Consumer Intention to Buy Original Brands versus Counterfeits

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Abstract

The present study addresses the issue of consumer intention to buy original brands and their counterfeits in the Indonesian fashion product market. Specifically, it examines the impact of past purchases (of original brands and their counterfeits), consumer attitudes (toward the economic benefits of counterfeit purchase and hedonic benefits of counterfeit purchase), and personal characteristics (i.e. self-image, materialism, and perceived future social status) on consumer intention to purchase original luxurious fashion brands and their counterfeits. Based on a preliminary study, five brands in five different fashion product items were selected and used for the study. About 170 females aged between 15 and 50 years old living in Daerah Istimewa Yogyakarta (DIY) province participated and filled in the self-administered questionnaires for the current survey. Multiple regression analyses were employed to test the research hypotheses.

The results indicated that past purchases and personal characteristics were significant predictors of consumer intention to buy counterfeits, while consumer attitudes toward the hedonic benefits of counterfeit purchase were not related to the dependent variable. Most antecedents (except materialism and self-image) had significant influences on purchase intention of original brands. Meanwhile, consumer intention to buy counterfeits and consumer intention to purchase original brands have positive reciprocal influences.

The main findings suggest that Indonesian consumers are simply willing to buy both originals and counterfeits. It seems that consumer affordability is a real issue to be solved. However, further studies with bigger sample sizes and broader geographical scopes are needed to clarify these findings.

Keywords: counterfeit luxury brands, original luxury brands, fashion products

1. Introduction

Counterfeits have been growing globally. According to one report, counterfeit products are accounted for about 5-7 per cent of world trade with an estimated value of US$600 billion a year (www.icc-ccs.org, accessed on September 7, 2011). Gentry, Putrevu, and Shultz (2006) noted that many luxury brands have reported a devaluation of brand equity as a result of rampant counterfeiting activities. It is not surprising since the more successful and popular a brand name, the more likely it will have counterfeits (Nia & Zaichkowsky, 2000). In the fashion industry, for example, counterfeit goods can be found in a number of product items, such as clothing, leather goods, shoes, watches, and jewelry products (Yoo & Lee, 2009). Asia and South America have been suggested as the largest sources for counterfeit and pirated products (Ritson, 2007).

Counterfeiting of popular brands is a serious problem worldwide. Indonesia is no exception. A report suggests that international investors were hesitant to invest in the Indonesian clothing industry because the level of piracy in the market was considered as high (Ekawati, 2010). Counterfeit and pirated products caused Indonesia to sustain a loss of more than Rp 2 trillion (US$212 million) in 2002, and Rp 43.2 trillion in 2011 (Febrina, 2006; www.thejakartapost.com, accessed on December 12, 2012).

Penz and Stöttinger (2005) argued that while most of studies have emphasized on investigating the reasons why manufacturers committed counterfeiting (the supply side of counterfeiting), few studies have examined the factors causing consumers to buy pirated and original brands (the demand side of counterfeiting). One of the few studies is Yoo and Lee (2009) who investigated the antecedents of consumer buying intention of original brands and their counterfeits in South Korea. The present study aims to replicate with some modifications Yoo and Lee's study (2009) in the Indonesian fashion market context. Indonesia is a logical choice for examining original and pirated brand purchases. It is the fourth most populated country (with about 237 million people in 2010) and one

of the fast growing economies (6% economic growth rate in 2010) (Safra & Aguilar-Cauz, 2011). These facts have attracted both manufacturers of genuine and pirated products from all around the world to enter the country. Nevertheless, while several aspects of counterfeiting have been investigated in the USA (e.g., Al-Rafee & Cronan, 2006; Chaudhry & Stumpf, 2011; Cronan & Al-Rafee, 2008; Lysonski & Durvasula, 2008), the PRC (Phau & Teah, 2009; Wang, Zhang, Zang, & Ouyang, 2005; Yoon, 2011), Brazil (de Matos, Ituassu, & Rossi, 2007), and Israel (Shoham, Ruvio, & Davidow, 2008), a systematic study in the Indonesian context is still very limited. Specifically, the research question is "how do past purchases (of original brands and their counterfeits), consumer attitudes (toward economic benefits of counterfeit purchase and hedonic benefits of counterfeit purchase), and personal characteristics (i.e. self image, materialism, and perceived future social status) affect consumer intention to purchase original luxurious fashion brands and their counterfeits?"

2. Literature Review and Hypotheses Development

2.1 Original Luxury Brands and Their Counterfeits

As a concept, the word 'luxury' has been defined in many ways. In the social psychology context, for instance, luxury is treated as a result of its strong connection to a lifestyle, culture, sub-culture, and state of being. When linked to brands, luxury is associated with a unique identity, prestige, and high social status (Chadha & Husband, 2006). It creates a sense of distinctiveness and exclusivity, and is translated into high quality products backed up with exclusive distribution strategy, special advertising programs, and premium pricing strategy (Okonkwo, 2009).

Luxury brands are special brands which have greater and exclusive value that were built by history, formed by the story of their founders, made in perfection through the beauty of art and passion that can differentiate ones' social status class (the social maker), the elite one with the others. The luxury brand comes from the mind of its creator, driven by a long term vision. Individuals consume luxury goods because of their desire to differentiate themselves by either being part of their reference group, or to separate themselves from other groups preferably to become part of a higher social class.

According to Webster's New World Dictionary, original is something that is "initial, earliest, never having occurred or existed before and not copied", while counterfeit is something "made in imitation of something genuine so as to deceived or defraud". Counterfeit products are considered as illegal, since they are made without permission of the original brand owners. These products copy or imitate the physical appearance of an original product to mislead consumers that they are the same as the originals (OECD, 1998). Such pirated products usually have low quality and are sold at a very cheap price. In the fashion industry, counterfeit products can be found in clothing, shoes, glasses, handbags, watches, leather goods, and jewelry. The targets of counterfeiting include top brands such as Louis Vuitton, Chanel, Gucci, Burberry, Fendi, Christian Dior, Prada, Versace, Hermes, and Christian Louboutin (http://top-10-list.org, accessed on December 12, 2012). Interestingly, unlike many other industries, the purchasers of counterfeit fashion products usually know that they are buying a fake product.

2.2 Consumer Intention to Buy Original Brands and Counterfeits

Counterfeits, especially in fashion products, have long attracted many consumers around the globe. Price is one of the most important issues in affecting consumer intention to buy original brands and counterfeits. Counterfeit products are illegal, cheap, and poor quality duplications of prestigious branded products (Lai & Zaichkowsky, 1999), whereas genuine products are high priced and have premium quality. Many consumers, particularly in developing countries, do not mind purchasing low quality pirated products. For those who love fashion but cannot afford to purchase original designer clothing, having a look-alike product provides them an opportunity to enjoy the prestige of the luxury and popular brand. A study by the Institute for Economic and Social Research (LPEM) in 2005 showed that Indonesian consumers, including wealthy ones, play an equally major role in the rampant purchase of pirated products (Febrina, 2006). Another interesting finding from the same survey showed that Indonesian consumer willingness to purchase only authentic fashion products is positively correlated with consumer monthly income rate.

Furthermore, previous studies have indicated that several factors may affect consumer intention to buy original brands and counterfeits. Among the factors are past purchase of counterfeits, past purchase of originals, attitudes toward economic and hedonic benefits of counterfeit purchase, materialism, perceived future social status, and self-image (Marcketti & Shelley, 2009; Phau, Sequeira, & Dix, 2009; Wilcox, Kim, & Sen, 2009; Yoo & Lee, 2009).

2.3 Hypotheses Development

Following Yoo and Lee (2009), the research framework could be summarized as shown in Figure 1.

2.3.1 Past Behavior

In their research, Oullete and Wood (1998) found that past behavior significantly affects future behavior. In other words, future behavior tends to be consistent with past behavior. Past behavior forms a habit with repeated performances. It can be expected that past purchase of counterfeits results in an intention to purchase counterfeits and past purchase of originals leads to an intention to purchase originals. Hence, H_1 and H_2 can be formulated as follows:

H_1: Past purchases of counterfeits are positively associated with consumer intention to buy counterfeits.

H_2: Past purchases of originals are positively associated with consumer intention to buy originals.
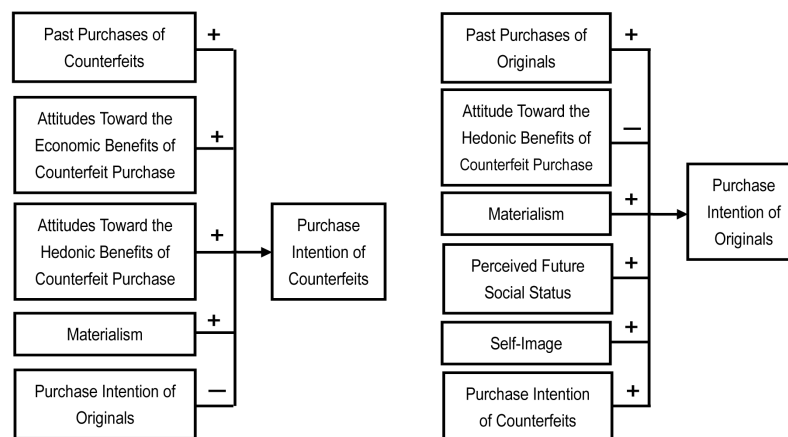

Figure 1. Research framework

Source: Modified from Yoo and Lee (2009)

2.3.2 Attitudes toward Buying Counterfeits

According to the theory of reasoned action (TRA) and its extension, the theory of planned behavior (TPB), there is a link between attitude, behavioral intention, and behavior (Ajzen, 2005). An attitude can be defined as "a learned predisposition to behave in a consistently favorable or unfavorable manner with respect to a given object" (Schiffman, Kanuk, & Wisenblit, 2010, p. 246). Petty, Wegener, and Fabriger (1997) argued that an attitude is the way an individual thinks, feels, and acts toward some aspect of his or her environment, including a brand, product, retail store, and so forth. An attitude can be used to predict an individual's intention of doing a specific behavior (e.g., buying a product) (Yoo & Lee, 2009). Therefore, a consumer who has positive attitudes toward counterfeit products will be willing to purchase counterfeit products and vice versa.

In their study, Yoo and Lee (2009) classified consumer attitudes toward counterfeit purchase into two types: attitudes toward the economic benefits and attitudes toward the hedonic benefits of buying a counterfeit product. They found support for a negative impact of attitudes toward hedonic benefits of counterfeit purchase on purchase intention of originals and a positive effect of attitudes toward the economic benefits and hedonic benefits of counterfeit purchase on purchase intention of counterfeits. They also argue that attitudes toward the economic benefits of counterfeit purchase does not affect purchase intention of originals. Therefore, H_3, H_4, and H_5 can be stated as follows:

H_3: Attitudes toward the economic benefits of counterfeit purchase are positively associated with consumer purchase intention of counterfeits.

H_4: Attitudes toward the hedonic benefits of counterfeit purchase are positively associated with consumer purchase intention of counterfeits.

H_5: Attitudes toward the hedonic benefits of counterfeit purchase are negatively associated with consumer purchase intention of originals.

2.3.3 Individual Characteristics

Leonard, Cronon, and Kreie (2004) found that an individual's attitude and personal characteristics are two statistically significant predictors of ethical behavioral intentions. Among many individual characteristics, Yoo and Lee (2009) found that there are three significant antecedents, i.e. materialism, perceived future social status, and self-image.

Materialism refers to the importance people attach to material possessions (Belk, 1985; Solomon, 2009). For materialistic consumers, possessions have a crucial position in their lives. They believe that such possessions are the sources of personal satisfaction, pleasure, and happiness; symbols of success or achievement; and representations of indulgence and luxury (Peter & Olson, 2008; Schiffman, et al., 2010). As a personality-like trait, materialism differentiates between individuals for whom possessions have a central role in lives and those for whom possessions are less important (Belk, 1985). Empirical studies found support for at least three characteristics of materialistic consumers: (1) they highly value obtaining and showing off possessions; (2) they tend to be selfish; and (3) they desire to have lots of possessions (Schiffman, et al., 2010). In the context of counterfeit purchase, both counterfeits and original products can satisfy materialistic mind of many consumers since both products look-alike. An individual would appear almost the same regardless of whether she/he wears an original or a fake fashion product. Penz and Stottinger (2005) suggested that the only difference is that the original product consumers buy the genuine brands for what exclusive luxury brands really mean, whereas counterfeit product consumers buy just the social recognition and status of the genuine brands without paying for it. In their study, Yoo and Lee (2009) found that materialism positively affects both purchase intention of counterfeits and originals.

Social status or social class has been suggested as a significant predictor of purchases of highly visible, symbolic, and expensive products, such as cars, homes, fashion designer brands, and the likes (Solomon, 2009). Social status refers to the overall ranking of people in a society (Blythe, 2008; Solomon, 2009). It reflects an individual's standing in society based on relative wealth, power, and prestige (Schiffman, et al., 2010). Several factors determine the social class an individual belongs, including income, occupation, and education level (Blythe, 2008; Schiffman, et al., 2010; Solomon, 2009). Other factors may include status aspirations, physical appearance, community participation, social skills, recreational habits, and social acceptance by a specific social class (Peter & Olson, 2008). Individuals perceive that different social classes have diverging amounts of prestige, power, and privilege (Mowen, 1995). Therefore, social status can be an important factor affecting consumer purchase decision making and consumption behavior. If a consumer perceives and expects that her/his social status in the future to be higher (upward social mobility), she/he is likely to be less price-sensitive and buy genuine products. Yoo and Lee (2009) found support for a positive impact of perceived future social class/status on consumer intention to buy original products.

Based on the self-image congruence model, consumers are assumed to look for congruence between product attributes and their self-image (Solomon, 2009). They tend to choose and buy products whose characteristics match their their own to impress important other people and show their identity through the product image. Original luxury products have an image of exclusivity, wealth, prestige, and high social status, which may cause high self-image concerned consumers to purchase originals. Yoo and Lee (2009) found a positive impact of self-image on purchase intention of originals.

Consequently, H_6, H_7, H_8, and H_9 can be proposed as follows:

H_6: Materialism is positively associated with consumer intention to buy counterfeits.

H_7: Materialism is positively associated with consumer intention to buy originals.

H_8: Perceived future social class is positively associated with consumer intention to buy originals.

H_9: Self-image is positively associated with consumer intention to buy originals.

2.3.4 The Relationship between Consumer Intentions to Buy Counterfeits and Originals

Yoo and Lee (2009) argue that there is a reciprocal causation between consumer purchase intention of counterfeit products and consumer intention to buy originals. They found that consumer intention to buy counterfeits had a positive impact on their intention to buy originals, whereas consumer intention to purchase originals negatively affected their intention to buy counterfeits. Once consumers try a counterfeit version of a luxury brand, they will be willing to buy the original. However, if they have already bought an original, they would be less likely to buy a pirated one. Thus, H_{10} and H_{11} can be postulated as follows:

H_{10}: Consumer intention to buy counterfeits has a positive impact on their purchase intention of original products.

H_{11}: Consumer intention to buy originals has a negative impact on consumer intention to buy counterfeits.

3. Research Method

3.1 Research Context

Indonesia was selected for the present study because the level of fashion piracy in the country was considerably high (Ekawati, 2010). Both genuine and pirated versions of many luxurious fashion brands are available in Indonesia. Since the current study is a modified replication of Yoo and Lee (2009), it focuses on the same product (i.e. fashion goods) and respondent (females) context. A convenient sample of 200 females aged between 15 and 50 years old in Daerah Istimewa Yogyakarta (DIY), Indonesia, was selected as respondents for the current survey.

Fashion products consist of a range of items, such as fashion apparel (e.g., jackets, coats, blazers, t-shirts, jeans, trousers, skirts, and dresses), fashion accessories (e.g., bags, executive holders, purses, clutches, wallets, cotton bandanas, footwear, gloves, and watches), and fashion jewelry (e.g., bracelets, brooch, earrings, necklaces, finger rings, and so forth) (www.fashionproducts.com, accessed on December 12, 2012). Therefore, a preliminary study with 30 samples was conducted to identify a manageable number of specific brands and fashion product items to be used in the current study. The choice criteria include the availability of both original and counterfeit fashion items in the Indonesian market and the awareness of potential respondents of it. As a result, five brands in five different fashion product items were identified. They are Gucci sunglasses, D&G apparel, Guess watches, Louis Vuitton handbags, and Christian Dior perfumes.

3.2 Measures

All measures (69 items) were adapted from Yoo and Lee (2009). The English version of the questionnaire was translated into *Bahasa Indonesia* and pre-tested to 30 respondents. Based on the feedbacks during the pre-test, a minor change was made before the final questionnaire was used in the main survey. The dependent variables are consumer intention to buy counterfeits and consumer intention to buy originals. The predictors for consumer intention to buy counterfeits (5 items) are past purchases of counterfeits (5 items), attitudes toward the economic benefits of counterfeit purchase (6 items), attitudes toward the hedonic benefits of counterfeit purchase (5 items), materialism (18 items), and purchase intention of originals (5 items). The antecedents for consumer intention to buy originals (5 items) are past purchases of originals (5 items), attitudes the hedonic benefits of counterfeit purchase (5 items), materialism (18 items), perceived future social status (1 item), self-image (19 items), and consumer intention to buy counterfeits (5 items). All measures, except scales for past purchases of counterfeits and past purchases of originals, were measured in a 5-point Likert scale. Respondents were asked to indicate whether they had ever bought genuine or pirated products of each of the five brands under study (i.e. Gucci sunglasses, D&G apparel, Guess watches, Louis Vuitton handbags, and Christian Dior perfumes). Past purchases of pirated and genuine products were measured by counting yes answers (0 = never bought any of the five brands; 5 = had ever purchased all the five brands). The present study found that respondents' past purchase experiences for counterfeits and originals were 25.25% and 19.41% for Gucci sunglasses respectively; 24.71% and 21.18% for D&G apparel; 28.82% and 34.71% for Guess watches; 39.41% and 22.35% for Louis Vuitton handbags; and 20.59% and 17.06% for Christian Dior perfumes.

4. Results and Discussion

4.1 Profiles of the Respondents

There were 200 questionnaires distributed at several shopping malls, universities, high schools, and beauty centres in Daerah Istimewa Yogyakarta (DIY), Indonesia. However, only 170 of them were returned and complete (a response rate of 85%). These 170 eligible questionnaires were used for the analyses.

Respondent profiles are summarized in Table 1. Almost three-quarter of the respondents aged below 36 years old (72.35%). Most of the respondents were university students (34.12%), private company staff (20.59%), entrepreneurs (16.47%), housewives (14.70%), and high schoolers (11.18%). Less than 3% of them was lecturers and public servants. The majority of the respondents had an average monthly income or allowance lower than Rp 2.5 million (66.47%). The respondents were highly educated, where about half of them held at least a bachelor degree.

Table 1. Profiles of respondents

No.	Aspects	Description		Number	Percentage
1.	Age	< 21 years old		46	27.06
		21-35 years old		77	45.29
		36-45 years old		31	18.24
		> 45 years old		16	9.41
			Total	**170**	**100.00**
2.	Profession	High schoolers		19	11.18
		University students		58	34.12
		Housewives		25	14.70
		Public servants		1	0.59
		Entrepreneurs		28	16.47
		Lecturers		4	2.35
		Private company staff		35	20.59
			Total	**170**	**100.00**
3.	Average monthly income or allowances	≤ Rp 1.5 million		73	42.94
		Rp 1,500,001 – Rp 2,500,000		40	23.53
		Rp 2,500,001 – Rp 3,500,000		16	9.41
		Rp 3,500,001 – Rp 4,500,000		13	7.65
		> Rp 4,500,000		28	16.47
			Total	**170**	**100.00**
4.	Highest completed education level	Junior high school		17	10.00
		Senior high school		69	40.59
		Undergraduate		74	43.53
		Postgraduate		10	5.89
			Total	**170**	**100.00**

Source**:** Primary data (processed).

4.2 Reliability and Validity of the Multiple-Item Measures

Pearson product moment coefficient of correlation and Cronbach's alpha were used to test the validity and reliability of the multiple-item measures in the present study. Seven items of the 69 items were found to be invalid and were dropped from further analyses. They are two items of materialism and five items of self-image. After taking out the invalid items, a reliability test was performed. The Cronbach's alphas are as follows: attitudes toward the economic benefits of counterfeit purchase (6 items, Cronbach's alpha = 0.721), attitudes toward the hedonic benefits of counterfeit purchase (5 items, Cronbach's alpha = 0.792), materialism (16 items, Cronbach's alpha = 0.863), self-image (14 items, Cronbach's alpha = 0.778), purchase intention of counterfeits (5 items, Cronbach's alpha = 0.894), and purchase intention of originals (5 items, Cronbach's alpha = 0.874). Since all the Cronbach's alphas are higher than 0.60, it can be concluded that the measures used in the present study are reliable (Hair, Black, Babin, & Anderson, 2009).

4.3 Determinants of Purchase Intention of Counterfeits

Multiple regression analysis was used to examine factors affecting purchase intention of counterfeits (H_1, H_3, H_4, H_6, and H_{11}) (see Table 2). As postulated in H_1, a significant positive impact was found ($\beta = 0.136$, $\rho = 0.036$). It suggests that female consumers in DIY who had ever purchased counterfeits in the past tend to be more likely to buy counterfeits again in the future.

Supporting H_3, the effect of attitudes toward the economic benefits of counterfeit purchase on consumer intention to buy counterfeits was positive and significant ($\beta = 0.477$, $\rho = 0.000$). This is in line with the assumption of attitude and behavioral intention consistency (theory of planned behavior). It seems that affordability is an essential issue for price-sensitive female consumers who have strong desire for branded fashion products. For them, originality is not important. They are willing to buy low-quality lookalike fashion products as long as the prices are cheap.

However, no significant effect of attitudes toward the hedonic benefits of counterfeit purchase on consumer intention to buy counterfeits was found ($\beta = -0.092$, $\rho = 0.191$). Hence, H_4 was not supported. The current research has also found contradictory results. Materialism was found to negatively affect consumer purchase

intention of counterfeits (β = -0.153, ρ = 0.015), while purchase intention of originals had a significant positive impact on purchase intention of counterfeits (β = 0.342, ρ = 0.000). Therefore, H_6 and H_{11} were not supported. It suggests that materialistic consumers might find original luxury products are more attractive than counterfeits. The more materialistic a consumer is, the less likely she will buy a counterfeit. It may be due to the prestige and status associated with the originals.

It is interesting to note that consumer intention to buy originals positively affects consumer intention to buy counterfeits. Contrary to the hypothesized negative impact, it suggests that even though consumers are willing to buy originals, they do not hesitate to purchase counterfeits. Whenever they could not get the originals, they would find counterfeits as good substitutes. In addition, even though the genuine brands are available in the market, if the price difference between the genuine and the counterfeit ones is significant, they might choose the counterfeit product.

Table 2. Determinants of purchase intention of counterfeits

Variables	Standardized Beta	t		Adjusted R Square	F	
		Value	Sig.		Value	Sig.
Past Purchase of Counterfeits	.136	2.113	.036**			
Attitudes toward the Economic Benefits of Counterfeit Purchase	.477	6.830	.000***			
Attitudes toward the Hedonic Benefits of Counterfeit Purchase	-.092	-1.1315	.191	.397	23.299	.000***
Materialism	-.153	-2.448	.015**			
Purchase Intention of Originals	.342	5.470	.000***			

Notes: Dependent variable: Purchase Intention of Counterfeits; *** significant at α = 1%; ** significant α = 5%.

Source: Primary data (processed).

4.4 Determinants of Consumer Intention to Buy Originals

The present study found empirical support for hypothesized effects of four predictors of purchase intention of originals, i.e. past purchase of originals (β = 0.283, ρ = 0.000), attitudes toward the hedonic benefits of counterfeit purchase (β = -0.243, ρ = 0.000), perceived future social status (β = 0.231, ρ = 0.001), dan purchase intention of counterfeits (β = 0.430, ρ = 0.000) (see Table 3). Thus, H_2, H_5, H_8, and H_{10} were supported.

Consumers who had past experience of purchasing an original luxury brand are more likely to purchase the originals again. It may be because of the satisfaction with the superior quality, prestige, and social status they enjoyed by consuming the original luxury products. Meanwhile, those who have positive attitudes toward the hedonic benefits of counterfeit purchase are not much concerned about low quality of the fake products. They simply pursue hedonic benefits of the counterfeits and are less likely to buy the originals.

Consumers who evaluated their future social status to be high tend to be less price-sensitive. This 'wanna-be-rich' segment prefers more expensive genuine fashion products to counterfeits. Nevertheless, consumer intention to buy counterfeits was found to have a positive effect on consumer intention to buy originals. It is likely that consumers buy pirated products as a trial before they commit to the genuine ones (Gentry, Putrevu, & Schultz, 2006).

However, materialism (β = -0.023, ρ = 0.736), and self-image (β = 0.050, ρ = 0.440), were found to be insignificant antecedents of purchase intention of originals. As a result, H_7 and H_9 were not supported.

Table 3. Determinants of purchase intention of originals

Variable	Standardized Beta	t		Adjusted R Square	F	
		Value	Sig.		Value	Sig.
Past Purchase of Originals	.283	4.154	.000***			
Attitudes toward the Hedonic Benefits of Counterfeit Purchase	-.243	-3.816	.000***			
Materialism	-.023	-.338	.736	.344	15.748	.000***
Perceived Future Social Status	.231	3.493	.001***			
Self-image	.050	.775	.440			
Purchase Intention of Counterfeits	.430	6.714	.000***			

Notes: Dependent variable: Purchase Intention of Originals; *** significant at $\alpha = 1\%$.

Source: Primary data (processed).

5. Conclusions and Implications

5.1 Conclusions

In their study of South Korean consumer purchase intention of originals and counterfeits, Yoo and Lee (2009) called for more research in a different context. The present study is a response to the research call, i.e. a less developed country context and different types of consumers (students, housewives, entrepreneurs, and employees). It is found that consumer intention to buy original luxury brands depends on past purchase of originals, attitude toward the hedonic benefits of counterfeit purchase, perceived future social status, and purchase intention of counterfeits. The predictors for consumer purchase intention of counterfeits consist of past purchase of counterfeits, attitude toward the economic benefits of counterfeit purchase, materialism, and consumer intention to buy originals. The current study also found a reciprocal effect and positive correlation ($r = 0.374$) between consumer intention to buy originals and their intention to purchase counterfeits.

5.2 Implications

This study provides two main insights and implications. First, the availability and access to counterfeits is a crucial issue in combating counterfeiting. Government, luxury brand-name manufacturers, and other relevant parties need to find ways to discourage consumers from buying pirated products. Once an individual tries a counterfeit and gets used to it, then it would be very difficult to stop counterfeiting. It requires a consistent and strong law enforcement in protecting intellectual properties. The law enforcement has to apply to manufacturers, distributors, sellers, and buyers as well. When implemented, this will contribute to the development of negative attitudes toward buying counterfeits among consumers, which in turn will reduce their intention to buy pirated products.

Second, different from what Yoo and Lee (2009) found, the present study revealed that consumer intention to buy originals positively affects their intention to buy counterfeits, and vice versa. It suggests that Indonesian consumers are simply willing to buy both originals and counterfeits. It seems that consumer affordability is a real issue to be solved. Yoo and Lee (2009) and Ritson (2007) speculated that luxury fashion product manufacturers might explore what they could benefit from counterfeits. This suggestion may be worth investigating.

Despite its potential contributions, the current study has some limitations, such as the issue of generalizability due to its sampling method used (i.e. convenience sampling), limited number of samples, limited geographical scope (i.e. Daerah Istimewa Yogyakarta, Indonesia), analytical techniques (i.e. regressions instead of path analysis), and research methods (i.e. survey instead of experiments). Further research could be designed to minimize these weaknesses.

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