOS3	The consideration to purchase a well-known product is inseparable from the extent to which the product is the choice of the majority of other consumers.
	SOS4	The consideration to purchase a well-known product is inseparable from the extent of the assessment given by other consumers.
	SOS5	I tend to pay attention to well-known products that others are interested in.

Constructs	Indicators	Items
Physical vanity	SOS6	I like to find out what kind of well-known products can make a positive impression on others.
	SOS7	I avoid using well-known products that are considered to be unfashionable now.
	VF1	Physical appearance for me comes first.
	VF2	It's very important for me to look good physically.
	VF3	Appearance is important to me.
	VF4	I feel embarrassed when my physical appearance is not good enough when in front of a crowd.
	VF5	I will do my best to be good-looking.
Achievement vanity	VP1	I feel that the achievements I have today are highly valued by others.
	VP2	I want others to respect me for my accomplishments.
	VP3	I have an obsession with being a success in my profession today.
	VP4	It is very important to have more success than peers.