Customer Perception and Motives Towards Counterfeit Products in Kerala

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DOCTOR OF PHILOSOPHY IN COMMERCE

Under the Faculty of Commerce and Management Studies

By

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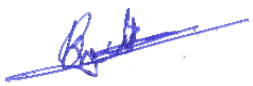

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JILNA JOHN

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LIST OF ABBREVIATIONS

ACTA	Anti-Counterfeiting Trade Agreement
AGFI	Adjusted Goodness of Fit Index
AMOS	Analysis of Moment Structures
ANOVA	Analysis of Variance
ASPA	Authentication Solution Providers' Association
ASSOCHAM	Associated Chambers of Commerce & Industry of India
ATT	Attitude Towards Counterfeit Products
AVE	Average Variance Extracted
BASCAP	Business Alliance to Stop Counterfeit and Piracy
BP	Branded Products
CACP	Coalition Against Counterfeiting and Piracy
CANOE	Conscientiousness, Agreeableness, Neuroticism, Openness, and Extroversion
CASCADE	Committee Against Smuggling and Counterfeiting Activities Destroying the Economy
CB-CFA	Covariance Based Confirmatory Factor Analysis
CBP	Counterfeit Branded Products
CDT	Cognitive Dissonance Theory
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CFP	Counterfeit Proneness
CMIN/DF	Minimum Discrepancy Function by Degrees of Freedom divided
CP	Counterfeit Products
CR	Composite Reliability
CRISIL	Credit Rating Information Services of India Limited
EDM	Ethical Decision Making
EU	European Union
EUIPO	European Union Intellectual Property Office
FFM	Five-Factor Model
FICCI	Federation of Indian Chambers of Commerce and Industry
FMCG	Fast Moving Consumer Goods
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GFI	Goodness of Fit Index
GIS	Geographic Information System
GTRIC	General Trade-Related Index of Counterfeiting

GTRIC-e	General Trade-Related Index of Counterfeiting Economies
HMR	Hierarchical Moderated Regression
IACC	International Anti-Counterfeiting Coalition
ICC	International Chamber of Commerce
INDRP	.In Domain Name Dispute Resolution Policy
INR	Indian Rupee
INS	Information Susceptibility
INTA	International Trademark Association
IP	Intellectual Property
IPR	Intellectual Property Rights
ITG	Integrity
MASCRADE	Movement Against Smuggled and Counterfeit Trade
MEH	Mediation Hypotheses
MOH	Moderation Hypotheses
NAFTA	North American Free Trade Agreement
NDC	Non-Deceptive Counterfeits
NRS	Normative Susceptibility
NVS	Novelty-Seeking
OECD	Organization for Economic Co-operation and Development
PD	Path Direction
PI	Purchase Intentions
PPE	Personal Protective Equipment
PQI	Price-Quality Inference
PRC	Price Consciousness
PRG	Personal Gratification
PRI	Purchase Intentions
PRR	Perceived Risk
PRV	Perceived Value
R&D	Research and Development
RAV	Risk Averseness
RMSEA	Root Mean Square Error of Approximation
SCM	Supply Chain Management
SD	Standard Deviation
SDR	Social Desirability Response
SE	Standard Error
SEM	Structural Equation Modeling
SIT	Social Identity Theory
SMH	Structural Model Hypotheses

SOI	Social Influence
SOR	Stimulus-Organism-Response
SPSS	Statistical Package for Social Sciences
SRI	Social Recognition and Integrity
STC	Status Consumption
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action
TRIPS	Trade Related Aspects on Intellectual Property Rights
Tukey HSD	Tukey Honestly Significant Difference
UN	United Nations
USTR	United States Trade Representative
VLC	Value Consciousness
WCO	World Customs Organization
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WOM	Word of Mouth
WTO	World Trade Organization

Chapter 1

Introduction

Contents

1.1 Background of the Study

Counterfeiting is not a victimless crime and India is not new to counterfeiting. Counterfeit products are unauthorized copies of authentic products. The detrimental impact of counterfeiting is both broad and hazardous, reaching its tentacles into every aspect of life. Various industries of the economy are battling the issue of counterfeit products. Product counterfeiting is any unauthorized manufacturing or distribution of goods whose special characteristics are protected via IP rights (Chaudhry et al., 2005; Philips, 2005). Today, almost all categories and grades of consumer goods are susceptible to product counterfeiting and the traffic generated by the existence of counterfeit goods is close to that of legitimately traded commodities.

A number of things persuade and stimulate people to buy counterfeit goods. Any product in any country is susceptible to the threat of counterfeiting practices and their consequences. Counterfeit merchandise copies the appearance, packaging, and labeling and presents it in a way that looks similar to that of authentic brands or legitimate goods. Counterfeit products would mislead and deceive consumers and hence each and every manufacturer would face a crucial and growing threat from the existence of counterfeit products. Anti-counterfeiting strategies and preventive mechanisms to detect and combat counterfeit goods have been developed in many nations but have not emerged and propagated on wider terms.

1.2 The Origin of Counterfeit Products

The French words 'contre' which means 'against', and 'faire' which means 'to make', are the roots of the English word 'counterfeit'. The Latin word 'contrefacere' which means to imitate, is the source of the English word 'counterfeit'. Thus, the term counterfeit means 'to make in imitation'. Legally speaking, the term 'counterfeit' refers to the imitation of a branded item that is of decreased quality than its genuine counterpart with the goal of deceiving consumers. Black's Law Dictionary describes counterfeiting as the act of creating or disseminating a product that resembles a replica of a trademark with the intention to trick a buyer into thinking they are purchasing the products bearing the legitimate brand (Black, 1968). The original branded items and counterfeit goods are frequently so identical that it can be difficult to tell them apart or that the difference is invisible to the unaided eye.

Some of the oldest instances of acknowledged counterfeiting date back more than 2000 years. The history of premium brand counterfeits dates back to A.D. 27. Gaul, a wine trader at that period, used to fill the bottles with inexpensive local wine and then sell them at prices as high as Roman wines. However, the world began to notice it in the 1970s, when infringers in France imitated and applied distinctive brand insignia to wine stoppers (Cespedes et al., 1988; Philips, 2005). The devaluation of high-end brands, lost sales, brand or product confusions, damage to brand equity, and a negative perception of a brand are just a few potential marketing consequences that can arise from the ever-growing global problem of counterfeiting (Gentry et al., 2006; Nia & Zaichkowsky, 2000; Penz & Stöttinger, 2005).

Charles Dickens, a British author, accepted an invitation from a friend in 1842, and he joyfully sailed on the boat bound for America. He never imagined that traveling to the US would not be enjoyable. His writings are among the many plagiarised masterpieces of Europe that are widely available in the American publication market. Dickens composed "American Notes" after arriving back in England. He devoted a lot of time criticizing the widespread counterfeiting in the US and asserting that it gravely violated the laws on intellectual property. Unexpectedly, American book retailers ignored his protests and even copied

"American Notes" without permission (Tang, 2021). Only the crown of the iceberg is depicted in this narrative.

The problem of counterfeit products has always existed all throughout every era of the human economic and social journey. There have been analogous eras of widespread counterfeit products from Germany in the last decades of the nineteenth century to Japan in the early decades of the 20th century to China in recent years. The widespread sale of counterfeit versions of successful branded items during the nineteenth century resulted in legal action in several nations (Wilcox et al., 2009). In addition, a wider range of commodities are now being counterfeited, including foodstuffs, petroleum products, pharmaceuticals, beauty products, fragrances, glasses, electrical appliances, audio and video recordings, wristwatches, leather-based articles, etc (Faisal et al., 2021). Even though every nation in the world is stepping up its efforts to combat counterfeiting, this chronic illness is still challenging to treat.

1.3 Mapping the Counterfeit Trade: Spanning the Globe, India, and Kerala

Counterfeiting operations have grown ominously audacious. Due to the absence of proper information about counterfeit products, the thirst for untaxed profits, and poor regulation to prevent counterfeiting, the trade of counterfeit items flourished on a worldwide scale. For the purpose of publicizing their enterprises, they have set targets on the self-esteem and self-actualization levels of Abraham Harold Maslow's need hierarchy theory. Low-cost commercial manufacture of identical items began to gain footing to satisfy the requirements and demands of such communities of individuals. Customers supported this action as a way to reduce the gap between socio-economic classes.

Unfortunately, the brand reputation of legitimate companies, who invested their personal, financial, and technological resources into developing a product, was destroyed by the counterfeit items (Kasuma et al., 2020). Thus, a mapping of the counterfeit trade from an international and national perspective along with the research location of the state of Kerala is inevitable for the study.

1.3.1 Global Trade in Counterfeits: A Dreadful Challenge

Every business's brand is a very precious asset. Due to the great brand recognition of a product, counterfeiters and pirates were able to defraud businesses of billions of dollars each year by seducing compliant consumers to fund their illicit activities. A critical social, economic, and political issue that influences the success of many corporate initiatives is comprehending and minimizing customer complicity in the purchase of counterfeit goods. A choice to expand a product line, enter a new market, or relaunch a product may be jeopardized by the existence of a counterfeit. As per the previous global counterfeit trade analysis, China, Thailand, India and Malaysia were named as home for counterfeiting and piracy and these nations were marked as the worst counterfeit offenders as well as nations that infringe intellectual property rights (Awang et al., 2020). Globerman (1988) addressed the international product counterfeiting and concluded that international commerce was plagued by a serious problem with the international counterfeiting of goods protected by intellectual property regulations. Sales that were lost to counterfeiting as well as the expenses incurred in an effort to thwart and police counterfeiting to the extent that these expenses were not passed on to consumers were directly responsible for the loss in profits.

China holds the top position in the source of counterfeit products. The evolution of contemporary Chinese counterfeit goods has been researched by many people (Cheung & Prendergast, 2006). It is obvious from the history of Chinese commerce and industry that the liberalization and integration of the Chinese market with the world market practically correlated with the emergence of China's counterfeit products. Collective ownership or state-owned factories were in existence throughout the planned-economic era (Sutherlin, 2009). Due to the lack of financial incentives, there were minimal counterfeit items at that point in time. People in China can establish businesses for manufacturing, assembly, and selling as the country transitions from a controlled economy to one with a thriving market. The demand for different resources in society is continuously rising, and finally, there is an inadequate supply of commodities. Furthermore, people's hunger for economic gain has resulted in the production of counterfeit products in China (Y. Wang & Song, 2013).

Customers, policymakers, economic systems, as well as society are just a few of the stakeholders who are negatively impacted by counterfeiting (Bloch et al., 1993). Beyond the financial and commercial losses, counterfeiting damages the reputation of brands as well as the goodwill, trust, and confidence of customers (Y. Wang & Song, 2013). The value of the worldwide market for counterfeit goods is projected to be 500 billion US Dollars, with a growth rate of 1,700 percent over the 20th century, according to a report by US Border and Customs Protection (Bosworth & Yang, 2006). Since it was unable to compete with counterfeit goods, the popular brand Louis Vuitton was forced to remove all of its items from the market in the 1980s. Brands like Levi's and Louis Vuitton endured extreme hardship in the eighties (De Matos et al., 2007).

If it is possible to identify the propensity or the possibility of importing a given kind of counterfeit goods from a particular trade partner or provenance economy, then this information can be used to estimate the relative severity of counterfeiting. The GTRIC (General Trade-Related Index of Counterfeiting) methodology (OECD, 2008) was developed by Organization for Economic Corporation and Development to exercise the same. While the World Customs Organization (WCO) has identified counterfeit goods with 140 countries as their intended destination, the OECD estimates that the value of counterfeiting is in the neighbourhood of 250 billion US Dollars annually (OECD, 2009; WCO, 2008). The trade of fake medications from Asia to South-East Asia and Africa alone is estimated to be worth 1.6 billion US Dollars annually, making them one of the most dangerous types of counterfeit goods. In 2008, East Asia was the source of almost two-thirds of all counterfeit products including drugs and other items. Criminal groups frequently engage in activities beyond creating and transporting counterfeit items; many of these groups also engage in the trafficking of people, narcotics, and weapons. Due to high demand, the global market for counterfeit products reached 300 billion US Dollars in 2009 and is projected to grow yearly (OECD, 2007). It was estimated that 5-7 percent of all global trade is comprised of counterfeit goods. The yearly global trade in counterfeit products has surpassed 600 billion US Dollars (N. Ahmad et al., 2014). Estimated global sales of counterfeit goods and detailed

studies revealed that both developed and developing nations are rife with bogus goods (Gentry et al., 2006).

Few contest the severity of harm done to legitimate businesses due to lost sales, despite the fact that the precise amount of losses experienced by businesses and society as a whole, and as a result, it is difficult to quantify though some estimate this at over a trillion dollars globally for 2011 with double-digit growth rates projected for the next decade (Chaudhry & Stumpf, 2011). Despite having significant socio-economic and commercial disparities, the US and Brazil are both sizable marketplaces with Western economic traditions. According to the report of OECD/EUIPO (2016), the value of imported counterfeit products was projected to be 461 billion dollars in 2013. Over the past ten years, US Customs and Border Protection (CBP) has documented a steadily rising volume of intellectual property rights arrests. Throughout that time, counterfeiters have continually targeted fashion merchandise. Such items included 31 percent of jewelry, 28 percent of baggage products, 9 percent of Clothing and accessories, and 4 percent of the footwear industry and it made up more than 50 percent of the counterfeits that were confiscated (Customs and Border Protection Agency, 2015). It is obvious that the issue is becoming worse over time despite several international, collaborative initiatives to fight against the same. The value of imports of counterfeit products is projected to be over half a trillion dollars annually, according to the assessment by OECD/EUIPO (2016). This corresponds to around 2.5 percent of all imports worldwide. It has been made clear that because consumers are devoted to popular trademarks and established brands, counterfeit brand makers exploit customers, harm the economy, and imperil lives.

According to the International Chamber of commerce (ICC), the market value of counterfeit products surpassed 1.7 trillion US Dollars in 2015. Since individuals in Pakistan have poor incomes and are concerned about price and quality, the market for counterfeit goods is growing quickly. The United Staes of America was the world's largest purchaser of counterfeit products (Chaudhry & Zimmerman, 2009) then. The benefits of globalization cannot be overstated, but it should also not be disregarded that it has eased cross-border commerce and made the movement of fraudulent goods easier. Several nations have earned a bad reputation for having

widespread intellectual property infringement. China, India, Brazil, Russia, Vietnam, Ukraine, Taiwan, Pakistan, Indonesia, and Turkey are some of these global markets in the 20th century. Manufacturers and dealers that deal in a lot of counterfeit products frequently violate the names of companies, trademarks, and copyright laws in these nations. In many cases, the governments of such nations fail to take action in combating the counterfeiting issue, and in some cases, the local government actively promotes the creation and sale of fake goods in order to boost employment or profit from the success of large corporations (Jacobs et al., 2001; Philips, 2005). Manufacturers of the original items and governments find themselves engaged in a never-ending conflict with counterfeiters as the supply of counterfeit goods has been expanding drastically around the world (Penz & Stöttinger, 2005).

Depending on the estimate, the annual sales of counterfeit products range from 1.7 trillion US Dollars to 4.5 trillion US Dollars, making the counterfeiting industry at least the tenth-largest business in the world accounting just above Canada's GDP and probably the fourth-largest after Germany. Additionally, it's to blame for the loss of 2.5 million jobs worldwide. American companies and customers typically suffer the most from counterfeiting. A whopping 60 percent to 80 percent of all sold items are counterfeit, with American consumers buying most of them (Goldstein, 2022). The two continents with the highest suppliers of counterfeit goods have been identified as Asia and South America. Over the past several years, the impact of counterfeit goods has spread to every continent. The value of items that are counterfeit could skyrocket to 2.3 trillion US Dollars by 2022, according to the International Chamber of Commerce (OECD/EUIPO, 2021). Law enforcement authorities in Ghana showed a failure in curbing counterfeit business activities in South Africa stating non-deceptive counterfeiting as one of the main issues for the wide-spread availability of counterfeits (Ansah, 2017).

In the Gulf Cooperation Council (GCC) nations, where customers are so wealthy that their use of counterfeit items is shocking. Although GCC citizens do buy premium counterfeit goods, an exploratory quantitative study applying a snowball recruitment procedure done in the United Arab Emirates indicated that the perceived performance, psychological, and moral concerns deter them from engaging in such buying (Pueschel et al., 2016). Hennigs et al. (2015) conducted a

comparative analysis of data from Europe (Germany) and Asia (South Korea) to highlight the important influence of psychological and context-related antecedents on counterfeit perception and shopping behaviour and the chosen nations provided intriguing insights into the consumer's viewpoint on fakes since they reflected both the demand for genuine luxury products and for knockoffs of those brands in different sociocultural contexts. Furnham and Valgeirsson (2007) highlighted the attitudes, convictions, and personality qualities that influence people's readiness to purchase counterfeit goods in different ways since purchasing fake goods was turned into a major economic and societal issue on a global scale.

The Covid-19 pandemic impacted the trade in hazardous counterfeit goods globally because it boosted demand for product categories that are linked to stricter health and safety regulations, and the genuine manufacturers of those product categories were unable to swiftly supply the increased demand. This is especially true for counterfeit pharmaceuticals and several other high-risk industries like food and beverages, where disrupted supply chains and changing consumer demand created new business possibilities for criminals worldwide. Interestingly, the overall significant growth in counterfeit goods was not limited to just pharmaceuticals and Personal Protective Equipment (PPE) kits but also included consumer products and many other categories of products, that might potentially be dangerous to one's health and safety (OECD/EUIPO, 2022). According to a study by the WHO, over 10.5 percent of pharmaceuticals sold in underdeveloped nations were spurious. Pharmaceutical businesses were utilizing different anti-counterfeit packaging to address these challenges, typically the QR Barcode (2D Data Matrix Barcode) and Barcode (UPC-A Barcode). The awareness efforts might be strengthened with specific and true information on these concerns, which would subsequently lower the market for counterfeits.

Globalization and the reduction of trading barriers in international trade paved the way for spreading the sale of counterfeit goods across the globe in a fast manner. Frontier Economics, one of the top economic consultancies in Europe, predicted that the global value of counterfeit trade would reach 991 billion US Dollars, domestic counterfeit production and consumption would reach a range of 524 to 959 billion US Dollars, online counterfeiting business would reach 384 to

856 billion US Dollars, and a threat of net looting would also be present (Frontier Report, 2017). The latest counterfeiting statistics prove it to be almost accurate. Given the abundance of copycat goods on the market today, it is now difficult to tell the difference between a real and a counterfeit product. The business market has recently been impacted by information technology and e-commerce to generate false and lower-quality items online. The truth is that a lot of people search for and buy fake goods. A serious problem that undermines economic endeavours and has an impact on social life is counterfeit goods, which have been noted to exist in large numbers around the world.

1.3.2 India: The Provenance Economy of Counterfeits

The whole world is plagued by the widespread epidemic of counterfeiting and Asia is a major hub for counterfeiting. The impression of the quality, dependability, and functioning of replicas vs genuine goods was historically been a hot matter of debate (Hanzaee & Jalalian, 2012). As many of the luxury brand knockoffs now available in the market are of higher quality, people are more motivated to buy them. This is seen when customers notice that the product characteristics of originals and counterfeits are quite similar. No legislation in India imposes penalties for purchasing fake goods. The prevalence of counterfeiting is widespread and includes anything from counterfeit luxury goods to fake aerospace and automobile components. As with technological growth, modernization and liberalization, internet penetration, and the popularity of smartphones, the Indian economy has offered a solid base and possibility for producers and marketers to misappropriate established trademarks (Rawat & Singh, 2021). According to the Anti-Counterfeiting and Brand Protection Summit (2018), the counterfeit business in India has exceeded Rs. 40000 crores in the organized market solely. These flaws plus the desire to be a part of a wealthy social class gave producers and marketers a chance to create bogus products.

'Make in India' is a good illustration of how to leverage domestic technology to boost and advance the economy (FICCI, 2021) but counterfeiters take it as a way to 'fake in India', making the nation one of the leading provenance economies among Asian countries. The fastest-growing crime in the nation is online

counterfeiting, which affects one out of every three Indians who have purchased counterfeit goods from one or more e-commerce websites. Raman and Pramod (2017) examined the elements that encouraged the growth of the online counterfeit market in the light of the existing framework, rules, and potential countermeasures. Buying things in comfort and convenience at affordable pricing is a big draw for Indian online retail customers. So far, India's e-commerce development has been phenomenal. Angel investors and venture capitalists were heavily funding start-ups, and the valuation game keeps them profitable. Despite the spectacular rise of various e-commerce in the last five to six years, the sale of counterfeit items and the online counterfeit market was a chronic concern for many industrial sectors, companies, and the government. The Indian economy loses 1 trillion INR, as a result, each year (Agarwal, 2021). According to the FICCI CASCADE Annual Report (2021), in the fiscal year 2017–2018, there was a loss of INR 1,05,381 crore in seven industrial sectors and an INR 39,239 crore loss to the government as a result of illegal markets. The economy has lost roughly 16.36 lakh jobs overall during 2017-18. The number of jobs lost globally as a result of counterfeit goods is predicted to climb to 4.2 to 5.4 million in 2022, an increase of almost 110 percent since 2013 (FICCI CASCADE Annual Report, 2021).

The rural population contributed half of India's GDP, which was based mostly on agriculture. Although the rural populace was exploited by low-quality goods and services as a result of economic developments, technological advancements, and inventive marketing strategies; frequent shortages also gave rise to black marketing, illogical pricing, promotions, and other unethical business practices. India has been listed on the USTR Priority Watch List for five years, despite being a signatory to the Patent Cooperation Treaty, Paris Convention, Berne Convention, TRIPS, and being a member of the WIPO. The nation's lax copyright regulations and lax IPR enforcement have kept it on this list of undesirables for 2007 (Chaudhry & Zimmerman, 2009). According to Naim (2005), India is a hub for illegal medications. 9 percent of all medications screened in India were subpar, according to a government study. The capacity of generic medicine producers in India to reverse-engineer medications that have other nations' patents is described by Naim (2005). Agarwal (2021) identified and evaluated the issues that allow holes

in the Indian healthcare supply chain as well as proposed remedies for lessening the entry of fake drugs into the system. The Indian government, regulatory bodies, and industry professionals were extremely concerned about the availability of counterfeit drugs. Despite the presence of regulations and standards for supply management, a sizable share of operational goals remained unfulfilled. Suzanna et al. (2021) conducted a cross-sectional quantitative survey of the general population in order to assess consumers' knowledge, attitudes, and behaviours about the pharmaceutical items they use or buy. To ensure the seamless movement of legal pharmaceuticals across the whole supply chain, the Indian healthcare system had to be strictly monitored. To the greatest extent possible, a high degree of monitoring and assessment must be implemented at every stage of the healthcare supply chain. The government and these pharmaceutical businesses must thus raise consumer awareness by giving customers the capacity to find out, confirm, and recognize the legitimacy of pharmaceutical items. Wilczyński et al. (2016) revealed that there was a significant difference in reflection between original and counterfeit tablets in the context of counterfeit drugs and medicinal products.

Products counterfeited were created in precise replication of something valuable with the purpose to deceive or defrauding. In the modern age, counterfeiting had grown significantly in popularity, and it was practiced in practically all Indian businesses (Chellasamy et al., 2020). Many well-known brands are being aggressively imitated in Indian markets, including Cadbury's Dairy Milk with its distinctive "glass-and-a-half" logo, Nestlé's KitKat with its distinctive red packaging and trendy over-sized "K" in the trademark, Parle-G Glucose Biscuits in its distinctive striped wrapper featuring a picture of a small girl and many more. Reddy and Ram (2020) have pinpointed the numerous motivators for FMCG product purchases in both rural and urban locations, as well as the extent to which these variables contribute to the purchase of counterfeit FMCG items. In India, 25–30 percent of the market is made up of counterfeit products. According to a recent analysis detailed in ASPA and CRISIL Report (2022), counterfeiting operations are having an effect on the sustainable growth of India's key industries, including pharmaceutical products, fast-moving consumer goods, automotive, garments, household durables, electronics products, and agricultural products. The study's

findings were based on a survey of customers and retailers that was done independently in twelve Indian cities such as Delhi, Jalandhar, Ahmedabad, Kolkata, Jaipur, Indore, Patna, Agra, Chennai, Bangalore, Mumbai, and Hyderabad to determine how they felt about counterfeiting in several important industries (ASPA & CRISIL Report, 2022). The top industries where customers encountered counterfeit goods, according to this survey, were found to be the industry of apparel with 31 percent, FMCG with 28 percent, and automobiles with 25 percent; these industries were followed by pharmaceuticals with 20 percent, consumer durables with 17 percent, and agrochemicals with 16 percent. Additionally, it was shown that 31 percent of Indian consumers intentionally used to buy counterfeit goods.

Most individuals in India are prestige-conscious, they believe in possessing branded items and the ones who can't pay the original price look forward to counterfeits of those brands. The Indian population has experienced demographic shifts, which have increased consumer demand for well-known brands. Given that Indian consumers place a high value on appearance, they have a favourable disposition towards counterfeits (Sarma et al., 2019). For the sake of looking appealing and owning everything that would make them look appealing among others in the group, they are inclined to purchase counterfeit premium brands. Indian customers place a great deal of significance on tangible factors since they are very particular about the premium brands of goods they use and carry. Since Indian consumers place a high value on appearance, they had a positive attitude toward counterfeits (Sarma et al., 2019). Indian customers place a great deal of significance on tangible factors since they were very particular about the high-end brands of goods they use and carry as opined by Sarma et al. (2019).

India's consumer products market is hugely significant in terms of both size and purchasing power (Kala & Chaubey, 2017). As a result, it becomes a desirable location for product counterfeiters, which poses a serious risk to both businesses and consumers (Kala & Chaubey, 2017). Shobana.T.A. and C, (2022) explored and examined the marketplaces for counterfeit goods in India in order to research consumer trends. The growth of such items on the market was also caused by the production of the exact identical copy of the original. The findings revealed a direct

link between branding, copying, and brand perception and most people were unaware that counterfeit goods were being produced and marketed in their nearby locations. Hundal and Jasmeen (2018) opined that there was only a little study being done in India on counterfeiting, despite the fact that it was a global problem that undermines society and the economy. In addition to damaging customers, counterfeit purchases waste the nation's resources. Approximately 70 percent of all counterfeit goods in India come from Delhi, making it the country's largest market for such goods. There are a number of marketplaces, including Gaffar Market, Sadar Bazar, Khari Baoli, Bhagirath Place, Nehru Place, and Kashmere Gate, where counterfeit products are readily accessible and publicly offered like any other legal company. The Gaffar Market has earned a track record for selling fake cosmetics, normal household electronics, and mobile phones and accessories and Sadar Bazar is a commercial marketplace in Old Delhi wherein some stores sell counterfeit packaged FMCG products and cosmetics (ASPA & CRISIL Report, 2022). The Chenoy Trade Centre in Hyderabad and the Hong Kong Bazaar are well known for selling counterfeit hardware and software for computers in the southern portion of India. Chennai's Kasimedu Street together with Burma Bazaar is extensively known for selling counterfeit electronic products such as smartphones, LCD TVs, imported surveillance equipment, cameras, and pirated motion pictures (Raj, 2022).

The office of the USTR (United States Trade Representative) mentioned the four major notorious markets in India as well as many other nations that deal with counterfeit products (Review of Notorious Markets for Counterfeiting and Piracy, 2022) such as Heera Panna Market in Mumbai, Kidderpore Market in Kolkata, Sadar Patrappa Road Market in Bengaluru, and Tank Road Market in Delhi. Heera Panna market is a sizable indoor market in the centre of Mumbai, that allegedly sells fake jewellery, accessories, shoes, gadgets, and cosmetics. Right holders warn of the health and safety dangers associated with the fake cosmetics offered in this market. The Kidderpore market is popularly referred to as the "Fancy Market" by locals in Kolkata, which is home to a number of stores that are said to provide a wide range of counterfeit products, including optical media, clothing, cosmetics, electronics, and software. Bengaluru's counterfeit market is said to be a hot spot for a wide range

of counterfeit electronic goods, drawing both residents and tourists in huge numbers. Delhi's Tank Road offers a huge volume of counterfeit items including clothes, shoes, watches, purses, gadgets, and cosmetics (Reddy & Ram, 2020).

The ASPA Report (2021) of "Study of Counterfeiting in India 2021" revealed that counterfeiting events are now higher than they were in 2018 and 2019. Media reports of events have increased in quantity as well. The number of counterfeiting incidents increased by 20 percent between 2018 and 2020 (ASPA Report, 2020). In contrast to 2019 (570), there were 666 recorded cases in 2020, marking a spike of 96 cases. The counterfeit FMCG market in India is expanding at a pace of 44.4 percent annually, which is faster than the FMCG industry as a whole. Additionally, over three billion rupees of FMCG items that are sold in India are bogus. The Anti-Counterfeiting and Brand Protection India Summit (2022) concentrated on talking about the most recent developments in law, the significance of binding packaging, supply chain authorization, and cutting-edge technologies and solutions in the fight against counterfeiting, as well as the challenges and problems that the organizations in India are facing. The summit provided a great forum for discussion, the exchange of case studies and experiences, networking with key figures in the sector, and learning about cutting-edge methods being used to combat counterfeiting and safeguard the integrity of business entities.

A favourable demographic composition and rising disposable incomes are the main drivers of the consumer market's expansion in India. India is regarded as the second-largest rising consumer market in the world as well (Kala & Chaubey, 2017). Indian luxury goods commerce has proven to be a successful market. With such a pervasive counterfeit sector, it may hurt business revenues and appeal, and it may jeopardize the reputation of high-end goods produced locally and abroad. Customers are frequently forced to purchase counterfeits due to factors including price sensitivity, the demand-supply imbalance, a desire to purchase premium goods, peer pressure, and societal incentives. Hence, research of this kind is particularly advisable in the context of India since, behind China, it has the second-fastest expanding economy globally. Reddy and Ram (2020) opined that in order to empower rural and urban consumers, an integrated strategy that includes representatives from corporate firms, retailer forums, and sales executives was

required. According to them, the strategy should include consumer education, training for government enforcement officials, research and statistical analysis, public policy analysis, support for policy development, and information sharing about international best practices.

1.3.3 Addressing the Menace of Counterfeits in Kerala

For many years, counterfeiting has been a major problem for humanity since it deprives the governments of their due taxes, puts the public at risk for health and safety, and causes a wide range of issues for society as a whole. Even though the central and state governments have taken the initiative to address this problem, FICCI has formed a committee CASCADE and it was also instrumental in highlighting the detrimental impacts of this threat. Kerala is a consumer state, hence there are more opportunities for unauthorized traders. Therefore, it is crucial to spread awareness and stop such evil deeds. Due to the low level of consumer knowledge regarding fraudulent and illegally imported items, many customers are ignorant that they are purchasing such goods and are also clueless about the potential hazards.

To combat counterfeit and pirated goods during the Covid-19 pandemic, FICCI CASCADE organized a webinar on October 27, 2020, with a focus on the State of Kerala. The webinar was one among many similar programs held around the nation as part of a national awareness drive to draw attention to the problem and centre attention on the rising threat of illegal commerce, especially counterfeiting. Key recommendations consist of the need for an extensive campaign to inform the public and the business community about the potentially hazardous nature of counterfeit products; the emergency for a collaboration of the parties involved in addressing the problem of counterfeiting; and promoting the information-driven preventive measures to trace out the counterfeiters (FICCI, 2021). Mr. Sreejith, IG, Crime, Kerala Police, offered his perspectives on the matter, while Mr. Sumit Kumar, Commissioner of Customs, Preventive, Kerala Customs, explained the customs department's approach to the problem.

The chairman of FICCI CASCADE, Mr. Anil Rajput, acknowledged the Kerala government for their promptness to thwart any illegal operations especially counterfeiting activities in the state. In spite of facing several difficulties as a result of the Covid-19 pandemic, Kerala's law enforcement agencies had managed to seize a significant volume of illegal alcohol, counterfeit sanitizing items, unlawful tobacco supplies, and various other items (FICCI CASCADE Annual Report, 2021). Both the central and state government's top priority now is ensuring the welfare and safety of the consumers, and hosting awareness campaigns that will act as both informational and an alert to the public.

1.3.4 The Pandemic and Counterfeiting Trends

The Covid-19 epidemic greatly encouraged counterfeiters to intervene and flood the market with illegal goods since supply was constrained by legal restrictions or the supply chain could not provide goods quickly enough (FICCI, 2021). When victims' concerns were the greatest, counterfeiters were eager to take advantage of them. They have persisted in searching for strategies to advance their malicious goals. The goodwill and credibility built up by the original brand manufacturers are exploited by counterfeit products. The process of constructing a brand takes a while, but since there are no entry expenses, safety regulations, excise taxes, or other fees to pay, counterfeiters take the financial gain effortlessly (Spink et al., 2013). In other words, counterfeiters steal the revenues from original brand producers by eating into their sales and the customers are impacted since counterfeit products are frequently of inferior quality or contain adulterants (Ndofirepi et al., 2022).

Counterfeiters spontaneously played and increasingly got into the production and trade of items that were used during the pandemic crisis resulting in an acceleration in the counterfeit trade of sanitizers, face masks, PPE suits, disinfectants, pharmaceuticals, and other hygiene cum medical products (Handfield et al., 2021). These people were so devoid of morals and ethics that they used this situation to generate even more wealth in unlawful ways. According to the report of OECD/EUIPO (2021), Priority 2 countries still include Russia, Ukraine, Turkey, and India. Enforcement of intellectual property as well as safeguarding the manufacturers in these countries suffer from major structural problems, which have

a negative impact on EU businesses. Since the last evaluation, there has been barely any progress made by these countries in resolving IP problems (OECD/EUIPO, 2022).

Unauthorized merchants have made great efforts to take advantage of the enforcement authorities' attention spans while they cope with the Covid-19 catastrophe. The enforcement authorities in India have confiscated an incredible amount of counterfeit commodities like alcohol, cash, gold, electronics, and so on. The seized amount of counterfeit tobacco products and cigarettes worth 412 crores is one instance that stands out (Raj, 2022). Due to the great profitability of counterfeit masks and the global dissemination of Covid-19, the market was swamped with counterfeits (Handfield et al., 2021). There have been major perturbations in supply chains due to certain business terminations and significant negative shifts in modes of transportation. Criminals have taken advantage of these chances in each of these incidents to generate unlawful income. People have been utilizing online resources like never before on account of lockdowns in many nations, which has resulted in a sharp increase in the rate of technological advancement. counterfeits are increasingly being discovered on new online websites and platforms, especially social media, as the severity of online environment abuse increases. For instance, the amount of e-commerce in the US increased by over 40 percent between 2020 and 2021. As a result, online counterfeit goods of all kinds were available in significantly greater quantities (UNICRI, 2020).

Industry analysts claim that the black market for counterfeit pharmaceuticals continues to expand. According to interviews with industry professionals, the average seizure worth is expected to rise by approximately 5 percent in 2020 compared to 2019. Lockdowns have made e-commerce one of the primary ways to buy fraudulent and inferior medications. Enforcement officials also draw attention to the fact that Covid-19-related counterfeit medical supplies were frequently ordered online and delivered by air freight in tiny packages. Hong Kong and Singapore continue to be the primary transit hubs for these goods, while China and India account for the majority of their production (OECD/EUIPO, 2020, 2021). Personal protective equipment (PPE) including gloves and hand sanitizers as well as medications saw a sharp increase in demand as a result of the epidemic. Due to

borders being closed, disruptions in the supply chain, or limited production capacity, this demand was occasionally not fulfilled. Counterfeiters entered this market, selling counterfeit PPE as well as fake instruments for making PPE or substitute parts for machinery (Handfield et al., 2021). Counterfeiters frequently counterfeit personal protective equipment when the genuine manufacturers failed to provide the PPE and other related products. Such scams can pose serious health and safety implications. This means that the illicit and counterfeit medicines trade has increased by 25 percent from 2019 while taking into account the overall decline in enforcement, out of which 45 percent are total counterfeits (UNICRI, 2020). The outcomes of law enforcement activities support these conclusions. Massive quantities of counterfeit medicines and steroids were seized as a result of the Europol-organized operation 'Shield' (UNICRI, 2020).

Pharmaceuticals, PPE, and illegal alcohol trafficking are the key industries that the Covid-19 epidemic has severely impacted. During the crisis, there was a significant increase in online or digital counterfeiting and counterfeiting of food items. The volume of medicines and PPE offered online unlawfully has surged by 2800 percent, according to Europol (OECD/EUIPO, 2021). Due to the multitude of counterfeit listings posted online every day, the sale of counterfeit goods was expected to reach 1.8 trillion during the pandemic time, and Europol and Interpol seized counterfeit healthcare products, and much more, totaling millions of dollars in value. Nearly 1,000 Covid related seizures in the US of unlawful test kits, counterfeit medicines, and a variety of other fake equipment have resulted in approximately eighteen million dollars in counterfeit transactions (OECD/EUIPO, 2020, 2021; UNICRI, 2020). The corporate entities should attempt to develop local or regional manufacturing capacity and draw back from China or such provenance economies, which would significantly lessen the reliance and dependence on such nations automatically bolstering the economies of the US, European nations, and Asian countries.

1.4 Counterfeit Consumption: The Driving Forces

Products with strong brand recognition, an established level of reputation, and requiring relatively easy manufacturing methodologies, turn out to be the objects

of target for counterfeiters (Penz & Stöttinger, 2005). When there is a gap between demand and supply for a good, counterfeiters seize the chance by selling consumers inferior copies of genuine goods at a discount (Hundal & Jasmeen, 2016). In the words of Kenawy (2013), when a customer purchases counterfeit goods, they run the danger of utilizing a product that didn't pass the quality checks and specifications of the original manufacturers and trademark holders. The legitimate status of the original manufacturers is used by counterfeit producers for their financial advantage. In order to safeguard a solid track record, corporate image, and dominance in the market, only the original manufacturers are worried about upholding the safety of their goods offered for sale in the market.

According to several studies, counterfeiters are able to flourish due to the delayed legal procedures; flaws, and loopholes in statutes and their enactment, and poor conviction levels and absence of strong legal punishments. Russia, Chile, India, Israel, Paraguay, Turkey, Argentina, Ukraine, Lebanon, Venezuela, Thailand, Brazil, Egypt, and Mexico are the top countries for counterfeit goods, followed by China in the nineties (Bloch et al., 1993; Chaudhry & Walsh, 1996; Cordell et al., 1996; Howell et al., 1986; Tom et al., 1998; Wee et al., 1995) and still the presence of counterfeiting practices are strong in these nations. Many researchers have noted that counterfeiters often prove that they can come up with novel techniques to accommodate consumers despite the fact that organizations and authorities are working towards limiting the supply of counterfeit goods (Albers-Miller, 1999; Ang et al., 2001; De Matos et al., 2007; Penz & Stöttinger, 2005).

The two categories of counterfeiting - deceptive and non-deceptive - were first distinguished by Grossman and Shapiro (1988a). Later, the findings of many empirical studies confirmed the inevitable presence of these two forms of counterfeiting practices in the context of various economies of different parts of the world (Budiman, 2012; Faisal et al., 2021; Kenawy, 2013; Mbura et al., 2020; Nakassis, 2012; Patil & Handa, 2014; Penz et al., 2009; Sharif et al., 2016). Consumers cannot be held liable for deceitful counterfeiting since they are unable to figure out whether or not they are purchasing something that is not genuine or differentiates a replica from an original in a situation of deceptive counterfeiting

(Bian & Moutinho, 2011a). Therefore, only supply-side efforts can prevent such counterfeits (Bupalan et al., 2019; Monk, 2021).

The non-deceptive counterfeit, on the other hand, is one that customers deliberately purchase (Grossman & Shapiro, 1988a; Kirkwood-Mazik, 2014; Mir, 2011; Phau & Teah, 2009; Veloutsou & Bian, 2008; Vida, 2007). Since NDCs or non-deceptive counterfeits are frequently found in almost all categories of consumer goods, this type of counterfeiting is the major subject under study. Research in the non-deceptive scenario is highly relevant because the customers' opinion and attitude towards counterfeit products might possibly indicate their desire for these sorts of products (Bian & Moutinho, 2011b; Kim et al., 2009; Leibenstein, 1950; Norum & Cuno, 2011; Wilcox et al., 2009). According to previous studies, (for instance, Hopkins et al., 2003; Lewis, 2009; Phau et al., 2001; Tom et al., 1998), one-third of the buyers deliberately invest in counterfeit items regardless of what the repercussions might be. Hence it can be assumed that many customers are not actually deceived. Consequently, if the counterfeit goods are faulty, malfunctioning, or damaged, the customer cannot hold anyone responsible for the money they spent (Ozer & Benet-Martínez, 2006).

The experts and researchers have pointed out that customer demand for counterfeit goods is one of the prominent factors for the endurance, escalated growth, and expansion of the counterfeiting conditions across the globe (Amine & Magnusson, 2007; BASCAP, 2007; Gentry et al., 2006; Philips, 2005). Thus, it is vital to pay greater emphasis on the demand aspect for the purpose to figure out why consumers have gravitated towards counterfeit products. The strategies used by businesses to thwart counterfeits (Chaudhry et al., 2005; Gossen et al., 2015; Herstein et al., 2015) and the factors that influence certain customers to choose a counterfeit product (Huang et al., 2004) should both be taken into consideration when analyzing the element of demand in counterfeit control measures. People only choose to buy counterfeit goods voluntarily in the context of non-deceptive counterfeit products. Therefore, non-deceptive counterfeiting is the sole scenario in which the factors determining counterfeit purchase intention can be identified (Eisend & Schuchert-Guler, 2006). On account of the above-mentioned reasons, the present research is centered around the buyers of non-deceptive counterfeit products.

1.4.1 Terms Associated with Counterfeiting

Adopting effective countermeasures requires a crystal-clear understanding of the terms associated with the concept of counterfeiting. This goes beyond the traditional understanding of product counterfeiting, which is restricted to an IPR infringement viewpoint that only considers breaches of trademark, patent, or copyright. In order to deceive unaware buyers, counterfeit makers frequently enter the market or channel using unauthorized or counterfeit items. Also, things like stealing goods and the issue of overruns increase the susceptibility to commit fraudulent practices or counterfeiting activities. Hence, it is imperative that researchers and corporate entities have a comprehensive understanding of both current and potential risks in the context of counterfeit products by having a close look on different forms of possible counterfeiting threats. Since different product categories experience different styles of counterfeiters, it is crucial to understand different ways of counterfeiting. The key terminologies along with their meaning and interpretation are covered in the following table:

Table 1.1

The terms associated with counterfeiting

Term	Definition
Adulterate	A constituent of the genuine finished product is fake
Tamper	Genuine products and packages are used in a fraudulent way
Overrun	Genuine product is made in excess of the production agreements
Theft	Genuine product is stolen and sold out as a legitimately obtained product
Diversion	The sale or distribution of genuine products outside of the intended legal markets
Simulation	Illegal product is designed to look like but not exactly copy the genuine product
Counterfeit	All aspects of the fraudulent product and package are fully replicated and offered for sale to the customers as genuine products

Source: Spink, 2011, 2007; Spink et al., 2013

1.5 Significance of the Study

The menace of counterfeiting is becoming more prevalent and severely harming the nation, businesses, and consumers in general. The ability to combat this threat lies in the hands of informed consumers. The fight against counterfeits is mostly waged by consumers. When a large portion of customers are ignorant of the true danger posed by counterfeit goods, the nation has no chance of being able to capitalize on the power of engaged consumer involvement to reduce the market's supply of counterfeit goods. India serves sixth on the list of provenance economies for all counterfeit products in the world, according to the OECD report (OECD/EUIPO, 2021). The ASPA Report of 2021 revealed that counterfeit incidences scaled up by an average of 20 percent (ASPA Report, 2021). In the results of ASPA and CRISIL Report (2022), a survey that was based on the consumers and merchants conducted across twelve Indian cities to analyze how they felt about counterfeiting in the major significant industries, it was revealed that the consumer perception projected the market share of counterfeit goods at 25–30 percent more than what the entire industry anticipated. Nearly 89 percent of customers realize that there are counterfeit goods present in the economy, and 31 percent knowingly buy them. If we compare India's tax-to-GDP ratio to that of other rapidly escalating economies, it is below average at about 20 percent. It's due to the low tax payment rate among the general population (FICCI CASCADE, 2023).

One of the main causes of the market's pandemic increase in counterfeiters is the enormous customer demand. The focus of the current study is on the variables that affect consumers' choice to buy counterfeit products. The study also seeks to understand how counterfeit goods affect consumers' attitudes and intentions. Several sectors, including fashion, accessories, pharmaceuticals, music, electronics, software, household goods, etc. produce counterfeit products. Consumers typically buy counterfeit goods for a number of reasons, including affordability, the chance to use comparatively much cheaper goods without worrying about them being destroyed, a method to stay up-to-date, the potential to gain status in society, etc. On the other hand, producers, merchants, and trademark owners suffer significant financial and reputational losses over time as a result of the trade in counterfeit products. As a result, there is an increasing need to explicitly comprehend the factors

that draw or persuade consumers to buy such counterfeit products so that manufacturers may develop successful anti-counterfeiting strategies.

The present study is expected to assist manufacturers and marketers in better understanding customer attitudes, which will enable them to advertise their products in a way that satisfies consumers' requirements and desires. The marketers of authentic items can develop better marketing techniques to persuade customers to buy original products rather than counterfeits by having a better grasp of consumers' intent to buy counterfeit products. From a business standpoint, dismantling the unlawful syndicate may be made easier with a greater knowledge of consumers' attitudes toward counterfeit goods. Actions like that demand all manufacturers to support anti-counterfeiting businesses that hire investigators to conduct monitoring and seizures against counterfeiters, force the authorities and the government to bolster the enforcement of respective statutes and regulations, or charge penalties to the vendor as well as the consumer to stamp out counterfeiting practices. From the customers' perspective, the more awareness they are getting, the less they have to end up with safety hazards, health issues, and unexpected monetary losses.

The detrimental effects that counterfeiting has on the economy make this research crucial for society as a whole. Losses in tax income and employment are serious issues. The results of this study will assist in evaluating the antecedents of customers' attitudes and purchase intentions towards counterfeit products in Kerala, from an academic perspective. It provides a more complete and accurate insight into how consumers view the use of counterfeit goods. A more thorough comprehension of the factors that influence the purchase of counterfeits will add to the body of knowledge and might aid marketers in creating more refined and successful marketing campaigns given the rising sales statistics of counterfeits in the modern era. Thus, the study is highly relevant from all aspects of manufacturers, marketers, customers, researchers, academicians, government, and society at large in framing counter policies to combat and eradicate counterfeiting practices and pave way for the economic prosperity and more revenue generation for the genuine manufacturers and government as well as saving customers from all types of risks associated with the consumption of counterfeit products.

1.6 Organization of the Thesis

The thesis is organized into eleven chapters, which are outlined as follows:

Chapter 1: Introduction

The introduction to the topic and formalization of the information that the study seeks to advance are both done in the first chapter of the thesis, which also contains the idea outline. A brief discussion on the theoretical backdrop, evolution of counterfeiting practices, followed by an overview of counterfeits in the context of a globalized world, Indian and Kerala economies are included as well. The chapter also offered an explanation regarding the significance of the study.

Chapter 2: Review of Literature

The second chapter offered an extensive review of the literature with an emphasis on empirical studies of counterfeiting practices, customer perception towards counterfeit products and motives behind counterfeit consumption. In addition, an in-depth comprehension of the fundamental ideas of cognitive, affective and social drivers and their relationship with the perceived value, attitude formation and purchase intentions towards counterfeits was made which facilitated the identification of research gaps in the prevailing body of knowledge.

Chapter 3: Theoretical Framework

The third chapter covered various theories and models in connection with counterfeits, repercussions of counterfeiting practices, legal framework in the context of counterfeits and other related aspects which helped in the formation of the theoretical framework for the present study.

Chapter 4: Research Methodology

The fourth chapter described the identified research problem, the formulated research objectives, the framed research questions, hypothesised statements, conceptual framework, operational definitions of the constructs, scope of the study, data collection methodologies, sampling tools and techniques for the data analysis and concluded with limitations of the study.

Chapter 5: Cognitive, Affective, and Social Drivers Influencing the Customers Towards Counterfeit Products in Kerala

The fifth chapter examined the cognitive, affective, and social variables, as well as the socio-demographic differences among the customers, that lead people in Kerala to buy counterfeit goods. The broad implications of the cognitive, affective, and social cues that motivate people to purchase fake goods were thoroughly analysed. The researcher took into account various socio-demographic and categorical factors in order to perform a thorough data analysis, including gender, age, educational status, yearly income, the capacity to recognise counterfeit goods, and the specific kinds of counterfeit goods that people intend to buy.

Chapter 6: Level of Perceived Value, Positive Attitude and Purchase Intentions of Counterfeit Products

The examination of the degree of perceived value, favourable attitude, and purchase intentions of counterfeit items among consumers in Kerala was detailed in the sixth chapter. It also seeks to investigate the socio-demographic differences that predominate in these aspects among potential clients. Cross-analysis is done on the grounds of socio-demographic and categorical variables such gender, age, educational status, yearly income, the kind of counterfeit goods intended for purchase, the capacity to recognise counterfeit items, and nearby availability of counterfeits.

Chapter 7: The Effects of Customer Motives on Attitude Formation and Purchase Intentions Regarding Counterfeit Products

The seventh chapter was focused on the third objective, which is to create a model to examine how various elements that motivate the purchase of counterfeit goods impact consumers' attitudes and intentions. The model established a link between the elements that motivate the purchase of counterfeit goods and their effects on attitude development and purchase intentions. Structural Equation Modelling (SEM) and covariance-based confirmatory factor analysis (CB-CFA)

approaches were used to achieve this goal. An overview of the hypotheses tested were provided at the chapter's end.

Chapter 8: Drivers of Counterfeit Products and Purchase Intentions: The Parallel Mediating Roles of Positive Attitude and Perceived Value

The eighth chapter investigated the role of perceived value and a positive attitude as mediators in establishing a relationship between consumers' intentions to buy counterfeit goods and their motivations for doing so in Kerala. The mediation model was constructed by employing the IBM SPSS AMOS Graphics 21 software. A bootstrapping technique was utilized to assess the importance of mediation in the model.

Chapter 9: Price-Quality Inference on Perceived Value and Purchase Intentions: The Moderating Effect of Novelty-Seeking Behaviour

The ninth chapter explored how the moderating role of novelty-seeking behaviour affected the relation between perceived value, price-quality inferences, and purchase intentions. The moderating effects were evaluated using IBM SPSS AMOS 21 software, and the moderating effect's strength in the model was assessed using a simple slope curve test.

Chapter 10: Summary of Findings and Conclusion

The tenth chapter summarised the study's major results and interpretations. Findings regarding the influence of customer motives concerning counterfeit products, perception of customers, the levels of perceived value, customer attitude and purchase intentions in the context of Kerala are provided in the chapter. Also, outcomes regarding the mediating effect of perceived value and positive attitude as well as the moderating effect of novelty-seeking behaviour of the customers are included along with the conclusion of the research work.

Chapter 11: Recommendations, Implications, and Scope for Further Research

The eleventh chapter encased the recommendations to manufacturers of authentic brands, policy makers, government and law enforcement agencies. An

additional insight into the research implications was made, which would assist them to focus on the customer motives that would in turn help in curbing or eradicating the counterfeit products from the economy. The chapter concluded by presenting the scope for further research.

1.7 Conclusion

The background of the dissertation is presented in this chapter. The worldwide repercussions of the trade and consumption of counterfeit goods, along with the Indian background and Kerala context has been highlighted. The relevance of the study has been plotted to exhibit how vigilantly the threat of counterfeits is to be handled. The chapter concludes with an outline regarding the organization of the dissertation.

Chapter 2

Review of Literature

Contents

2.1 Introduction

Literature reviews are secondary sources that are treated as an overview of the previously published works in the same or related research areas. It plays a significant role in the research for identifying the research gap, framing objectives and spotting variables for the study, and formulating hypotheses. Increased population, increasing desire to have branded products and scarcity in the availability of branded products, affordability concerns, etc. act as fertilizers in the growth of counterfeit products and bogus brands. The researcher retrieved literature reviews from the journals, books, conference proceedings, theses, and published reports of internationally and nationally recognized associations relating to the challenging phenomena of counterfeiting. It is relevant in formulating the research objectives and facilitating the derivation of the hypotheses of the study.

This chapter discusses a detailed literature analysis on the antecedents of consumer attitude towards counterfeit products or the factors that drive customers to buy counterfeit products. It has also been investigated what sorts of inclinations are possibly going to influence the consumers' ability to make decisions regarding counterfeit products. Non-deceptive counterfeiting studies have been incorporated into the current research work, and the results of deceptive side investigations were

used for background data as well as comprehension of the dynamics and progress of counterfeiting practices. The current study also augmented the fundamental model of Ajzen (1991) for examining the relationship between the attitude of consumers and their purchase intentions towards counterfeit products. In short, the chapter comprises contributions made in the concept of counterfeiting practices, counterfeit products, customer motives of attitude towards counterfeit products and purchase intentions, and all other leading components towards the focus of the research.

2.2 Trends in Counterfeiting

Counterfeit implies fabricating, replicating or imitating without authorization or right, intending to deceive or defraud by passing the forged copy or object for the original or authentic item (Black, 1968). An adage from long ago that goes, "If you can make it, they can fake it," still rings true today (Rawat & Singh, 2021). Legitimate businesses contribute towards the economic growth of the nation and counterfeit businesses destroy the same (Nawi et al., 2017). Product counterfeiting has been generally recognized and universally accepted as the most widespread economic crime in the twenty-first century's business milieu around the world. Since unethical and deceitful conduct in trade and commerce seem as old as the business world, counterfeiting is not a concern that has emerged recently. The companies had less motivation to participate in pricey innovation activities since counterfeiters had the capacity to swiftly compete away income linked with the release of new or improved items (Globerman, 1988). It made a decrease in the amount of cash that was used to fund the creation of new products.

The worldwide proliferation of counterfeiting is harming companies and the global financial system, endangering investments in research and creativity, damaging well-known brands, and posing concerns to consumer health and safety. Thus the problem of counterfeiting is a threat to local as well as global manufacturers (Khalid & Rahman, 2015). Hundal and Jasmeen (2016) focused to provide theoretical insights into the counterfeit market of premium brands, explaining what a counterfeit is, how it affects every business, and why the issue has to be addressed right away and concluded that the existence of counterfeiting caused a monetary

loss, physical hazards, reputational damage, revenue loss on account of tax for the government, and serves as an impediment to innovation (Olsen & Granzin, 1993). The transformation of counterfeiting consumption has been perplexing. Zhang et al. (2012b) highlighted the growing dominance and prominence of online commerce that paves way for the growth of counterfeiting practices. The demand for counterfeit goods was increased by the online communities in which the elements of technical proficiency, willingness to pay, expectations for product performance, and dealer trust paved the way for greater opportunities for easy counterfeit consumption (Key et al., 2013).

According to Green and Smith (2002), brands are frequently regarded as the most priceless assets for commercial organizations. Marketers strive to cultivate their brands in order to create a distinctive brand identity that helps them to develop consumer loyalty (Cordell et al., 1996). The products with loud brand prominence are those in which the conspicuous brands will be more easily counterfeited than those of a quiet brand prominence ie., a non-conspicuous brand (Chen et al., 2015). Bian and Haque (2020) observed that the emotional brand connection and customer repurchase behaviour were significantly positively correlated. When customers favour knockoffs of popular brands, unfortunately, such attempts to develop a brand may be seriously jeopardized (Baghi et al., 2016). As Clunas (1991) mentioned, the practice of counterfeiting has been prevalent for a while, but authorized manufacturers have only taken it seriously since the middle of the 1970s (Harvey & Ronkainen, 1985). According to Wiedmann et al. (2012), counterfeiting has an impact on brands across a variety of product categories.

Customers are more inclined to repurchase a counterfeit brand if they are impressed with it and are aware of its falsehood (Lai & Zaichkowsky, 1999). As counterfeiting was on the rise and had become a complex problem in many nations, policymakers and management were always looking for solutions to deal with the problem and lessen the availability of fake goods (Hien & Trang, 2015). Basu et al. (2015) mentioned in a cross-country comparison in the context of counterfeit products about a higher possibility that customers were more ready to purchase counterfeit goods in India than in the USA since customers from India were more cost-conscious than USA.

In the research literature, counterfeiting is defined as the unauthorized replication of genuine products under an established brand (Grossman & Shapiro, 1988b; Yao, 2015). Kwong et al. (2003) commented on the four typical IPR violations that are identified in the literature on business ethics: counterfeiting, piracy, imitation brands, and grey marketing. According to Lai & Zaichkowsky (1999), the reproduction of copies that are exact replicas of the original items is akin to the first two types of infringement. In certain research such as Wee et al. (1995), counterfeiting and piracy were employed interchangeably. Despite the modest differences in meaning among the phrases described, they are all related to the challenges that businesses have as a result of the ever-growing counterfeiting issue. The numerous challenges with enforcement are also highlighted. According to Philips (2005), the fundamental idea that counterfeiters gain financially from the intellectual property of others proves to be true irrespective of the terminology employed. Comparing products at the level of individual items showed that while the quality and durability of originals and counterfeits were viewed as being relatively comparable, looks, functionality, image, and physical appearance varied between them across nations.

Producing, distributing, and selling a product under a brand with the intent to conceal the use of a trademark constitutes counterfeiting (Babamiri et al., 2020). However, items with fake trademarks are also created with designs that are very similar to those of the real product (Forzley, 2003). Swami et al. (2009) found that along with increasing financial loss, trademark counterfeiting also has the potential to devalue the distinctive qualities of genuine trademarks. Brand management in the modern era is confronted with tremendous difficulty as a result of the serious threat that counterfeiting poses to businesses (Green & Smith, 2002). Furthermore, it has a negative impact on many people, ranging from consumers, policymakers, and financial systems, as well as the community at large (Amaral & Loken, 2016; Bloch et al., 1993). The counterfeiting industry has a significant negative impact on the global economy in terms of lost yield and employment generation (Amaral, 2020; Yoo & Lee, 2009). As Green and Smith (2002) rightly said the magnitude of counterfeiting is a topic of concern among counterfeiting researchers. Hamelin et al. (2013) emphasized fighting against counterfeiting as a shared obligation rather than

the sole domain of any one organization like governments, corporates, or para-governmental entities.

The prevention of counterfeiting of high-value goods is one component of the economic dimension of sustainable business growth. This is especially true for consumer goods, where a sustainable production process plays an increasingly significant role, such as in the development of a brand's reputation (Blankenburg et al., 2015). To encourage investment in anti-counterfeiting, it is necessary to solve the cost-efficiency issue of protection measures given the steadily rising dangers of product piracy (Gossen et al., 2015). Herstein et al. (2015) analyzed anti-counterfeiting strategies and mechanisms and their influence on customers' attitude towards counterfeit items in which four distinct consumer types such as struggle, spurious, indifferent, and liberated were identified. He implied that if a particular method was tailored to each type, counterfeit purchases may be decreased. In comparison to indifferent and emancipated customers, positive rather than negative techniques were proven to be more successful for struggling and false consumers.

The business of counterfeiting is growing rapidly (Randhawa et al., 2015). This is partly due to the increasing supply of counterfeit goods (Penz & Stöttinger, 2005), the augmentation of the counterfeit business practice (Hamelin et al., 2013), the absence of trade tariffs (S. Ha & Lennon, 2006), poor enforcement of anti-counterfeiting regulation (Green & Smith, 2002), the sprouting quality of counterfeit goods (Wilcox et al., 2009), and a feeble regulatory environment. Because of its negative effects on customer confidence in authentic items and the destruction of brand equity, counterfeiting was viewed as a societal concern. It was also regarded as an economic issue since it put a firm in danger of future investments in R&D owing to unfair competition with items that were being sold which were not authentic and ended up in revenue losses. Several businesses were compelled to either scale back or abandon their investments as opined by Kenawy (2013).

Each nation's economy is greatly impacted by the selling of counterfeit goods, which also harms intellectual property rights. Acquiring real goods at reasonable prices may be the key to avoiding the tendency to purchase counterfeit goods. However, the main stimulant comes from strong consumer demand

(Prendergast et al., 2002; Randhawa et al., 2015), which acts as an agitator for this global hazard (Eisend et al., 2017). Waziri (2011) assessed the impending economic and social conundrum of intellectual property infringement and counterfeiting and observed that the ineffective cost-benefit analyses, a lack of public awareness, a lack of inclusion in law school curricula, corruption, weak custom enforcement, delays in judicial enforcement, a lack of well-trained personnel, and a lack of support from the inhabitants were the main barriers to effective enforcement of intellectual property laws.

If the customers are convinced about the continuous services of authentic manufacturers and genuine companies in meeting their social and moral responsibilities, then they may reward them with increased purchase intentions (Mohr & Webb, 2005) and reduced likelihood of buying a counterfeit product (Shoham et al., 2008). It is to be noted that higher price differentials and lower quality differentials paved the way for an increase in the purchase of counterfeit goods.

2.2.1 Counterfeit Products

Product counterfeiting is increasing in volume, magnitude, and impact (OECD, 2007; WCO, 2008). Counterfeit items are identical to real products or are hard to distinguish from the registered brand, infringing on the rights of the person who owns the trademark. Trade-related Aspects on Intellectual Property Rights (TRIPs) explained that counterfeit goods are those goods that are offered for sale without a license and are not distinguishable from items bearing registered trademarks based on features including design, logo, trademark, and company name. Even though counterfeit items are economical, cheaper, and widely available, counterfeiting is an offense and unethical practice since these products are typically created from low-quality ingredients in order to offer a low-priced copy of identical products manufactured by authentic businesses. According to Hilton et al. (2004), high-end fashion items were luxury or aspirational commodities, and the majority of their worth came from their appearance rather than from the way they work or the materials they were made of. The idea also covers replicating the product's packaging, labelling, and any other important aspects (Bosworth & Yang, 2006).

The swift adoption of manufacturing technologies has increased the capacity to reproduce things in a simple, fast, and economical manner. Fake corporate logos and branding are common on counterfeit items (Patil & Handa, 2014). Electronics and computer components, medicines, and even fast-moving consumer goods (FMCG) including food, drinks, and cosmetics were just a few of the constantly-emerging sectors of counterfeit goods (Kollmannová, 2012). Because of the low quality of materials used in their production, these items may be dangerous to users. Now, with the advancements in technology, counterfeiters have upgraded with more quality-oriented counterfeits than in earlier times (Justin et al., 2021). Chuchinprakarn (2003) discovered that the usage of counterfeit items was moderately influenced by materialism, as well as by gender, family income, membership group influence, and preference for foreign products.

In layman's terms, counterfeit products are imitated or duplicated items. In general, counterfeiting is a deceptive practice in which producers place a trademark on an item bearing the trademarked name or label of the actual product without having any knowledge of the legal owner of the brand in question. A counterfeit is an imitation, generally constructed with the objective of fraudulently passing it off as authentic, and is frequently produced to profit from the better worth of the copied goods (Grossman & Shapiro, 1988a). The terminology employed for this study is drawn from the research of Grossman and Shapiro (1988a), in which counterfeit products are defined as things that illegally imitate genuine products with a registered trademark. Counterfeits are also defined as items having a trademark that is similar to, or unrecognizable from, a brand registered in the name of another party (Chaudhry & Walsh, 1996), consequently infringing the rights of the trademark holder (Bian & Veloutsou, 2007).

Similarly, Staake et al. (2009) stated that counterfeit trade is the trade in products that carry a reference to a trademark or brand, a manufacturer, or an entity lacking authorization that warrants the superiority or standard compliance of the products in a manner that the counterfeit products might possibly be confused with products that legitimately use this name. Likewise, Olsen and Granzin (1993) treated counterfeit items as unauthorized duplicates of a product sold as if it were a genuine company's product. Teah and Phau (2008) characterized counterfeiting as

the duplication or replication of authentic merchandise. Marticotte and Arcand (2017) have introduced a new variable, Schadenfreude which means the pleasure experienced in response to another person's misfortune and concluded that it was less prevalent among consumers who were more aware of the societal repercussions of fake goods, and Schadenfreude had a mediated effect on consumers' purchase intentions rather than having a direct effect.

The worldwide counterfeit product trade has been growing. (Rizwan et al., 2013). Users of counterfeited items have substantial independence and desire to acquire a place in society without surrendering a large portion of their money. The goods showed that, compared to the genuine products, counterfeits had comparable quality and durability and, as a result, gave more value for the money (Sondhi, 2017). In addition, Sondhi (2017) opined that customers might not find anything wrong with consuming counterfeit brands. Counterfeit items have an edge over genuine products in terms of product qualities, and hence the counterfeiting operations surely hurt the original manufacturers, both domestic and foreign producers (Sasongko & Haryanto, 2017). Counterfeit goods are unlawful, cheap, and frequently cheap-quality replicas of products with a high-end brand value in the opinion of Lai and Zaichkowsky (1999).

A counterfeit has been very simply interpreted as a duplicate of an established trademark (Cordell et al., 1996). Successful branded products will be acting as the most tempting to counterfeiters as rightly mentioned by Harvey and Ronkainen (1985). If branded products did not attract customers, counterfeiting would most likely not be a concern at all (Bloch et al., 1993). As Rizwan et al. (2013) rightly mentioned, sometimes the entire product is counterfeited and sometimes only some of the resources or materials in the making are compromised which are comparatively less expensive. Counterfeit goods have been discovered in practically every category of consumer goods, sometimes with disastrous results, including electronic devices, aircraft and automobile components, medicines, as well as household products (Carpenter & Lear, 2011; Philips, 2005). As a result, counterfeiters obstruct economic progress compromising the safety and health of the public (Penz et al., 2009). Commuri (2009) elaborated on the concept of counterfeits

as those products that fail to represent the brand and instead simply replicate the design and characteristics of expensive brands.

Forzley (2003) outlined the act of counterfeiting as anything that is forged, replicated, or imitated without the person responsible having the authorization to do so, with the intention of misleading or enticing others. It was further described that counterfeiting is the unauthorized duplication of an item that is covered by either one or more rights to intellectual property. According to Ha and Lennon (2006), counterfeiting is a deliberate attempt to trick consumers by unlawfully marketing and duplicating or copying high-end, unique items and selling them at cheaper rates. The main goal of a counterfeit product is to deceive others into conceiving it is real and authentic (Nadeem et al., 2016). In the literature, counterfeit products are occasionally referred to as illicit commodities since they are produced unlawfully (Albers-Miller, 1999). There are other terminologies used in the literature to define and discuss counterfeit items in addition to illegal commodities. It is prudent to distinguish between each of the other phrases that are used synonymously with counterfeits: knock-offs, imitations, fakes, copies, counterfeit products, copycats, overruns, and pirated products. Although these items aren't entirely comparable to the original, Lai and Zaichkowsky (1999) claim that they are still identical to a genuine authentic good in nature. These goods resemble branded goods, but they lack a registered trademark.

The products that are made through illicit methods are included in the definition of counterfeit products by Nordin (2009). The business continues to prosper in terms of revenue, clients, and the number of companies it is working with, despite the efforts done thus far to root out or minimize counterfeiting. No one appears to be able to understand the problem at its root despite the passage of strict legislation and the publication of multiple studies, policy papers, and discussions. Even brand owners often struggle to distinguish fake items from real ones without the use of laboratory tests since counterfeits are now being produced with such sophisticated methods (Chow, 2000). Certain counterfeits are beyond the possibilities of such tests too and hence they stay non-detectable. However, Amin and Miah (2017) revealed that the consumers feel very comfortable purchasing counterfeit brands and the same factor had a significant relationship with the element

of consumer involvement in purchase decisions towards bogus products. Various motivating elements and their relative importance in influencing attitude and purchase intention differed across the symbolic and experiential product contexts (Michaelidou & Christodoulides, 2011). A detection app for counterfeit merchandise was suggested by Yoo and Lee (2009) that might enable not only legal authorities or customs officials to detect counterfeits, but also any customer who loved to eliminate counterfeits from the economy.

Both academics and professionals are still baffled by why consumers choose to buy counterfeit items. Price, the most apparent reason, followed by ego fulfilment, symbolic significance, psychographic factors, product attributes, and socio-economic variables have all been proposed as reasons for buying such things (Ang et al., 2001; Cordell et al., 1996; Wee et al., 1995). The discussions concerning the consumption of counterfeit goods are still in their infancy, despite the numerous justifications that have been put out. Much study has to be conducted in this area since only by fully understanding what drives a consumer to buy a counterfeit commodity will marketers be able to develop effective plans for educating consumers and safeguarding respectable brands.

2.2.2 Counterfeit Investigations

The complexity of the topic and the need for a larger categorization system for counterfeiting exhibits and evaluations or investigations were emphasized by Staake et al. (2009). They proposed six groups that may be used to classify investigations on counterfeiting such as broad descriptions of the counterfeiting phenomena, impact evaluations, management recommendations to prevent counterfeits, legal concerns, supply-side investigations, and demand-side investigations. These categories are probably going to start surfacing and get greater attention as the marketing research on counterfeiting grows stronger. Among these six classifications, supply and demand-based investigations of counterfeiting was the main focus of a significant portion of academic research efforts. The sale of counterfeit products affects the sale of genuine products as well as disrupts the selling, pricing and distribution strategies of any organization. Triandewi and Tjiptono (2013) explored how consumer intention to buy authentic luxurious fashion

brands and their knockoffs were affected by past purchases of those brands and their counterfeits, consumer attitudes towards the economic and hedonic advantages of buying counterfeits, and consumer traits such as self-image, materialism, and expected future social status.

The huge volume trade growth is the result of increasing consumer demand for counterfeit products (Rahpeima et al., 2014a). As the demand from consumers for such items keeps growing, effective enforcement tactics will be crucial. Genuine manufacturers and legitimate industries are seriously affected by counterfeit products. It becomes uncontrollable when customers knowingly purchase such products. There was a high demand for counterfeit products during the economic crisis. The situation vivified the germination of a shadow economy in many nations (Mangundap et al., 2018). Pecht (2013) discussed the issue of fake electronics, along with the effects they have on the electronic supply chain, in the study. Computers, telecommunications equipment, vehicles, avionics, and military systems were just a few of the goods where counterfeit electronics were found. Very cheap capacitors and resistors, pricey microprocessors, and servers were only a few examples of the wide range of counterfeit electrical devices.

D'Amato et al. (2019) supported the notion that although customers have an intrinsic capacity to distinguish between the fake branding components of a counterfeit, such as a logo, packing, etc. with great accuracy, the situation doesn't remain the same, especially if the counterfeit goods developer places up logos very momentarily or concisely, hampering the consumers' ability to determine if the product is counterfeit in the first place. Currently, it has been advocated that genuine producers create such inventive commercials that demonstrate how using an authentic product raises one's social status while choosing a knockoff damages self-worth (Negara et al., 2020). Additionally, since the laws that have been made only address the supply side of knockoffs and do not adequately address the demand aspect, which is the actual root cause close to the phenomenon, meticulously formulated techniques are required to fight the revolting condition of counterfeiting by means of the development and execution of robust and unparalleled associations between individuals alongside other spectators of the value chain of an organization's promotional system.

Yao (2015) mentioned how the demand-side penalties influenced counterfeit consumption in a deceptive counterfeiting context by focusing on the infringement of intellectual property rights whereby the customers being the victims, purchases counterfeit products unknowingly. Kaufmann et al. (2016) opined in their study that the concept of consumer-brand relationships is found to have a vital role in framing anti-counterfeiting strategies and the parallel or shadow market growth places a significant challenge for authentic luxury brands causing serious economic losses for them. Similarly, Duhan and Sheffet (1988) mentioned that counterfeit goods obviously violated the rights of the trademark owner since they were not authentic and did not develop from the trademark owner. There will always be providers who are prepared, capable, and equipped to produce illegal items given that there is demand from consumers for them. In order to gain insight into, counterfeit marketing literature examines both supply-side as well as demand-side findings from the previous studies.

2.2.2.1 Supply-Side Investigations on Counterfeits

Supply-side investigations, according to Staake et al. (2009), focused on the production environments, strategies, and goals of illegal players as well as the channels through which their goods reach the legal supply chain. Legal challenges and legislative matters are addressed with the help of such supply-side research works. Furthermore, it was suggested that supply-side investigations would examine ways to make it harder for counterfeit items to enter the legal supply chain. The research stream contains some supply-side examinations, but since the operations are illegal, it is exceptionally challenging to undertake an investigation of this kind. Manufacturing companies of counterfeit products are frequently cautious even if they are traced out when it comes to disclosing the details that might bring light to their operations, possibly lower demand for their products, or link them to illicit transactions.

Many researchers have focused a lot of their attention on the supply side, but their understanding of what makes consumers choose to purchase a counterfeit product over an authentic one was still rather fragmented (Penz & Stöttinger, 2005). Credibility impacts and social network effects influenced how much customers

showed a desire for the branded products (Hilton et al., 2004). In its Supply Chain Tool Kit, the U.S. Chamber of Commerce's Coalition Against Counterfeiting and Piracy (CACP) contends that many components of the counterfeiting issue are out of the hands of companies (CACP Report, 2006). Enterprises were called upon to enhance their internal processes and work in tandem with other stakeholders including the government. According to Barton (2007), while most companies are inclined to believe that their goods' supply chain runs directly from a legitimate manufacturer to the end consumer, the truth is much harder. The study also claimed that a rise in procurement from economies that are inexpensive opens up supply chains to counterfeiting organizations.

Eser et al. (2015) in their study examined the supply networks for counterfeit products in Turkey using insider information from participants in these networks and credible witnesses. Semi-structured interviews with participants or witnesses to such chains constitute a key component of the study. The findings of the study revealed the existence of a wide variety of supply chains that are engaged in counterfeits, the deterrent effect of threatening legal action against counterfeiters, higher margins of profit for counterfeiters than for authentic companies, the prominence given by law enforcement authorities to fight against counterfeits that dangerously affects the safety and well-being of the public, and the apparent price erosion of genuine goods caused by the abundant availability of counterfeits. As a whole, it appears that inadequate regulatory measures on the side of authorities, poor anti-counterfeiting strategies by genuine enterprises, and low consumer awareness encourage or support the existence of counterfeit supply chains. Numerous studies made various recommendations for strategies to address supply-side concerns related to counterfeiting. Lokesh et al. (2021) provided one such idea in their work with a comprehensive overview of the technology of blockchain and how it might be employed to develop a flawless method of removing counterfeit items from the markets particularly, in the context of pharmaceutical products.

Products that are counterfeited might possess any of the features such as they are actively promoted, widely disseminated, having a limited supply, being high in status, having a strong consumer brand connection, and being technologically sophisticated (Bloch et al., 1993). Because of technological advancements and

increased accessibility, it has become a lot simpler to manufacture counterfeit items (Thaichon & Quach, 2016; Zhang et al., 2012a). Considering the availability of supply management rules and standards, a significant share of operational results has yet to be achieved (Agarwal, 2021).

2.2.2.2 Demand-Side Investigations on Counterfeits

The supply of counterfeit products in the market will continue until there is demand for the same (Ting et al., 2016). Hence, even with supply-side initiatives undertaken to lessen counterfeiting, the problem persists. The tremendous global demand for high-profile goods that command higher prices and are simple to imitate has led to a flourishing counterfeit industry. Demand-side investigations, as opposed to supply-side investigations, concentrate on how consumers react to counterfeit products. Bloch et al. (1993) conducted a demand-side investigation into product counterfeiting and the research was the first of its kind to make an effort to gauge real consumers' sentiments and preferences toward counterfeit vs genuine goods. The concept that demand-side investigations concentrate on customer behaviour and perceptions in the context of counterfeit products was discussed by Staake et al. (2009). A comprehensive knowledge of customers' fundamental purchase motivations is necessary for demand-side strategies to be effective (Bian & Moutinho, 2011b). Therefore, the increasing amount of research on counterfeiting makes an effort to examine the variables affecting the purchase of counterfeit products (Yoo & Lee, 2012). There are various factors that contribute to customer demand for counterfeit goods. Some of them include brand recognition and appeal (D'Astous & Gargouri, 2001), material benefits, and low cost (Ang et al., 2001; De Matos et al., 2007; Furnham & Valgeirsson, 2007; Prendergast et al., 2002), self-justification, as in a mode of everyone purchase it (Eisend & Schuchert-Guler, 2006), low perceived legal risk (De Matos et al., 2007), low social risk perception (Penz & Stöttinger, 2005), ethical detours which plot excuses like the counterfeiter acts unethically, not the buyers (Ang et al., 2001), and earning more self-identity in the society (Bloch et al., 1993).

Age, gender, income, and education were among demographic characteristics that have been the subject of prior research (Cheung & Prendergast,

2006; Tom et al., 1998). Product-related factors have been highlighted in some studies, including the cost of counterfeit goods (Hussain et al., 2017), the cost of genuine brands (Yoo & Lee, 2012), price variations (Poddar et al., 2012), brand prominence (Wilcox et al., 2009), quality of the product, their intended use, longevity, visual appeal along with a sense of fashion trends (Cordell et al., 1996; Wee et al., 1995), and brand attributes (Bian & Moutinho, 2011b; Kaufmann et al., 2016). Socio-cultural factors like subjective standards (Penz & Stöttinger, 2005), peer group influences (Kim & Karpova, 2010; Phau & Teah, 2009), value-expressive and social-adjustive aspects of attitude (Wilcox et al., 2009), and collective actions (Phau & Teah, 2009) were also examined in the previous studies.

Psychographic elements were comprised of consumerism (Kaufmann et al., 2016), cost consciousness (Penz & Stöttinger, 2005), impulsive behaviour (Randhawa et al., 2015), value perception (Randhawa et al., 2015), novelty exploration and aversion to risk (Penz & Stöttinger, 2005; Wee et al., 1995), style seeking (Eisend et al., 2017), and integrity (Jiang et al., 2018). The researchers also performed individual studies on religiosity (Jiang et al., 2018), ethical conviction (Hussain et al., 2017), status-seeking (Moon et al., 2018), self-gratification (Teah et al., 2015), and ethical judgement (Jiang et al., 2019). Last but not least, several studies also addressed situational aspects such as availability to counterfeits and counterfeit identification (Penz & Stöttinger, 2005), state of mind, and seasonal purchases (Eisend & Schuchert-Guler, 2006).

In general, low cost is a major factor in people buying counterfeits. Highly educated consumers might be concerned about buying such products. However, they still might do so out of justifying themselves or if they believe that the consequences of unlawful activity or social exclusion are relatively negligible. Customers with low knowledge and awareness purchase these products mostly because they offer good value for the money. Despite the fact that the market for high-end goods is growing, many buyers choose non-premium brands instead of buying premium brands or their knockoffs. While a few customers may do so for financial explanations, others may be capable of buying elite goods but prefer non-elite labels in order to avoid being seen as materialistic. Other people who buy premium goods may favour knockoffs because they like obtaining a good offer (Geiger-Oneto, 2007).

Interestingly, supply-side solutions have received far more attention than the variables that fuel the demand for counterfeit goods (Penz et al., 2009). Previous investigations failed to establish an extensive model which incorporated all of the significant aspects mentioned above. Therefore, a demand-side investigation that examines customer attitudes on the intention to buy counterfeit products is the main focus of the current study.

2.2.3 Counterfeiting Practices and Transactions

The prevalence of counterfeiting, which has a specific effect on branded items, is growing and becoming more significant in modern marketplaces. The consuming phase was undervalued so far as it was dominated by the factors that influence buying (Gistri et al., 2009). Deceptive and non-deceptive counterfeiting are the two main types of counterfeiting as per the available counterfeiting literature (Grossman & Shapiro, 1988c; Vida, 2007). The consumer cannot be held responsible for the behaviour when deceptive counterfeiting is involved since they are unaware that they are buying a replica rather than a genuine article. Non-deceptive counterfeiting involves people knowingly purchasing bogus goods. Due to the illicit nature of the counterfeit commodities, transactions involving counterfeit goods were exclusively shadow marketing transactions.

Counterfeiting has been a crucial issue for high-end brands because it dilutes brand equity (Le Roux et al., 2016). Different types of counterfeiting practices were explored and the reactions of customers towards the same were tested. Items that are counterfeit lessen the figurative significance of genuine items and reduce brand equity (Chacharkar, 2013). Since counterfeit goods are less expensive substitutes for more expensive real goods, there could not be an apparent distinction in a consumer's perception of quality, which would cause genuine brand equity to diminish. Blur counterfeiting is another kind of counterfeiting as reported by Bian and Moutinho (2009) when there is a blurring of the lines between the types of counterfeiting. Sometimes the customers may not be able to tell if a product is genuine, counterfeit, imported from an alternative arrangement, or even stolen goods. This is known as blur counterfeiting. Chen et al. (2015) opined that by prompting the anticipation of regret and by spreading awareness regarding the risks of buying counterfeit products,

the sale of conspicuous counterfeit products can be minimized. In academic literature, counterfeit items were investigated from either deceptive or non-deceptive viewpoints; hence, it is essential to distinguish between the two ideas.

2.2.3.1 Deceptive Counterfeiting Practices and Transactions

According to Grossman and Shapiro (1988a), deceptive counterfeiting happens when a customer thinks they are purchasing a certain brand of a product made by a specific authentic manufacturer while, in reality, they are purchasing a product from another manufacturer who deals in counterfeits. In the words of Yao (2015), deceptive counterfeiting was characterised as situations in which customers think they have purchased genuine goods when it was actually fake, not knowing they are actually violating or infringing intellectual property rights.

Due to the fact that deceptive and non-deceptive counterfeit goods are illegal, they are never advertised in the media in accordance with the findings by Mir (2011). However, the adaptability and security flaws of internet technologies give counterfeiters a communication channel. They market and advertise fake goods using various websites, blogs, and personal pages. In order to mislead the customer, counterfeit items are sold at retail establishments under the false pretense of being genuine (Hundal & Jasmeen, 2016). According to Grossman and Shapiro (1988a), consumers who are deceived into purchasing counterfeit goods are unaware of the fact that they are getting hooked on a fake item. This is a common occurrence in the case of industries like electronics, medicine, and automotive components (Eisend et al., 2017; McDonald & Roberts, 1994).

According to the research of Green and Smith (2002) on counterfeiting, deceptive counterfeit merchandise tends to have a few, or all of the four conditions such as consumers may buy the counterfeit goods without realizing it, the goods may endanger the safety and health of consumers, governments incur measurable losses in the manufacturing and commercialization of the products, and the authentic manufacturers may experience decreased sales and brand equity. Deceptive counterfeiting can be extremely challenging because of these traits. Customers may

lose trust in a legitimate brand when initially appearing to be genuine goods turn out to be of poorer quality or end up with dangerous effects (Ghadge et al., 2021).

Deceptive counterfeiting involves producing replica products with similar packaging, labelling, and trademarks. They are imitated in an effort to create confusion over the original items. Customers are tricked into accepting counterfeit items because they are gullible. The producer and sellers deceive consumers into conceiving that they are acquiring genuine goods when, in reality, they are buying counterfeit goods that have been manufactured or distributed unlawfully as per the research conducted by Patil and Handa (2014). As a result, when customers buy these things without knowing them, their behaviour in doing so cannot be held liable in this situation. As per the findings of Raman and Pramod (2017), there is a possibility that a consumer will be preyed on while making an online purchase of goods or services and might never realise that they are choosing a fake item. Such problems are caused by how difficult it is to discern between real and fake items. Fejes (2016) opined that counterfeit products result in exorbitant expenditures, recalls of merchandise, lost revenue, trade complications, and sometimes judicial proceedings. In the opinion of Ghadge et al. (2021), the adaptable preventive measures against deceptive counterfeiting in supply chains include transparency in the networks, quality expenditure, pre-supply evaluation procedures, and the management of supplier relationships.

The possibility of replacing the branded products with its counterfeits by the retailers for intermediaries in the distribution channel if the quality of the latter is relatively high and the actions against committing such wrongdoing attract only a lower penalty. Zhang and Zhang (2015) identified the penetration in distribution channels by way of deceptive counterfeit products. The policies and strategies to combat counterfeiting differ from market to market as well as from distribution channel to channel. Deceptive counterfeits are those which are mixed up with genuine and authentic products and are not easily identifiable as counterfeits. Consuming misleading counterfeit products including food, medicines, and what seems to be the newest trend in bogus vehicle and aircraft components that might have disastrous effects on customers. In this situation, when the products have an effect on health and safety, it can be too late for the naive customers to realize they've

bought a product that is counterfeit. Regrettably, it frequently happens only at that stage when it becomes apparent that the product is a counterfeit.

2.2.3.2 Non-deceptive Counterfeiting Practices and Transactions

Contrary to popular belief, the goal of counterfeiting is not necessarily to trick the consumer. Consumers who are fully informed may frequently take part in the nefarious trend of counterfeiting. Customers may purposefully buy fake goods even if there is ample proof of the brand's deception. In the words of Grossman and Shapiro (1988a), non-deceptive counterfeiting means when a buyer makes a choice decision to acquire a counterfeit product while he or she is fully aware of the brand's authenticity or lack thereof. Customers purchase with full knowledge about the characteristics of counterfeit products at the time of purchase itself based on factors such as price, quality, and the sort of outlet from which they bought the product (Gentry et al., 2006; Vida, 2007; Wilcox et al., 2009).

Researchers used a quantitative approach to analyze the attitude and purchase intentions in the context of non-deceptive counterfeiting (Jose Scotto et al., 2021). Demand-side investigations mostly concentrate on non-deceptive counterfeiting, which identifies customers as interested and active participants in counterfeiting operations despite its immoral and criminal foundations (Musnaini & Yacob, 2015). Higgins (1987) gives a more thorough study by applying the Leibenstein (1950) model to the consumption of fake Veblenian commodities in non-deceptive counterfeit cases, or, more precisely, situations when the buyer is informed beforehand of the unlawful character of the acquired object. Perez et al. (2010) mentioned that many consumers have also admitted that utilising a knockoff luxury item provides them the chance to display an authentic appearance and social status that they have been searching for a while. The makers and sellers cannot be held liable for misleading the customers since these customers voluntarily buy things that are counterfeit (Ang et al., 2001).

Nia and Zaichkowsky (2000) claim that non-deceptive counterfeits offer little to no damage to the general public's or the buyer's health or safety and have minimal evidence of harming legitimate brands. According to Green and Smith

(2002), non-deceptive goods have four assumptions such as they do not endanger the public's or consumers' health or safety; they are unlikely to have an adverse effect on the genuine brand; consumers participate in the deliberate deception process purposefully (Chaudhry et al., 2005; Cheung & Prendergast, 2006; Cordell et al., 1996; Prendergast et al., 2002); and they are advantageous to the country that manufactures the counterfeit goods. Penz et al. (2009) examined empirical evidence from the customers of four nations on the voluntary purchase of counterfeit products and opined that causes of the demand for counterfeit goods received far less attention than supply-side solutions.

Grossman and Shapiro (1988a) asserted in their study that the consumers behave as partners with counterfeit makers in a non-deceptive purchase and thereby actively support the illicit transaction (Cordell et al., 1996). In the opinion of Ang et al. (2001), the issue of counterfeiting is made worse by consumers' participation as willing collaborators in the counterfeit market. The growth of counterfeiting is mostly the result of customers' deviance from acceptable behaviour, which takes the form of purposeful cooperation with illegal producers (Cordell et al., 1996). The items like ornaments, footwear, purses and wallets, and other fashion accessories frequently show signs of being counterfeit, whether it's because they were made with inferior materials, were priced lower, or were offered for sale through unofficial channels. Vida (2007) discovered that religiosity was a strong predictor of respondents' views against counterfeiting on analysing the customers' willingness in purchasing non-deceptive counterfeit items in a study that was focused on the demand side of counterfeiting. People's demographic and psychographic characteristics, lack of consumer knowledge, market and social impact, word-of-mouth, perceived dangers, materialism and brand loyalty, ethics, important product characteristics, price sensitivity, and purchase experience were found to be the dominating characteristics that have an influence on non-deceptive customers in various areas and across numerous product categories (Al Atat, 2020). Further, Price sensitivity was the most crucial factor that had the greatest influence on attitudes towards non-deceptive counterfeit brands in the opinion of Faruqui et al. (2017).

Commuri (2009) found that even though the majority of buyers associate counterfeit goods with high-end items, almost any commodity or product category

might be impacted by these unethical practices. As a result, customers' justifications for purchasing counterfeit goods are likely to differ from those for acquiring legitimate brands in a non-deceptive deal (Eisend & Schuchert-Guler, 2006). Thus, people purposely buy counterfeits of high-end brands with the justifications for attaining specific consumer goals. It's unclear how legitimate brands will actually be affected. According to the literature, legitimate manufacturers suffer from the devaluation of high-end brands, brand disorientation, brand equity loss, decreased revenue, and unfavourable perception of brand images (Gentry et al., 2006; Green & Smith, 2002; Penz & Stöttinger, 2005). Since then, several reputable manufacturers have joined organizations like the International Anti-Counterfeiting Coalition (IACC) or started their own anti-counterfeiting initiatives. Given the foregoing context, it is crucial from an analytical and managerial perspective to investigate customers' motivations for the purposeful purchase of counterfeit goods. Therefore, the current study relies on non-deceptive counterfeiting, in which people consciously shop for goods or brands that they definitely know that the products are not actually from authentic manufacturers.

2.3 Customer Perception Towards Counterfeit Products

Customer perception refers to the thoughts, emotions, and opinions that consumers hold about the brand. It is crucial for increasing client retention and loyalty as well as recognition of the brand and credibility. In order to identify solutions to stop the practice of counterfeiting goods, it is crucial to understand how consumers feel about them, paying special attention to price, quality, value, status, and risk factors (Moon et al., 2018). Customers sometimes perceive purchasing counterfeits as a good deal and a viable alternative for people unable to purchase genuine brands. Consumers build their choices and responses on their perceptions (Aycock, 2019). Perception is regarded to have a significant impact on consumers' buying intentions. Cheung and Prendergast (2006) found that consumers exhibited favourable opinions towards counterfeit goods. Consumer perceptions of counterfeit goods are positively correlated with attitude and purchase intentions, according to the research by Norum and Cuno (2011). Bhanot (2019) in his study on consumer behaviour of counterfeit luxury brands among Indian consumers targeted the variables that affected people's perceptions of fake luxury products and found a

strong correlation in between the perceptions and counterfeit purchase decisions. Mir (2011) highlighted a positive correlation between customers' perceptions and their intent to purchase in the context of non-deceptive counterfeit products.

Determinants of perceptions of customers towards counterfeits were explored by many researchers (Dhingra & Bhatia, 2014b; Hennigs et al., 2015; Vida, 2007) by considering varying sets of socio-demographic factors and motives. Gul et al. (2020**)** explored how consumer perceptions of branded goods were affected by counterfeiting and found that the impression of counterfeit brands had been demonstrated to be positively impacted by attitudes towards and intentions to purchase branded items. On the other hand, the perceived quality of branded products had a detrimental effect on how consumers see knockoff goods and their intent to buy them. Yadav et al. (2018) discovered a substantial, positive association between counterfeit proneness and customers' perceptions towards counterfeits and other psychographic factors including attitude, status consumption, gratification, and value consciousness. Customer perceptions regarding quality had a favourable impact on customer attitude (Sharif et al., 2016). Consumption of branded goods has no appreciable influence on the prevalence of fake goods. A positive as well as a negative perception of price nomenclature was contributed by Lichtenstein et al. (1993). A key element in protecting the connection between customers and brands is comprehending how counterfeiting affects the original product (Mourad & Valette-Florence, 2011).

Hennigs et al. (2015) observed significant differences in risk perceptions among customers of different classes. Amjad and Mahmood (2018) found out customer perceptions about counterfeits were positively influenced by price consciousness, information susceptibility, and status consumption, whereas the factors of normative susceptibility and novelty seeking had no positive effects on how consumers perceive counterfeits. Long and Vinh (2017) in their research work explored the factors influencing the attitude of consumers to develop a framework and research model and to measure the impact of consumers' perception towards counterfeit luxury fashion brand products and they found that social influence augmented customers favourable perceptions towards counterfeits. Commuri (2009) investigated how the brand relationships of consumers who purchase authentic

products were affected by counterfeiting and demonstrated how the possible loss of exclusivity and status may either cause customers of authentic items to stop buying the brand or inspire them to defy their loyalty. Penz and Stöttinger (2008) observed that consumer willingness to purchase phoney goods was strongly influenced by company image and product attributes.

Chen et al. (2015) mentioned two types of consumers namely, social adjustive consumers and value adjustive consumers in which the former were those who want to convey a high social status in society and were more likely to buy a counterfeit brand whereas the latter were those who want to reflect their personality in society and therefore exhibited more likelihood to buy authentic brands. N. Ahmad et al. (2016) conducted an empirical investigation of counterfeit products' impact on consumers' buying behaviour for providing a better understanding of the influences on customers' purchasing decisions and perceptions of fake goods and indicated a strong correlation between the motivating factors and customer perceptions. However, certain studies showed that consumer preference for counterfeit goods was unaffected by the risk perceptions at the physical, legal, or financial levels (Pueschel et al., 2016). However, in terms of behavioural consequences, Hennigs et al. (2015) showed that customers from different nations had quite different perceptions regarding counterfeit risks and real buying behaviour.

Customers perceive benefits identically in both scenarios where the authentic brands and the counterfeit brands are supplied. Perceived benefits operate as a trigger for customers to buy counterfeits and, as a result, have a favourable intention to buy counterfeit goods (Modi et al., 2014). Bian and Moutinho (2011a) established that perceived brand personality predominated over other significant criteria in explaining customers' purchase intentions of counterfeit branded products. Customer profiling was done by Staake et al. (2012) based on the concept that the business actions and strategies of counterfeiters influence the business strategies formed by genuine brand owners highlighting the components of visual quality, functional quality, product complexity, potential loss or damage, and the extent to which the law was followed or obeyed with the identified clusters which were previously considered by Ward (1963). Consumer interaction with fake goods is correlated with less idealism articulated, a more pleasurable buying experience, a

lower level of moral concern, and a greater perception of product quality (Chaudhry & Stumpf, 2011). Lee and Workman (2011) pointed out that consumers' ethical decision-making processes were explained by three distinct factors such as attitude towards counterfeits, consumer ethics, and perceptions of corporate ethics, as well as culture.

Customers perceive counterfeit products on the grounds of differentiations based on socio-demographic factors. The perceptual variables were found to have a considerable impact on behavioural and purchase intention towards counterfeits of branded products (Bian & Moutinho, 2011b). Consumer behaviour studies revealed an interesting finding that because men and women think differently, they frequently have diverse impressions of the same object. Dhingra and Bhatia (2014b) indicated that purchasing counterfeits is not gender-specific. It was shown that the linear combination of concern, knowledge, and attitude explained the variations in willingness to pay extra for non-counterfeit items. The more concern, awareness, and attitude towards counterfeit products, the more the willingness to pay extra for non-counterfeit items (Marcketti & Shelley, 2009).

2.4 Customer Motives towards Counterfeit Products

Over the past ten years, both the research of counterfeit practices and the consumption of counterfeit goods, have grown in the discipline of marketing. Product attributes, socio-economic variables, psychographic elements, past buying habits, and demographic factors have all been used to study the consumption of counterfeit products. There is still much work to be done in building a theory of why customers choose to intentionally purchase counterfeits amid all the studies that look at consumer behaviour towards the purchasing of counterfeit items. Understanding the factors that contribute to a consumer's attitude towards counterfeit goods might be useful in establishing their purchase intention towards the same. The development and implementation of methods to combat the manufacturing and consumption of counterfeit goods can only be done by academicians and genuine producers with a superior grasp of the issue. The role of underlying economic rewards and incentives in the motivations behind counterfeiting is quite important (Zhang et al., 2012b).

Numerous studies have focused on different parameters of motivational factors that induce the customers in the formation of attitude and intention to occupy counterfeits. Jose Scotto et al. (2021) investigated the motivational factors that stimulates the Turkish consumers towards counterfeits of luxury goods. Khan et al. (2017) even introduced the drive theory of motivation into the marketing literature that deals with customer purchasing decisions from a theoretical viewpoint and identified the key factors that influence the customers in considering counterfeits as a choice for purchase. Bian et al. (2016) in their work on unethical counterfeit consumption revealed that the factor of the thrill of using something new was a pronounced motivational factor favoring counterfeit consumption. In the words of Viot et al. (2014), individual motives are essential since society's economic considerations do not affect attitudes towards or intentions to buy counterfeit goods. The sole factors influencing one's attitude towards counterfeits are personal motives and deterrents, with motivations playing the most significant role.

The presence of motivational factors or intrinsic motivations and analysis of the strategies that consumers adopt to cope with the cognitive dissonance as a result of their unethical behavior towards counterfeit consumption was considered in many studies (Ergin, 2010). Also, the most powerful motivational drivers of unethical counterfeit consumption were found to be financial and social-adjustive purposes, self-image enhancement, intrinsic hedonic outputs, and a strong sense of interest (Bian et al., 2016). By establishing the luxury notion as an antecedent, Jiang and Cova (2012) provided insights into how luxury counterfeits were consumed. The relationship between counterfeit and expensive goods highlighted the significance of societal concerns and the pursuit of individual satisfaction. Consumers are motivated to buy fake items by social and psychological reasons, such as reference groups and beliefs (Sari et al., 2018).

Poddar et al. (2012) explored the Robin Hood effect to identify the motives for counterfeit consumption including price and quality differences on the likelihood of buying counterfeit products and established that the element of moral profiteering, the effect of which highlighted the increased likelihood to purchase counterfeits when they have economic as well as moral justifications for their unethical actions. Rahman et al. (2013) bridged the research gap in understanding and evaluating the

motivating factors, attitudes, and behavioural intentions of consumers towards counterfeit products and discovered that frequent fashion changes were shown to be the primary factor influencing consumers' propensity to purchase knockoff brands. The influence of society and value for money have been identified as the top two reasons that motivate consumers to buy fake products as per the conclusion of Basu et al. (2015). Alfadl et al. (2012) examined the driving forces behind consumers' attitudes and motivations for buying counterfeit medicines and found that each of the variables such as perceived risk, risk aversion, price-quality inference, and knowledge of social consequences were not significant at all.

Zeashan et al. (2015) aimed at assisting businesses in understanding the primary drivers of consumer attitudes towards counterfeit goods and in developing effective anti-piracy strategies and found that attitude towards counterfeit products was driven by factors including price-quality inference, perceived risk, subjective norm, integrity, and personal gratification. However, Purwanto et al. (2019) revealed that the consumer motives for acquiring items had no significant influence on counterfeit products and conspicuous brand prominence and in turn had no considerable effect on the purchase behaviour of the customers. Age, price, fashion consciousness, social standing, and ethics were found to be the main elements driving the buying of counterfeit brands, according to Dhingra and Bhatia (2014a). Huynh and Wilson (2014) pointed to price advantage which had a decisive and predominant influence on customers' decision to buy a counterfeit item. Authenticate as well as counterfeit brands were influenced by social, affective and cognitive factors as per the findings of Chun (2017) who analyzed the matter from emotional and rational perspectives.

The following are the motives of customers' attitude and purchase intentions towards counterfeit products:

2.4.1 Cognitive Drivers towards Counterfeit Products

Cognitive drivers are elements that help clients comprehend, perceive, and make decisions. It is a division of psychology that focuses on understanding human thought. In psychology, the cognitive perspective focuses on how thinking, feeling,

being imaginative, and solving problems interact to influence how and why one individual thinks the way he or she does. Product characteristics and how customers incorporate them as cognitive clues when making decisions are referred to as cognitive drivers. A significant quantity of cognitive abilities is needed for defending the process of counterfeit consumption (Kim et al., 2012). The elements that affect the justification procedure may affect purchases of counterfeit goods. A product's cognitive qualities may be either consumer- or product-oriented (Moon et al., 2018). Therefore, the elements of price consciousness, price quality inference, value consciousness, and perceived risks connected with the counterfeits are considered as cognitive drivers for the study in the context of the consumption of counterfeits. The researcher further extended the levels of various cognitive drivers on the grounds of socio-demographic and economic factors as well as the association of the same with customer attitude and purchase intention towards counterfeits.

2.4.1.1 Price Consciousness

Price is usually determined by what the buyer is prepared to pay, what the seller is ready to take, and what the rivals are permitted to charge. Rizwan et al. (2013) mentioned that price is the consideration offered in return for goods or when transferring ownership and it is a key component of commercial transactions. Price is a crucial factor in influencing consumer behaviour and has been widely researched in the field of marketing (Long & Vinh, 2017; Mustafa & Salindo, 2021). According to Lichtenstein and Burton (1989), price consciousness is the degree to which a customer insists on paying the lowest prices available for any goods or services. Low pricing is a significant factor that fuels the market for counterfeit goods, according to several studies (Agwu et al., 2015; Bloch et al., 1993; Cheung & Prendergast, 2006; Tom et al., 1998).

When customers are conscious of the price issue, they are interested in finding ways to spend less while still receiving products or services that meet acceptable levels of quality (Ang et al., 2001). Pricing ranges are typically used by consumers to define upper and lower bounds on their pricing expectations. Reference pricing is regarded as a significant component that affects customer

purchase behaviour. As Staake et al. (2012) rightly said, low prices for counterfeits have been seen to increase demand for them.

In the words of Amjad and Mahmood (2018), users tend to favour counterfeit items when the price of real goods is greater than counterfeit products, with pricing playing the key role in swaying consumer behaviour. The exorbitant cost of the original items prevents most consumers from purchasing them. Customers who are unable to afford genuine products have a chance to purchase counterfeit goods because of their low pricing. When compared to authentic products, counterfeit goods are typically less expensive. Therefore, inexpensive knockoffs offer the chance to those who cannot afford the price of the original goods. Many people purchased counterfeit items to save money since they were reasonably inexpensive and widely available in their localities (Hashim et al., 2020). Sasongko and Haryanto (2017) indicated that the primary driver of customer decisions to purchase counterfeit goods was the element of pricing.

The success of a counterfeit brand may be determined by the price advantage it provides over real goods. When a product has a short life cycle yet is more stylish, people are hesitant to spend a lot of money since the product will become outdated quickly, increasing the demand for counterfeits. Therefore, it can be concluded that pricing has an impact on the intention to buy counterfeit goods. Customers with more price consciousness or sensitivity would prefer to buy the counterfeit goods supplied at a cheaper price when they are sold alongside an authorised channel at the same time.

Customers who are only interested in saving money on purchases are bound to prefer counterfeit merchandise. Furthermore, Justin et al. (2021) indicated that economic considerations best explained Chinese attitudes towards counterfeit goods. Price consciousness had a positive influence on the attitude towards counterfeits as per the study of Bhanot (2019). Certain research results revealed a negative significant effect of price elements on the attitude towards counterfeit products (Mustafa & Salindo, 2021) whereas in some other research findings, the price consciousness was found with an insignificant impact.

2.4.1.2 Price-Quality Inference

The research of Grossman and Shapiro (1988b) revealed that there are several counterfeit customers who vary in terms of price and quality. The price-quality inference can be described as the widespread assumption that a product's price is positively correlated with its degree of quality across all product categories (Bearden et al., 1989; Lichtenstein et al., 1993). Regardless of the product category, bigger price tags are thought to signify greater quality. Price-quality inference is crucial for forecasting customer behaviour (Chapman & Wahlers, 1999). Consumers frequently feel that price equals quality and that this belief plays a significant role in their purchasing decisions. Therefore, buyers are more likely to believe that a product is of excellent quality if its price is higher (Jose Scotto et al., 2021; Mangundap et al., 2018).

For certain consumers, the price-quality inference is crucial because they may view it as a cue to the product's quality. Tellis and Gaeth (1990) described in their study that when there is limited information available regarding the quality of the product or the customer finds it very difficult to assess the product quality, the propensity of consumers to assume that "high price implies high quality or low price implies low quality" becomes even more significant. Given that counterfeit goods are frequently supplied at cheaper costs, Huang et al. (2004) also suggested that consumers' perceptions about the quality of counterfeit goods would decline when the association between price and quality gets strengthened.

The attitudes of consumers towards counterfeit goods are more hostile when they choose price above quality (Borekci et al., 2015). Price variation is a highly important factor when picking counterfeit goods, according to earlier researches. Counterfeits are typically sold at cheaper prices. The lower the price at which a counterfeit product is often offered, the less likely it is that a consumer will seek out a counterfeit product, and the vice versa (Herstein et al., 2015). As per the research findings of Maqsood and Soomro (2021), the price-quality inference affects the brand image negatively. Similar views are shared by Chellasamy et al. (2020) as majority of respondents in their study cited quality as the reason they chose branded items. In contrast to those researches which discovered a substantial association

between price-quality inference and counterfeit-related characteristics, Jose Scotto et al. (2021) discovered that it was not significantly associated with the attitude towards counterfeits.

2.4.1.3 Value Consciousness

According to Zeithaml (1984), value is the consumer's total evaluation of a product's utility depending on what is provided and received. An important factor in a consumer's choice to buy a product is thought to be their perception of its worth (Ting et al., 2016). Existing research has shown that consumer attitudes and behaviours alter depending on the context, such as when buying food, presenting gifts, looking for clothing, or trying out sports items, etc. (Thurasamy et al., 2003). This is because various categories of commodities give different values to consumers. Despite the fact that counterfeits are thought to be of lower quality than genuine products, many consumers still view them as good value for their money due to their lower price and slightly inferior quality (Ang et al., 2001; Phau & Ng, 2010), indicating that value consciousness may affect consumer behaviour.

Consumers typically seek counterfeit goods because of the brand's prestige, brand value, and aesthetic advantages. The vast majority of purchasers of counterfeit goods look for benefits to their brand, reputation, and image but are hesitant to pay an excessive amount for them (Bloch et al., 1993). The fact that counterfeit goods typically offer the same functional benefits as the genuine goods at a fraction of the price of genuine goods means that they represent good value for the funds spent (Ang et al., 2001; Bloch et al., 1993; Lichtenstein et al., 1993). Value-conscious shoppers believe they are wise purchasers (Lichtenstein et al., 1993). They are worried that if they pay a cheap price, the product's quality may suffer. When pecuniary stimulants, such as conserving money, are present, research has revealed an association between increased unlawful buying habits (Phau & Teah, 2009; Yoo & Lee, 2009).

Both the studies of Hidayat and Diwasasri (2013) and Phau et al. (2009) assert that customers seek value for their money and are prepared to forgo both quality and integrity in exchange for financial advantages. According to Ang et al.

(2001), typical counterfeit brand purchasers were more value-conscious and had less disposable income than those who did not purchase counterfeit goods. The fundamental tenet of economics is that when prices fall, demand rises. As a result of the clear price advantage connected with counterfeit goods, consumers who are concerned with value find them to be a desirable alternative. In the literature on counterfeit marketing, this idea has been investigated in an elaborate manner.

A person's perceived level of financial or material utility from a recognized product in relation to other items is referred to as its value (Basu et al., 2015). According to the TRA, an individual may engage in a specific behaviour provided the results appear to be in his best interests. As a result, he may decide to purchase a counterfeit as it will provide him with the same value for what he pays in comparison to the original goods. Shrivastava (2023) found that value consciousness had a substantial impact on customers' attitudes toward counterfeit luxury goods.

In contradiction to those researchers who found a significant relationship of value consciousness in the context of counterfeit related aspects, Jose Scotto et al. (2021) found out that it was not significantly connected with the attitude towards counterfeits. The average counterfeit buyer is more value sensitive. Consumers that prioritise affordable costs and high-quality goods fall into this category. In order to get the most value for their money, customers focus on cost while purchasing such things and evaluate costs across brands and outlets. For the consumer, buying such things is seen as an indication of a good deal. Compared to those who have a low conscience level, a person with a high degree of value perception has a higher propensity to buy counterfeit items.

2.4.1.4 Perceived Risk

Perceived risk has long been recognised in marketing literature as a crucial factor in consumer decision-making, with research indicating that customers want to lessen uncertainty and the unfavourable effects of purchases. According to Mitchell (1999), risk perception is the critical thinking involved in categorising losses with two implications such as uncertainties and negative outcomes. With the potential to put consumers at financial risk, or social risk since their social group

does not support such purchase actions, or legal risk because they could be detained and charged by law enforcement for purchasing counterfeit goods, buying the same is regarded as a risky action (De Matos et al., 2007). The component of perceived risk was declared to be a significant predictor of customers' attitude formation in the opinion of Kamranfard (2018).

Perceived risk is made up of the following multidimensional constructs (Mitchell, 1999; Veloutsou & Bian, 2008):

- The functional risk that relates to how well a product performs.
- The social risk that relates to how other people perceive and judge the customer.
- The financial risk that connects to the possibility of financial loss.
- The physical risk that pertains to one's health or physical well-being.
- The psychological risk that pertains to one's self-esteem.
- The time risk that indicates the amount of time wasted due to a product failure.

In the words of Mitchell (1999), each customer has a different amount of tolerance for each of the hazards that come with purchasing a product. The possibility of penalties or punishment, if found in possession of counterfeit goods, is the anticipated legal risk. The term "perceived macro risk" refers to the negative economic and social effects of counterfeit products, such as evading taxes, job loss, a trade balance disparity, child labour, and even funding for terrorist activities (Hamelin et al., 2013). Veloutsou and Bian (2008) in their cross-national examination investigated customer perceptions of risk in the context of non-deceptive counterfeit brands in China and the UK observed that the only risk factor that was found to be involved in the construction of the total risk is psychological risk in both instances.

Due to the inferior quality of the counterfeit, the buyer may waste time, effort, and find it uncomfortable to repurchase. It was shown that the risk element has a big influence on buying fake goods. Shrivastava (2023) found that perceived risk had a substantial impact on customers' attitudes toward counterfeit goods. Moreover, Faisal et al. (2021) indicated that customer attitudes about counterfeiting

were significantly influenced by the element of perceived risk. Furthermore, Elsantil and Bedair (2022) observed that when customers were aware of the performance risk associated with counterfeit items, they were less inclined to buy them.

A link between psychological risk and social risk as well as the propensity to buy counterfeit goods was found and the consumers' propensity to buy counterfeit goods was negatively correlated with legal risk. Another striking contribution was made by Kurniawati (2019) stating the role of anticipated regret which had a significant impact on the element of perceived risk and it had a negative significant influence on purchase intention, while perceived risk also had a negative significant impact on purchase intention.

There are a few things that a consumer may think about when it comes to the risk component. The first thing is that the vendor does not provide a guarantee and the merchandise may not function compared to a genuine one. Second, purchasing a fake item is unlikely to result in the greatest financial advantage. Thirdly, it's possible that the item may fail to be as secure as the genuine product version. Fourthly, choosing counterfeit goods will negatively impact how the customer is judged by others. The customer perceptions of risk had a detrimental effect on attitudes towards and intentions to buy counterfeits of outdoor recreation items (Tseng et al., 2021).

The likelihood of purchasing counterfeit goods decreases if they sense higher levels of danger or perceive a great extent of risk element in them. This naturally demonstrates a negative connection between the perceived risk level and purchase intentions towards counterfeit products (Rizwan et al., 2013). In contrast to many studies, it was also discovered that the perception of risk had no impact on consumers' intentions to buy counterfeit goods by Mayasari et al. (2022). Similarly, consumer perceptions of risk had no discernible influence on how shoppers feel about knockoff clothing as observed by Bhatia (2018).

Thus, mixed perceptions regarding the risk levels were opined by the customers as marked by the earlier studies regarding counterfeit products.

Table 2.1

Summary of Major Literature: Cognitive Drivers and Counterfeits

Cognitive Drivers	Empirical Studies
Price Consciousness	(Agwu et al., 2015; Bhanot, 2019; Bloch et al., 1993; Cheung & Prendergast, 2006; Justin et al., 2021; Lichtenstein & Burton, 1989; Mustafa & Salindo, 2021; Rizwan et al., 2013; Sasongko & Haryanto, 2017; Staake et al., 2012; Tom et al., 1998)
Price Quality Inference	(Bearden et al., 1989; Borekci et al., 2015; Chapman & Wahlers, 1999; Chellasamy et al., 2020; Grossman & Shapiro, 1988a; Herstein et al., 2015; Huang et al., 2004; Jose Scotto et al., 2021; Lichtenstein et al., 1993; Mangundap et al., 2018; Maqsood & Soomro, 2021)
Value Consciousness	(Ang et al., 2001; Basu et al., 2015b; Hidayat & Diwasasri, 2013; Jose Scotto et al., 2021; Phau et al., 2009; Phau & Ng, 2010; Shrivastava, 2023; Ting et al., 2016)
Perceived Risk	(Bhatia, 2018; De Matos et al., 2007; Elsantil & Bedair, 2022; Faisal et al., 2021; Hamelin et al., 2013; Kamranfard, 2018; Kurniawati, 2019; Mayasari et al., 2022; Mitchell, 1999; Tseng et al., 2021; Veloutsou & Bian, 2008)

Source: Developed by the Researcher from Secondary Data

2.4.1.5 Cognitive Drivers and Customer Attitude towards Counterfeit Products

Price consciousness was found to have a favourable effect on consumers' attitudes about counterfeit devices (Ahmad et al., 2014). People purchase counterfeit because they obtain a benefit without having to pay a huge price for it and hence price advantage establishes a major influence on the attitude of customers favourably towards counterfeits (Rizwan, Imran, et al., 2014). Bhatia (2018) stated that there was a positive relationship between value consciousness and customers' attitudes regarding counterfeit fashion goods. Value consciousness was found to be substantially related to customers' attitudes (Kumar et al., 2016). Similar view was shared by Patiro and Sihombing (2014) stating that the views towards counterfeit goods were influenced by value consciousness. Furthermore, Phau and Ng (2010)

observed that value consciousness was found to gauge internal individual characteristics positively towards attitude. It was discovered by Phau et al. (2009) that opinions regarding luxury brand knock offs were highly influenced by price-quality inference. A further important contribution to the literature was that price-quality inference of counterfeit products has a direct and positive influence on consumers' attitudes towards the economic benefits of purchasing counterfeits (Chuchu et al., 2016). Retailers might be interested to take this into consideration in order to increase their customers' purchase intentions. Perceived risk and value consciousness had a strong influence on attitude as per the study of Ting et al. (2016). Similarly, Hanzaee and Jalalian (2012) observed that perceived risk had a greater impact on attitudes regarding counterfeits than they do on behavioural intentions.

Perceived risk had a negative attitude towards fake versions of real goods (Kumar et al., 2016). Ali and Farhat (2017) stated that price-quality inference did not contribute significantly to the formation of customers' attitudes regarding counterfeits. Furthermore, the factor of price-quality inference was found to have a negative relation to customers' attitude as per the research work conducted by Abdullah and Yu (2019). Hanzaee and Jalalian (2012) observed that price-quality influence was not a significant antecedent. Similarly, Ha and Tam (2015) also found a negative relationship with the customer attitude and perceptions regarding counterfeit items. Value consciousness was found to have no influence on customer attitude as per Chaudary et al. (2014) and Phau et al. (2009).

2.4.1.6 Cognitive Drivers and Purchase Intentions towards Counterfeit Products

Price consciousness was favourably connected with consumers' purchase intent about counterfeit devices (Ahmad et al., 2014). Similar views are shared by Kei et al. (2017) showcasing a positive association of price consciousness towards purchase intent. Albarq (2015) identified a strong impact of perceived risk and price-quality inference on customers' intent to purchase counterfeit goods. Quality and price were found to have strongly and favourably related to consumers' intentions to buy knockoff goods (Alsaid & Saleh, 2019). Additionally, it was shown that there exists the most significant link between price-quality inference of counterfeit items on views regarding the economic advantages of acquiring counterfeit products in the

observation of Chuchu et al. (2016). Ndofirepi et al. (2022) demonstrated that respondents' opinions about the financial benefits of buying counterfeit goods and their desire to do so were strongly correlated with their price-quality inference of such goods. The factors that were significant in describing the consumer's purchase intention for counterfeit goods were risk elements and price consciousness (Bedi & Chopra, 2021). Bhatia (2018) showed a positive relationship between value consciousness and customers' attitudes regarding counterfeit fashion goods.

Khalid and Rahman (2015) unveiled the inverse relation of perceived risk with counterfeit purchase intentions. The fear of losing money, health hazards or safety concerns might be the reasons behind the negative relation of perceived risk with the purchase intentions of customers towards counterfeit products. Hien and Trang (2015) opined that perceived risk was found to be unrelated to customers' attitudes towards and intentions to buy counterfeit goods. Nadeem et al. (2016) stated that the relationship between price and buying intent was found to be marginally negatively significant. The construct of value consciousness showed a significant negative correlation with purchase intention towards counterfeit products as per Nawi et al. (2017) and no significant association between value consciousness and intention was claimed by Kei et al. (2017).

2.4.2 Affective Drivers towards Counterfeit Products

According to Noel (2009), affective drivers or personality factors are psychological elements that are inherent to every person, often known as internal factors or essential determinants. Consumers' personal traits are those that come from within. In the words of Schiffman et al. (2010), personalities represent individual characteristics and are often consistent and long-lasting, although they can also change. The term "personality influence" describes a person's ability to have an impact on others without relying on their beliefs or accommodating their beliefs. Personal qualities are those of customers that come from the consumer themselves. Many of these traits have a direct influence on consumer behaviour. Thus, affective drivers are techniques for gathering and categorising an individual's consistency of response to a circumstance that is occurring (Negara et al., 2020).

A person's personality is the culmination of all of their responses to and interactions with other people. The power that guides a person's decision-making to achieve the intended reaction in related circumstances is known as the customer's personality. It's a fluctuating system of psychophysical processes that control how that person responds to his or her environment in a certain way. Personality, according to Blythe (2008) is what distinguishes one person from another and helps people manage the interaction between their internal reactions and external environmental stimuli. Sheth and Mittal (2004) claimed that both genetics and environment also contribute to a person's personality.

Personal variables are a method of gathering and categorising an individual's consistency of response to a circumstance that is occurring because many of these traits directly influence consumer behaviour. Thus, in the current study, the elements of risk averseness, integrity, personal gratification and novelty seeking are considered as affective drivers for the study in the context of the consumption of counterfeits. The researcher further extended the levels of various affective drivers on the grounds of socio-demographic and economic factors as well as the association of the same with customer attitude and purchase intentions towards counterfeits.

2.4.2.1 Risk Averseness

People who choose a known or certain outcome over the other that is unknown or uncertain are said to have a risk aversion. In accordance with Bonoma and Johnston (1979), the tendency to avoid taking risks is known as risk aversion, and it is typically thought of as a personality trait. This psychological consumer attribute is crucial for identifying and distinguishing between those who want to own or disown a product class, particularly one that is potentially risky and hazardous. The risk might include a variety of parameters including performance, financial, safety, social, psychological, and time frame aspects, according to De Matos et al. (2007).

In the context of counterfeiting, performance risk is the concern that a product will not be able to fulfill the functions or advantages that were promised, the physical threat includes the risk of durability and long-lasting capacity of counterfeit

products, and the financial risk includes the possibility of financial loss when purchasing counterfeit merchandise. As per the research findings of Maqsood and Soomro (2021), the individuals' tendency to avoid risk had an effect on the brand image. The likelihood of losing money after purchasing a replica, the potential for counterfeits to malfunction, the fear of losing one's social standing, the false satisfaction that comes from consuming counterfeits, and a general awareness of the overall potential risks associated with consuming counterfeits were the main risk factors that shown significant influences on consumers' attitudes towards purchasing counterfeits (Justin et al., 2021).

Huang et al. (2004) discovered a substantial inverse association between risk aversion and attitude in the context of non-deceptive counterfeits such as consumers who are more risk averse possess an unfavourable attitude and not be fond of counterfeits and vice versa. Thus, consumers who are less risk-tolerant would have a negative opinion of counterfeits.

2.4.2.2 Integrity

According to Cordell et al. (1996), integrity is the quality of being true or honest in one's activities as well as the degree to which a person respects and obeys the law. Accountability and honesty are connected to integrity. It encompasses the notion of consistency in ideals, deeds, measures, techniques, principles, results, and expectations. Integrity affects a consumer's perceptions of engaging in unethical behaviour and subsequent actions. Integrity is described as one's honesty, loyalty, or correctness of action in the context of ethics (Kumar et al., 2016). The element of integrity was considered as a significant factor that influenced people towards counterfeit goods (Mayasari et al., 2022). The literature supports the connection between integrity and attitude toward counterfeit items.

Consumers who lack integrity would likely to be inclined to go after counterfeiting practices. Rahpeima et al. (2014) opined that the consumers who give significance to sincerity, honesty and politeness tended to have a negative attitude towards counterfeit products. The prediction of purchase intention and attitudes

served as a representation of the function of integrity and ethical judgement (Lee, 2009).

According to the moral competence theory, a person's conviction in justice might affect their behaviour as a consumer. An individual with integrity is motivated to avoid engaging in unethical behaviour (Phau et al., 2009). It results in the establishment of personal ethical standards, adherence to the law, and strong moral values in addition to honesty, fairness, and compliance. Consumers would be less likely to regard counterfeits favourably if they believed that integrity was crucial (Bedi & Chopra, 2021). Respect for the law and one's own moral principles define integrity. Consumers are less likely to prefer counterfeit items if they believe that integrity is critical (Ang et al., 2001), but they are more likely to support them if they reckon integrity as unimportant. Sometimes integrity showed a positive significant influence on attitude towards counterfeit products (Mustafa & Salindo, 2021). The factor of integrity had a negative relation to attitude in most of the studies (Abdullah & Yu, 2019).

The acquisition of a counterfeit product by a customer is not unlawful, but since buying of a counterfeit product contributes to illegal conduct, the consumer's respect for the law might clarify how actively engaged the consumer is in purchasing counterfeit goods. Sometimes the integrity and morality of the customers were overshadowed by the product-related features and social factors in the case of counterfeit consumption (Chun, 2017). In fact, studies demonstrate a negative relationship between views towards legality and customers' desire to buy counterfeit goods (Cordell et al., 1996). Integrity had a negative influence on the attitude towards counterfeits as per the study of Bhanot (2019) also. As a result, buyers with lower ethical standards ought to feel fewer awful things about purchasing a counterfeit good. Instead, they justify their actions to lessen the cognitive dissonance associated with acting unethically.

2.4.2.3 Personal Gratification

In accordance with Ang et al. (2001), a sense of success, social acceptance, and enjoyment of life's greater delights are all aspects of personal gratification.

Personal gratification is a term used to define the relationship between the urge to feel accomplished and recognized in society at large, as well as the overall need for contentment in life. The genuine versions of branded items will be valued by consumers who place a high value on their own satisfaction, and they will view counterfeit goods with caution. Accordingly, it could be asserted that since these traits are prevalent in those who pursue success, social acceptance, and greater standards of living, the customers are unlikely to be interested in low-priced, subpar counterfeits of brands meant for elevating their status (Rahpeima et al., 2014).

The process of moral reasoning, according to Phau et al. (2009), involves three distinct steps: the desire to distinguish one's own convictions and moral principles from those of referent groups and authorities; the anticipated personal repercussions in the manner of punishment, reward, or exchange of favours; and the social impact and conformity to the typical order of the society. The further conclusion is that people consistently and uniformly embrace self-selected ethical ideals.

According to the research by Bloch et al. (1993), customers who buy counterfeit items are frequently less wealthy, less confident, and more likely to experience losses and failures compared to those who refrain from doing so. A person is likely to have a negative attitude towards the practice of purchasing a counterfeit good if he or she thinks that purchasing a product is a way to satisfy their own desires, project their own identity, or demonstrate their social position. It has been reported that consumers who do not purchase counterfeit goods are more self-assured, more successful, and have a better impression of themselves.

Jose Scotto et al. (2021) figured out that personal gratification was not substantially associated with one's attitude towards counterfeits, in contrast to other researchers who discovered a strong association between personal gratification and features related to counterfeits.

2.4.2.4 Novelty Seeking

According to Hawkins et al. (1980), novelty seeking is an urge that leads individuals to seek change and distinctiveness. Therefore, consumers who enjoy

staying abreast of trends and who want to be seen as having the newest products or designs are likely to purchase counterfeit goods because they can constantly change their style at a relatively lower cost (Wang et al., 2005). Customers that are novelty-seeking tend to favour items with less purchasing risk. Consequently, the low price of counterfeit goods is ideal for satiating their curiosity and need for exploration (Wee et al., 1995).

Hirschman (1980) distinguished between actualized and inherited novelty seeking when classifying novelty seeking. The willingness of the person to seek out novel stimuli is known as inherent novelty seeking, whereas actualized novelty seeking refers to the actual behaviour of the individual upon receiving novel stimuli. Due to their curiosity, novelty-seeking clients look for novelty and distinction. These are the kinds of people who are eager to try new things.

Some people found the idea of purchasing a counterfeit item to be stimulating and satisfying, while others saw it as unethical conduct. In the opinion of Mayasari et al. (2022), the novelty seeking behaviour of the customers was found to have a significant effect on people's views towards counterfeit products. A consumer that is open to trying new items would likely see counterfeits of well-known brands favourably. Consumers always seek the trendiest and most fashionable goods, and if they are costly, they choose the knockoffs that are readily available on a less price basis (Nordin, 2009). Customers buy fake goods more often because they presumably want to adhere to the latest vogue at a reduced price considering that it is less popular, but they also do so because they appreciate the novelty and want to stand out from the crowd (Harun et al., 2012).

Numerous studies have discovered a strong, positive, and significant connection between hunger for novelty and consumer perceptions of counterfeit merchandise (Abdullah & Yu, 2019; N. M. Ha & Tam, 2015; Hidayat & Diwasasri, 2013). Few research results ended up in portraying a negative significant effect of novelty seeking nature of the people on the molding of attitude towards counterfeit merchandise (Mustafa & Salindo, 2021).

Table 2.2

Summary of Major Literature: Affective Drivers and Counterfeits

Affective Drivers	Empirical Studies
Risk Averseness	(Ali & Farhat, 2017; Bonoma & Johnston, 1979; De Matos et al., 2007; Huang et al., 2004; Justin et al., 2021; Maqsood & Soomro, 2021)
Integrity	(Abdullah & Yu, 2019; Bedi & Chopra, 2021; Bhanot, 2019; Cesareo & Pastore, 2014; Chun, 2017; Cordell et al., 1996; Ha & Tam, 2015; Kumar et al., 2016; Liao & Hsieh, 2013; Phau et al., 2009; Rahpeima et al., 2014; Ting et al., 2016)
Personal Gratification	(Adhikari & Biswakarma, 2017; Bloch et al., 1993; Hanzaee & Jalalian, 2012; Jose Scotto et al., 2021; Kala & Chaubey, 2017; Musnaini & Yacob, 2015; Rahpeima et al., 2014)
Novelty Seeking	(Abdullah & Yu, 2019; Harun et al., 2012; Hawkins et al., 1980; Hidayat & Diwasasri, 2013; Hirschman, 1980; Mayasari et al., 2022; Mustafa & Salindo, 2021; Nordin, 2009; Wang et al., 2005; Wee et al., 1995; Yadav et al., 2018)

Source: Developed by the Researcher from Secondary Data

2.4.2.5 Affective Drivers and Customer Attitude towards Counterfeit Products

Babamiri et al. (2020) explored the relationship between personality traits and attitudes towards purchasing counterfeit goods in the light of the excessive amount of counterfeit goods in the Third World countries and the losses caused by the sale of these goods and found to have significant correlation with attitudes towards buying counterfeit items. The study conducted by Kala and Chaubey (2017) showed that the most significant factor influencing the purchase of counterfeit goods among the affective drivers was personal gratification. Personal gratification had a positive effect on attitude as per the findings of Rahpeima et al. (2014). Musnaini and Yacob (2015) also had a similar view regarding the significant impact of personal gratification on customers' favourable opinions with counterfeit products. Integrity and self-gratification were found to gauge personal characteristics

significantly towards attitude regarding counterfeits (Phau & Ng, 2010). Risk aversion found to have a strong influence on the development of attitudes towards counterfeits as per the study carried out by Ali and Farhat (2017). Novelty seeking positively correlated with attitude towards counterfeits of premium products as per the study of Ha and Tam (2015).

Integrity element had a greater negative influence on the attitudes regarding the counterfeits of high-end fashion items (Ha & Tam, 2015). The level of integrity and moral judgment factors had a negative impact on attitudes towards online counterfeits (Cesareo & Pastore, 2014). Likewise, Liao and Hsieh (2013) found that integrity was adversely associated with consumers' attitudes towards counterfeit items. Similarly, Kumar et al. (2016) found out that integrity had a negative attitude towards fake versions of real goods whereas Ting et al. (2016) found that integrity had no influence on customer attitudes. According to Hanzaee and Jalalian (2012) and Phau et al. (2009), personal gratification and integrity were not significant antecedents of customers' attitude towards bogus brands.

2.4.2.6 Affective Drivers and Purchase Intentions towards Counterfeit Products

Affective driving forces strongly influences the purchase intentions of the customers either positively or negatively. Bang and Kim (2021) revealed a positive relationship of affective drivers or personality factors with the counterfeit version of luxury and masstige brands towards the attitude and purchase intentions of customers. The factors of novelty seeking and integrity were the major psychographic factors affecting customers' intentions to purchase counterfeit goods as opined by Yadav et al. (2018). Adhikari and Biswakarma (2017) found out that purchase intention was significantly correlated with all the independent variables out of which the high correlation was found out to be with personal gratification.

The construct of integrity showed a significant negative correlation with purchase intention towards counterfeit products as per Nawi et al. (2017). It was revealed that people who believe it is immoral to purchase counterfeit goods were less inclined to do so (Ahmad et al., 2012).

2.4.3 Social Drivers towards Counterfeit Products

Social factors are an assortment of individuals who regularly interact with one another in both official and informal settings and who strongly value equality in terms of status or respect within the community. Social variables are an amalgamation of individuals who have the power to affect how others behave and act out of habit (Negara et al., 2020). In the words of Khare et al. (2011), purchase decisions are influenced by social factors, such as societal standards and values. As a result, people can modify their behaviour to fit into their social environment (Mayasari et al., 2022). Individuals believed that buying fake goods was another method to integrate themselves into society.

Numerous studies demonstrated that the high level of enthusiasm among friends and family members positively affects a consumer's desire to make a purchase of any goods (Yaqub et al., 2015). Sahin and Nasir (2021) opined that consumers are influenced by environmental factors, interpersonal factors or features of status products. Consumers sometimes follow a “snob effect” to differentiate themselves from other consumers or a “bandwagon effect” (Nunes et al., 2011) trying to imitate others. According to Priporas et al. (2015), a sizable portion of customers were found to enjoy their purchases of non-deceptive counterfeits and were justified by their low cost, the need to maintain one's image, and a desire to follow current trends.

Consumers are giving importance to status symbols and social benefits than the functional benefits of the products they purchase. Gani et al. (2019) stated that the consumers were more likely to use fake luxury goods in order to uphold societal ideals and status than they were to utilize genuine goods. Titus and Ethiraj (2012) mapped the drivers of counterfeit consumers’ attitude formation and found that the customers were motivated to purchase or use counterfeit goods by peer group pressure, social approval, cost benefits, family environment, the impact of role models, and the appreciation of notable individuals. Vigneron and Johnson (1999) suggested that self-consciousness influences consumers' decision-making when choosing brands. Depending on how susceptible a person is to interpersonal influence, this impact varies.

The consumer decision model was used to explain the factors of social influence and social consumption and the Stimulus-Response Model or black-box model was also applied to explain the stimulating role of social factors by Junejo et al. (2020). Social variables constitute a collective of individuals who have the power to affect how others behave and act out of behavioural patterns. In accordance with the findings of Kim and Karpova (2010), information susceptibility and normative susceptibility are the two psychographic characteristics that influence people's decisions to purchase counterfeit goods. People were impacted by individuals in their immediate surroundings. On that basis, the social impact element has to be considered seriously. Gaining identity recognition, societal appreciation, or fulfilling a need or desire is part of social achievements (Ansah, 2017). The majority of the consumers purchased fake products in order to gain social status or prestige as well as acceptance by some social groups in the words of Dabija et al. (2014).

According to Bearden et al. (1989), consumer susceptibility can be stated as an enhancement of one's image in the opinion of others who are significant to them through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding buying decisions and the tendency to learn about products by observing others or searching information from others. Consumers are susceptible to social influence and desire the favour of those who are important to them, as Fishbein and Ajzen (1975) explained. Ajzen (1991) described the term subjective norm as a feeling of social obligation to engage in or refrain from engaging in a certain behaviour.

Consumers may be normatively susceptible when they are more concerned with appearing classy to others as compared to informationally susceptible when the expertise of others impacts their choice on occasions when one is unaware of the product category (De Matos et al., 2007). With respect to how much they support this behaviour, friends and family members may either discourage the use of counterfeits or actively encourage it. The perceptions about the likelihood that certain people or groups who are known as referents with whom the individual is driven to comply would approve or disapprove of the behaviour and attitude towards counterfeit products.

Therefore, the elements of information susceptibility, normative susceptibility, status consumption and social influence are considered as social drivers for the study in the context of the consumption of counterfeits. The researcher further extended the levels of various social drivers on the grounds of socio-demographic and economic factors as well as the association of the same with customer attitude and purchase intentions towards counterfeits.

2.4.3.1 Information Susceptibility

One of the social factors that will be examined in this research is information susceptibility. When taking into account instances where people are consuming counterfeit goods, it has been discovered that information susceptibility is a strong predictor of purchase intent. According to Phau and Teah (2009), information susceptibility describes the consumer's decision to make a purchase based on the expertise of others.

The readiness to absorb information from others is known as information influence (Ting et al., 2016). Internalisation is the mechanism through which informational influence operates (Phau & Teah, 2009). Information susceptibility plays a significant role in assessing consumer attitudes since experts' judgements may serve as a benchmark for consumers when making their purchase decisions (Ang et al., 2001; Phau & Teah, 2009).

The factor of information susceptibility had a significant effect on how individuals approach counterfeit goods (Mayasari et al., 2022). For those who are unfamiliar with certain companies, brands or products, the views of others are vital since they provide an assurance or a point of recommendation and their attitudes towards counterfeit items will be influenced by their information susceptibility (Kasuma et al., 2020; Ting et al., 2016). The others may include a network of peers, or family members who are knowledgeable about the distinctions between authentic and counterfeit goods. Information susceptibility had a detrimental effect on favourable product qualities (Borekci et al., 2015). Amjad and Mahmood (2018) mentioned that consumers who are unable to define a product's kind are informationally vulnerable, and they disclose their perceived worth when the

approval of others influences their purchase decisions and undesirable outcomes might result, which will have a negative effect on attitude (Phau & Teah, 2009) and the intention to buy counterfeit goods.

2.4.3.2 Normative Susceptibility

According to Ang et al. (2001), normative susceptibility is the act of making a purchase based on the assumption that it would please others. Normative susceptibility is concerned with what consumers could believe or anticipate while making a purchase. Since the customers desire to make a good impression and meet society's expectations, the majority of consumers who exhibit normative susceptibility prefer to buy items based on what they believe others want to buy (Amjad & Mahmood, 2018). In other words, the buyer would choose a product that would make a favourable impression on others since their self-image is based on how they want to be perceived by others (Ting et al., 2016).

As a result, the normative susceptibility will impact customers' attitudes towards counterfeit goods since individuals with a significant amount of normative exposure are more likely to be inclined to buy something particular based on what they believe other people would anticipate (Kasuma et al., 2020). In accordance with Borekci et al. (2015), acquaintances, co-workers, or family may deter people who wish to satisfy their craving for counterfeit items. Users of counterfeit goods place a higher value on elements with generally obvious benefits, such as the product name and desirableness that would be endorsed by their co-workers, relatives, and friends.

Normative susceptibility is the propensity to live up to social norms. The prominent people might have an effect that is favourable or detrimental to the current state of consumption. The customer will have a favourable opinion of such items if the significant players promote or approve the purchase of counterfeit goods. The customer will have an unfavourable view of counterfeit products if the key players do not support or discourage the acquisition of such things. In other words, the consumers are more likely to buy counterfeit goods if they believe their significant others would support them and a person is more prone to acquire unfavourable views towards counterfeits if they believe that the bogus products they purchased may not

be appreciated, accepted or recognized by their social surroundings (De Matos et al., 2007; Kim & Karpova, 2010).

2.4.3.3 Status Consumption

Status consumption describes customers who are seeking self-satisfaction as well as exhibiting their social and economic standing to others, typically through visible evidence. A status is a form of supremacy that includes elements of dignity, consideration, and resentment from others and reflects the aspirations of a culture (Eastman et al., 1997). Status is an elite identity or position in a society that is bestowed upon a person by other people. Status seekers are drawn to brands that emanate brand symbols that correspond to their sense of self. According to Eastman et al. (1997), there are considerable amounts of status consumption in every community where the value of goods is determined by the perceived social benefit they provide. Purchasing counterfeit goods is the fastest and most affordable approach to attain the envisioned status. Although brands are appealing to everyone, some people can afford them while others cannot. The decision to purchase fake goods is made by consumers who cannot afford expensive brands. The status symbol factor makes it a target for counterfeiters to misuse the popularity of the well-known brands (Le Roux et al., 2016). In the opinion of several economists, the primary motivation for conspicuous expenditure is the indication of economic prosperity, or the desire to view as though one has a high social position (Rod et al., 2015).

According to Purwanto et al. (2019), who explored the theory of status, buying expensive goods demonstrates a person's superior status both to themselves and to others. Additionally, Eastman and Eastman's (2011) explanation of social status defined it as the honour one has in relation to any specific position within the society as a whole. As a result, status serves as an expressive tool that satisfies social requirements, and consumers are driven by the status motive. A person's status refers to how the group or community views them. The use of items in a society with the goal of being accepted in a materialistic group is referred to as the quest for status, and this form of status search is frequently accomplished by demonstrating the usage of an item (Sahin & Nasir, 2021). This indicates that the status may be connected to the symbolic usage of items as customers purchase and use things to enhance their

sense of themselves, disclose who they are, and project the image they wish to portray.

Purchases of prestige goods are driven by the desire for status consumption. Whether the consumer is motivated to gain status internally or externally may explain how the urge for status consumption has developed. Externally driven status consumption can encourage increased public consumption of conspicuous status goods or extravagant expenditure. High intrinsic drive individuals are more likely to satisfy their demand for self-awarding by purchasing both overt and covert status symbol items (Eastman & Eastman, 2011). Consumers often assign prestige aspects to goods and brands based on a combination of hedonistic values, product attributes, and societal interactions exhibiting the effect of the reference groups. The aforementioned interactions take place on both the individual and communal levels (Bonoma & Johnston, 1979).

The goods and brands that are esteemed and have status are determined by the group's normative influence. According to Perez et al. (2010), normative pressure is believed to have an impact on status consumption. Status seekers attempt to allay their status anxieties by surrounding themselves with goods and brands that display outward signs of the superior position they assert due to the pressure from normative society. Status consumers, therefore, consider items as a way to enhance their social standing in society. According to Nunes et al. (2011), status consumption represents a type of conspicuous consumption. O'Cass and McEwen (2004) claimed that status consumption is driven by both interpersonal influence and self-expression, whereas conspicuous consumption is only influenced by interpersonal influence. The underlying concept of status consumption is changed as follows once it has been determined that conspicuous consumption and status consumption are two distinct ideas such as the desire to elevate one's social or self-status through the use of conspicuous consumer goods that bestow status on the consumer and others close to them is known as status consumption. The element of social status had a favourable influence on their tendency to buy fake goods in the opinion of Elsantil and Bedair (2022). Junejo et al. (2020) opined that people showed a preference to purchase counterfeit luxury brands for the sake of getting accepted and included in

their social circle. Hashim et al. (2020) also observed a significant influence of social impact factors on counterfeit products' purchase intentions.

According to Phau et al. (2009), status consumption serves as the driving force behind people who desire to elevate their social status through the use of image-enhancing items. It pertains to any possession, usage, demonstration, or consumption of products or services with a motivation to elevate status in society. The driving factor, however, pushes someone to develop their personalities and portray their social position. Results of the study by Sahin and Nasir (2021) revealed that interpersonal influence strengthens the factors of status consumption and conspicuous consumption leading to the strengthening of perceived symbolic status. Status consumers are more concerned with status and the presentation of success than other consumers, and they have negative sentiments toward counterfeit products. They aspire to own brands that represent their self-identity (Harun et al., 2012). The factor of social status or prestige consumption showed a positive significant influence on attitude towards counterfeit products as per Mustafa and Salindo (2021). Customers would almost certainly purchase and even pay extra for a product with prestige. Mayasari et al. (2022) observed that status consumption variables had a significant impact on the attitude of the people towards bogus items.

The status consumers' views towards counterfeit items would be negative if their peers, close companions, or family members found out they were purchasing fake goods. They would be concerned that their profile is damaged and would thus stop buying counterfeit products.

2.4.3.4 Social Influence

The term social influence refers to the impact that a person's social circles, including family, friends, and other acquaintances, have on that individual through influencing their purchasing decisions. People's decisions to purchase original brands or counterfeits are influenced by the recommendations from the group serving as a reference (Phau & Teah, 2009; Wang et al., 2005). If relatives or close associates are supporting counterfeit goods, buyers are more likely to buy them, and vice versa. Parents, relatives, friends, and fellow pupils all have a greater probability

of influencing a person's thoughts than other social groups. In various social contexts, social pressure incites clients to carry out such acts in order to gain approval. Ajzen and Fishbein (1980) emphasized that both individual opinions and social influence are the forecasters of purchase behaviour and intentions.

According to research by Hamelin et al. (2013), communication with family, relatives, and close companions is the primary reason why people buy counterfeit items. In order to retain social connections and win others' favour in social settings, people need attitudes that provide a social-adjustive function. Recent studies have shown that when the customer's perspective toward original brands performs a social-adjustive role, their preferences for counterfeits and unfavourable changes in those preferences for legitimate brands are larger (Wilcox et al., 2009). Therefore, consumers who perceive genuine brands as accommodating a social-adjustive function tend to view counterfeit goods favourably as they may enable them to leave a favourable solid mark in social settings if others are unable to differentiate between counterfeit goods and genuine goods.

According to Amaral and Loken (2016), when lower classes use counterfeit brands, the majority of upper-class customers tend to ridicule them, but when the upper socio-economic groups use counterfeit versions, the lower classes do not generally do so. The development of consumer pride after consuming counterfeit goods can be used to identify the significance and involvement of the element of social influence. This pertains to a connection between a person's inner world and the desired outer world by means of sensory and symbolic accomplishment. Additionally, they assert that using well-known brands is strongly related to vanity. They were able to convince people who are prone to pride to spend money on high-status products, and as a result, these consumers will continue to demand these counterfeit brands to state their ravenous desires and maintain their self-respect without giving it a second thought whether the product is authentic or not.

Thus, the prevalence of friends, relatives, and role models in communities who purchase counterfeit goods would increase the apprehension to purchase such goods. Based on the available empirical data, it is reasonable to assume that social

influence would have a stronger impact on people's attitudes towards buying counterfeit goods.

Table 2.3

Summary of Major Literature: Social Drivers and Counterfeits

Social Drivers	Empirical Studies
Information Susceptibility	(Amjad & Mahmood, 2018; Borekci et al., 2015; Kasuma et al., 2020; Mayasari et al., 2022; Phau & Ng, 2010; Phau & Teah, 2009; Ting et al., 2016)
Normative Susceptibility	(Amjad & Mahmood, 2018; Ang et al., 2001; Borekci et al., 2015; De Matos et al., 2007; Kasuma et al., 2020; Kim & Karpova, 2010; Ting et al., 2016)
Status Consumption	(Bang & Kim, 2021; Bedi & Chopra, 2021; Ha & Tam, 2015; Kala & Chaubey, 2017; Liao & Hsieh, 2013; Phau et al., 2009; Shrivastava, 2023; Turkyilmaz & Uslu, 2014)
Social Influence	(Ahmad et al., 2014; Amaral & Loken, 2016; Bhatia, 2018; Chun, 2017; Hamelin et al., 2013; Jose Scotto et al., 2021; Nawi et al., 2017; Nguyen & Tran, 2013; Rizwan et al., 2014a; Shrivastava, 2023; Wilcox et al., 2009)

Source: Developed by the Researcher from Secondary Data

2.4.3.5 Social Drivers and Customer Attitude towards Counterfeit Products

A consumer's attitude towards counterfeiting does not differ from those who place less emphasis on enjoyment, comfort, and social recognition (Ang et al., 2001). Bang and Kim (2021) have measured the propensity for status consumption and conformity in explaining how the luxury goods, masstige brands and counterfeits have been perceived by consumers and found to have a favourable relationship with the attitude of consumers towards counterfeits of high-end items. Expression of consumption status had the greatest positive impact, followed by the social influence component on the attitudes regarding the copying of high-end fashion items (Ha & Tam, 2015). Similarly, status consumption had a positive effect on attitude as per the findings of Rahpeima et al. (2014). Further, Bhatia (2018) showed a positive relationship between social influence factor and customers' attitudes regarding

counterfeit fashion goods. Similarly, Nawi et al. (2017) and Ahmad et al. (2014) also mentioned that attitude and social influence were positively correlated with regard to counterfeits. Social influence affected a consumer's proclivity to purchase a counterfeit (Rizwan, et al., 2014a). It was further discovered by Phau et al. (2009) that opinions regarding luxury brand knockoffs were highly influenced by social influence. Social influence factor had a favourable effect on customers' perspectives towards counterfeit fashion goods after adjusting for the interaction effects of independent factors and income (Nguyen & Tran, 2013). The social purchasing factors when mixed up with the popularity of the brands acted like fertilizers in the formation of a positive attitude towards counterfeits as per the findings of Chun (2017). The social drivers of status consumption, information and normative susceptibility had a strong influence on attitude as per the findings of Ting et al. (2016). Normative susceptibility and informative susceptibility were found to gauge outside social impact on attitude formation (Phau & Ng, 2010).

However, Shrivastava (2023) observed that social influence had little to no effect on customers' attitudes towards counterfeits. Similarly, Jose Scotto et al. (2021) spotted that social influence factor was not substantially associated with one's attitude towards counterfeits. The research conducted by Prakash and Pathak (2017) concluded with no significant impact of social norms on the attitude of customers and social status was also shown with no influence on attitudinal levels of customers as per Chaudary et al. (2014). Status consumption was found to be adversely associated with consumers' attitudes towards counterfeit items by Liao and Hsieh (2013) and Phau et al. (2009).

2.4.3.6 Social Drivers and Purchase Intentions towards Counterfeit Products

The factor of status consumption was found to be the most significant in describing the consumer's purchase intention for counterfeit goods by Bedi and Chopra (2021). Similarly, social values had a strong and favourable relationship with the consumers' intentions to buy knockoff high-end goods. Turkyilmaz and Uslu (2014) observed that status consumption was the most influencing individual trait on the purchase intention of counterfeit goods. The elements of status consumption and peer pressure, were found to be the most influential social drivers affecting

customers' intentions to purchase counterfeit goods as per the study of Yadav et al. (2018) as well as Ahmad et al. (2014). Consumers under study were fond of social acceptance leading to a favourable inclination to purchase counterfeits as per the view of Adhikari and Biswakarma (2017). Kala and Chaubey (2017) demonstrated that status and subjective norm influences had a significant impact on whether people intended to buy counterfeit goods. Similarly, Jaiyeoba et al. (2015) discovered that social variables had a substantial and favourable link with purchase intentions towards counterfeits.

In contrast, Kasuma et al. (2020) revealed that the variable of information susceptibility showed a negative significant relationship towards purchase intention of customers whereas the variable of normative or subjective susceptibility resulted in no relationship with the purchase intention. They have concluded that the more information consumers receive on counterfeit products and counterfeit consumption, the lesser will be their purchase intention towards counterfeit products.

2.5 Perceived Value towards Counterfeit Products

There are different definitions of perceived value extended by various authors. Oliver (1997) used the complicated idea of value and stated it as a judgement weighing what was acquired (for example, performance) against the expenses of acquisition (for example, money, time, and psychological resources). Value is the mental sense of superiority or conviction. The customers' emotional assessment of the good or service is known as perceived value. Marketers and managers are focusing on value perception as a key aspect to explain consumer happiness and loyalty in recent years (Lin & Wang, 2006). The level of quality, as well as value of counterfeit goods, has substantially increased as a result of the outsourcing of production techniques and the advent of new technologies (Jiang & Shan, 2016). Perceived value had an encouraging impact on consumers' attitudes concerning counterfeit luxury products and their inclination to buy them as per the research findings of Toklu and Baran (2017).

The outcomes or advantages that consumers obtain in comparison to overall expenses, which comprise the amount paid plus extra expenditures related to the

transaction, are referred to as perceived value. The price is the major factor that influences how much consumers and nations adhere to purchasing counterfeit goods (Commuri, 2009; Cordell et al., 1996; Gentry et al., 2006; Wang et al., 2005). Dodds et al. (1991) discovered a favourable connection between perceived value and purchase intention of counterfeit items. Rawat and Singh (2021) observed that when counterfeit product prices climbed by 1 percent, consumer value perception and purchasing patterns increased by 77.8 percent indicating that the price had a significant effect on the perceived value regarding counterfeits. Alsaid and Saleh (2019) indicated that there was no link between perceived value and the inclination to acquire knockoff brands in a study conducted in the context of the Saudi market. Researchers have examined various aspects of perceived value pertinent to price (Cordell et al., 1996; Dodds et al., 1991; Gentry et al., 2006; Lichtenstein et al., 1993), individual image (Bloch et al., 1993; Chellasamy et al., 2020; Graeff, 1996; Yoo & Lee, 2009), quality of the products (Jiang & Shan, 2016; Lichtenstein & Burton, 1989; Phau et al., 2009), social factors (Amaral & Loken, 2016; Harun et al., 2012; Wilcox et al., 2009), integrity elements (Ang et al., 2001; Chun, 2017; Poddar et al., 2012; Rahpeima et al., 2014)and many more.

The perceived value of a product, which is based on a comparison of its price and quality, is a significant factor in determining how satisfied customers are. Regarding counterfeit luxury brands, Wiedmann et al. (2012) discovered a favourable correlation between the perceived value dimensions and the desire to acquire counterfeit luxury goods. This favourable correlation was attributed by Nia and Zaichkowsky (2000) to customers' desire to improve their social position as well as their individual image. After consuming a high-quality product, a consumer may see the worth of that product as an enhancement in their social standing. Thus, the contract of achievement of the good or service and the value system of the client are both addressed by the consumer's value perception (Neap & Celik, 1999). According to Gallarza and Saura (2006), perceived value is the idea that a client has that they are getting something for their money. Customers will be happy and wish to purchase the goods again if they receive benefits that are equal to the amount they paid. As a result, the perceived value is crucial to product marketing. Counterfeit consumption can be effectively controlled to a considerable degree if it is made clear

that consuming fakes might result in more harm than an upsurge in perceived worth (Sreejith & Shukre, 2016). Current research has looked into the connection between perceived value and attitude as well as purchase intent.

2.6 Customers' Attitude towards Counterfeit Products

Attitude refers to the inclination to gain knowledge and respond in a convenient or inconvenient manner towards particular persons or goods in a certain environment. The term attitude is defined by Fishbein and Ajzen (1975) as the extent of feelings a person must embrace or reject a subject or behaviour and is tested by a process that sets the person's attitude on a two-pole assessment scale either favourable or unfavourable or in other words, approve or dismiss. In the words of Albarq (2015), a comprehensive collection of accessible behavioural beliefs connecting behaviour to various events and other traits determines attitude.

As of now, four key metrics have been proven to be beneficial in assessing consumer attitudes: quality, economic, ethical or moral, and legal (Ang et al., 2001; Cordell et al., 1996; Rizwan et al., 2013; Swami et al., 2009). Ajzen and Fishbein (1980) rightly mentioned that attitude is a fair predictor of subsequent behaviour since it is assumed to be associated with a goal in mind. Kordnaeij et al. (2015) identified six variables, including personal gratification, value aversion, price-quality perception, ethical concerns, subjective norm, and perceived risk, and were found to have influence on buyers' attitudes towards counterfeits. However, Hidayat and Diwasasri (2013) revealed that the most important influences on attitudes were contributed by social and personality characteristics of customers.

Attitude is not an attribute that can be immediately witnessed because it is a person's mental state (Aaker et al., 1995). Schiffman and Kanuk (1997) defined an attitude as a learned predisposition to behave consistently favourably or unfavourably towards certain things. The positive conduct creates a foundation for the use of counterfeit items that duplicate the use of popular trademarks and branded products (Rod et al., 2015). Counterfeit goods purchases are more likely to occur among consumers who have a favourable disposition towards doing so (Chiu et al., 2014). Intentions are antecedents of buying behaviours, which are ultimately generated through attitudes, based on the Theory of Planned Behaviour (Ang et al.,

2001; Fishbein & Ajzen, 1975; Phau et al., 2009; Wee et al., 1995). Many argue it substantially correlates with one's motivations, which act as a logical behavioural predictor. Several researchers found that attitudes proved to have more significance than subjective standards (Ajzen, 1991; Donald & Cooper, 2001). It was further discovered that social and personality traits had a major impact on consumer attitudes towards counterfeits (Hundal & Jasmeen, 2016).

Consumer attitudes towards counterfeit goods can be positive or negative. Phau et al. (2009) and Wee et al. (1995) found that consumption of counterfeit products is more likely to outpace purchases of genuine brands based on the more positive customers' attitudes towards the products in question. If a consumer has favourable opinions about counterfeit goods, they may be willing to buy them and vice versa. In the words of Eagly and Chaiken (1993), a person's actions can possibly foresee their attitudes, which implies that a person's attitude towards any given notion will affect their intention to act on that thought.

The majority of customers hold protected values, which they describe as unchangeable and absolute, such as the law against theft (Norum & Cuno, 2011). However, Baron and Kenny (1986) assert that many customers are prepared to trade such safeguarded values for a lower cost on counterfeit goods. Tang (2021) in his study concluded that most of the respondents in the market for fake branded sports shoes had some level of comprehension of it through various channels, and there were only a few young people who had no understanding at all. Many people still have a reasonable attitude towards counterfeits and there was no chance to get overly captivated by it.

According to Fishbein and Ajzen (1975), behaviour is closely associated with one's attitude and personal objectives. In a nutshell, the theories claimed that if a person has favourable attitudes toward counterfeit goods, it is extremely probable that they will consider buying them, whereas if they have negative attitudes, it is almost certain that they will not (Ang et al., 2001; Bagozzi et al., 2002; De Matos et al., 2007; Huang et al., 2004; Thurasamy et al., 2003; Wang et al., 2005). Typically, counterfeit goods are less expensive than real ones. It is clear from this that there isn't a big variation in how people perceive quality. Customers are prepared to pay for the product's essential functions and aesthetic qualities but not for a product's

alleged quality. Cordell et al. (1996) further clarify that tangible benefits are crucial when purchasing counterfeit goods to have prominence and symbolic social standing comparable to registered trademarked products.

The most significant element influencing people's readiness to buy counterfeit goods was their attitude toward such products (Mayasari et al., 2022). There is a favourable correlation between attitudes toward counterfeit goods and purchasing intentions, according to several research (Bhatia, 2018; Carpenter & Lear, 2011; De Matos et al., 2007; Phau & Teah, 2009; Rizwan, et al., 2014b). Moreover, research by Pham and Nasir (2016) in the UK found a link between customers' favourable attitudes and their desire to buy counterfeit goods. Similar findings by Eisend and Schuchert-Guler (2006), referenced by Riquelme et al. (2012) in Kuwait, showed a link between customers' desire to buy counterfeit goods and their favourable attitudes about CPs. As previous research have demonstrated, consumer attitudes regarding counterfeit items have a favourable influence on their buying intentions (Ahmad et al., 2014; Kwong et al., 2003; Penz et al., 2009; Swami et al., 2009; Wang et al., 2005).

Attitude was found to be a significant predictor of purchase intentions of counterfeit luxury goods as well (Jose Scotto et al., 2021). Similar views have been shared by Mustafa and Salindo (2021) through their research work that attitudinal indicators influenced purchase intention of customers to purchase a falsified or counterfeit product. Park-Poaps and Kang (2018) in their experimental study explored the significant effect of appraisal of product features on the attitudes regarding non-luxury counterfeit items and stated that the purchasing environment significantly influences customers' attitude and purchase probability. Patiro and Sihombing (2014) discovered another perspective such as the customers who had previously bought counterfeit goods, had a more favourable attitude, subjective norms, and perceived behavioural control towards purchase intentions than those who hadn't purchased it before.

Even though it is against the law, consumers today prefer to buy counterfeit goods. The link between personal factors, ethical concern, and consumer intention is mediated, according to the research by Quoquab et al. (2017). The mediating role of attitude was analyzed by Ting et al. (2016) and the results revealed that attitude

mediated social factors and value consciousness, and purchase intention towards counterfeit premium goods. Mediating impact, according to Baron and Kenny (1986), occurs when an independent variable influences a dependent variable through a third variable. Numerous current research demonstrates the direct impact of the aforementioned factors in various contexts. The predispositions of consumers' attitudes towards counterfeit products and purchase intention are assumed to be mediated by attitude. Mediation effects are studied by Bentler and Speckart (1979) through the study of models of the relationship between attitude and behaviour. According to De Matos et al. (2007), attitude serves as a mediator between the factors that influence the intention to purchase. Ndofirepi et al. (2022) found that views towards the financial benefits of buying counterfeit goods acted as a partial mediating factor between price-quality inference and customers' intentions to buy non-deceptive counterfeit items.

Furthermore, Negara et al. (2020) demonstrated that normative susceptibility, value consciousness, integrity, consumption status, and materialism were mediated by attitude to purchase intention. The mediator role between the constructs and the behavioral intentions was played by the attitude of the customers which in turn was highly influenced by the attributes of the products (Prakash & Pathak, 2017). Kumar et al. (2016) highlighted that the attitude of the customers mediated the drivers of counterfeit product buying and purchasing intention. It was discovered that through the mediation of attitude, normative susceptibility, price consciousness, novelty seeking, and perceived risk were dominating in encouraging customers to buy counterfeit goods (Albarq, 2015). De Matos et al. (2007) also supported the statement that the element of attitude played as a mediator between the antecedents and intentions.

Certain studies showed an absence of mediation effect of attitude as well. Harun et al. (2020) employed a hierarchical regression analysis which showed that both the association between social characteristics and intentions as well as the relationship between economic advantages and intentions were not mediated by attitude. Customer attitudes regarding counterfeit goods failed to operate as a mediator in the interaction between prior purchases, materialism, social variables, economic rewards, and the desire for repurchase.

2.7 Purchase Intentions towards Counterfeit Products

The customers were proved to have a strong favourable purchase intention towards the counterfeit products based on several reasons such as favourable attitude towards counterfeits (G. Li et al., 2012), legal punishments mainly focusing on the supply side and rarely focusing on the demand side (Yoo & Lee, 2012), and the presence of only fewer obstacles in purchasing counterfeits (Penz & Stöttinger, 2005). The relationship between attitude and intentions has received a lot of attention in marketing literature. The attitude regarding counterfeits accounted for a large portion of the intention to buy them as per the previous studies. The Theory of Reasoned Action states that attitude has a positive relationship with buying intentions, which is a precursor to actual activity.

Purchase intention, often known as customer or buyer's intent, is a metric used to determine a buyer's tendency to make a purchase. It is the sum of a person's cognitive, emotional, and behavioural tendencies towards using a product, service, concept, or engaging in certain behaviour. In the words of Fishbein and Ajzen (1975), intention can be stated as the choice to act or the psychological state that displays the understanding of participants' perceptions and behaviours. Once a buyer has demonstrated a propensity to buy, they start making decisions that lead up to a purchase. These decisions are known as purchase intentions (Dodds et al., 1991). In the words of MacKenzie et al. (1986), purchase intent is expressed by a user's preference for a certain product. Shrivastava (2023) in his study comprehended on customer attitudes and intentions about buying fake goods that these items were purchased by consumers in order to maintain their sense of style because they were less expensive and come with better terms. Hien and Trang (2015) stated that one of the effective indicators of an intention to buy counterfeit goods was shown to be the attitude towards counterfeit goods and that was explained by the fact that customers who had favorable attitudes towards counterfeit goods led to stronger intention to buy them.

Favourable opinions and the likelihood of purchasing counterfeit goods are positively correlated (Ang et al., 2001; De Matos et al., 2007; Huang et al., 2004; Nguyen & Tran, 2013; Phau & Teah, 2009). Tuyet Mai and Linh (2017) concluded that the attitude towards counterfeit products was found to be the strongest predictor

of purchase intention. Accordingly, attitudes toward behaviour in comparison to attitudes towards the product are a greater predictor of actions (Fishbein & Ajzen, 1975; MacKenzie et al., 1986; Penz & Stöttinger, 2005). Furthermore, Awang et al. (2020) opined that attitude is the strongest influential factor to consumers' purchase intention towards counterfeit products.

The likelihood that people will buy counterfeit brands increases with how positive their sentiments are about counterfeiting practices. Abdullah and Yu (2019) also agreed with the same point by stating the more the favorable attitude, the stronger the favorable intention to purchase counterfeit products. Similarly, Long and Vinh (2017) also commented that favorable attitudes had a strong and favorable relationship with purchase intention towards counterfeit products and vice versa as per the research. Similarly, Rizwan et al. (2014b) observed that the consumer's inclination to buy a counterfeit included a positive attitude. Likewise, the likelihood of purchase decreases when consumers' sentiments towards counterfeiting become more negative (Kim et al., 2009; Wee et al., 1995). Hamelin et al. (2013) observed that concerns about one's health, the danger of disappointment, and integrity were the main elements that influence one's decision to buy counterfeit goods and the risk of embarrassment was found to be an insignificant deterrent factor.

Malik et al. (2020) observed that the three intervening factors of normative influence, social risk aspects, and status acquisition desires, each proved to have a significant favourable influence on the propensity to buy counterfeit goods. Social influence was found to be the most important element influencing consumers' intentions in the opinion of Yunos and Abdul Lasi (2020). Positive attitudes about purchasing fake goods, perceived behavioural control (Bupalan et al., 2019), and subjective norms positively affected purchase intention towards counterfeits (Tseng et al., 2021). The attitudes about fake goods and purchase intentions were significantly related as per the findings of Amjad and Mahmood (2018). De Matos et al. (2007) reported a favourable correlation between the two as well. Nguyen and Tran (2013) indicated that customers' attitudes were strongly and favourably related to their inclination to buy fake fashion items. Rahpeima et al. (2014) also discovered a favourable association between attitudes towards purchasing counterfeit goods and intention to do so.

Budiman (2012) established that the inherent qualities of counterfeit items and the propensity of the favourable respondents' attitudes strongly attracted customers to purchase counterfeit products. There are several correlating factors between attitude and the urge to buy counterfeit goods, according to Chiu et al. (2014). Mangundap et al. (2018) in their comparative research on consumer purchase intention towards original and counterfeit products pointed out the differences in purchase intention on the basis of product quality, price, personal appearance, social influence, and brand image. Further, Rizwan, et al. (2014c) found that the consumers' purchase intentions were influenced by brand satisfaction, brand pleasure and brand attachment factors. Liao and Hsieh (2013) reported that the inclination of customers to buy counterfeit versions of cell phones was found to be favourably correlated with their attitudes about counterfeit items, but negatively correlated with their perception of risk. The ethical belief was the most significant factor in predicting the intention to purchase according to Kwong et al. (2003).

Sharma and Chan (2017) examined the direct and indirect consequences of attitudinal functions on the appraisal of counterfeit products and purchase intention which were found to be mediated by the factors of purchase motivation. The association between social elements and the intention to acquire counterfeit products was not mediated by attitudes towards counterfeit goods, according to an earlier research by Thurasamy et al. (2003). Furthermore, Harun et al. (2012) discovered that the association between personality variables and the propensity to buy counterfeit luxury products was not mediated by attitudes towards such commodities. Interestingly, Thurasamy et al. (2003) discovered that the association between personality traits and the desire to acquire counterfeit items was partially mediated by the attitude towards counterfeit merchandise.

Table 2.4
Summary of Major Literature: Perceived Value, Attitude and Purchase Intention Towards Counterfeits

Constructs	Empirical Studies
Perceived Value	(Alsaid & Saleh, 2019; Commuri, 2009; Dodds et al., 1991; Gallarza & Saura, 2006; Gentry et al., 2006; Jiang & Shan, 2016; Lin & Wang, 2006; Neap & Celik, 1999; Nia & Zaichkowsky, 2000; Oliver, 1997; Sreejith & Shukre, 2016; Toklu & Baran, 2017; Wang et al., 2005; Wiedmann et al., 2012)
Attitude Towards Counterfeits	(Albarq, 2015; Bagozzi et al., 2002; Carpenter & Lear, 2011; Chiu et al., 2014; Donald & Cooper, 2001; Eagly & Chaiken, 1993; Fishbein & Ajzen, 1975; Hundal & Jasmeen, 2016; Kordnaeij et al., 2015; Kwong et al., 2003; Ndofirepi et al., 2022; Norum & Cuno, 2011; Prakash & Pathak, 2017; Quoquab et al., 2017; Schiffman & Kanuk, 1997; Swami et al., 2009; Tang, 2021; Wee et al., 1995)
Purchase Intention Towards Counterfeits	(J. Awang et al., 2020; Bupalan et al., 2019; Chiu et al., 2014; Dodds et al., 1991; Hien & Trang, 2015; MacKenzie et al., 1986; Malik et al., 2020; Mangundap et al., 2018; Penz & Stöttinger, 2005; Sharma & Chan, 2017; Thurasamy et al., 2003; Tseng et al., 2021; Yoo & Lee, 2012; Yunos & Abdul Lasi, 2020)

Source: Developed by the Researcher from Secondary Data

2.8 Socio-Demographic, Economic and Counterfeit Purchase Factors

Customers in the marketplaces do not all fall into one category. Therefore, demographic distinctions are crucial for the strategic choices made by the true brand owners. Since counterfeit product buyers come from a variety of sociocultural and psychological backgrounds, it is possible to change the factors around counterfeit items by changing their views towards such products. Individuals buy counterfeit goods owing to their low cost, desire for social standing, low income, etc. The low-cost counterfeit goods were well-liked by the public due to their low income and excessive expenditures. According to Du Toit (2011), socio-economic factors such as a person's gender, age, level of education, income levels, marital status, social standing, and population percentage are examples of the purposeful distinctiveness of a person.

According to Hawkins et al. (1980), socio-economic characteristics can have a direct impact on people's purchasing decisions. Bedi and Chopra (2021) conducted an empirical study in India to trace out the demographic predictors of counterfeit luxury consumption and found that different counterfeit product characteristics varied depending on demographic factors such as gender, age, income level, and educational attainment, further indicating that the status consumption and perceived risk are two characteristics that affected how men and women perceive counterfeit goods. The findings further explained that only the factor, value consciousness, explained the difference in the views of various age groups and the two factors which had the average effect on attitudes towards counterfeit goods across all income categories were integrity and price consciousness. Bedi and Chopra (2021) stated there was no statistically significant difference for numerous parameters across levels of education.

Wang and Song (2013) examined the counterfeit consumption experiences among Chinese consumers by categorizing under four groups and found that there were significant differences in age, personal yearly income, and educational attainment between the four groups, but not in gender distribution. Rajesh (2017) in his study on the influence of demographics on the acceptance of counterfeit products among graduate youths in South India, tried to establish the relationship between age and gender on the purchase intention of counterfeit products and found that age and the purchase of counterfeit goods were only very weakly correlated whereas gender and the purchase of fake goods were found to be significantly related. Contrary to the expectations with regard to many studies, Elsantil and Bedair (2022) found no association between socio-demographic factors, including religiosity, cultural background, and socio-economic position, and the propensity to buy counterfeit goods.

Faruqui et al. (2017) mentioned that a vast majority of customers came from lower middle-class households, suggesting that consumers of counterfeit brands were typically motivated to buy illegally made goods because of their weaker economic circumstances. Chun (2017) pointed out that people's never-ending desire for branded products along with monetary affordability concerns make room for counterfeit consumption. Kala and Chaubey (2017) found out that there was a strong

correlation between respondents' demographic traits and the purchasing of counterfeit goods. However, a distinction between customer attitudes and purchase intentions in terms of monthly income, gender, and kinds of companies was identified by Ha and Tam (2015). Age and gender were two demographic factors that shed light on respondents' intentions to purchase according to Kwong et al. (2003).

Kumar et al. (2016) found out that the consumers' attitudes were considerably influenced by their gender, education, and age; yet, income and other characteristics of their attitudes, such as perceived risk and prior experience, were highly correlated with their age and income. Economic activity, income, government stance, counterfeits, education, age, prejudice, sex, and town size were the eight explanatory categorical variables explored by Rod et al. (2015) and revealed that the factors such as household wealth, the size of the community in which a person lives, and the likelihood that a person will buy counterfeit items were all influenced by these factors. The variables of perceived level of affordability of the original product, previous experience with fake products, the propensity to purchase original and authentic products, product types and demographic variables such as age and gender were explored by Randhawa et al. (2015) and revealed significant associations between the variables. Kumar et al. (2015) demonstrated that factors such as gender, age, education, wealth, and occupation had a favourable attitude towards counterfeit goods.

Agwu et al. (2015) highlighted a negative relationship between the socio-demographic traits and customer attitude which indicated that lower education level and low-income level resulted in an increase in the favourableness towards consumption of counterfeit products. However, in certain instances, the association between the variables of gender, occupation, and whether or not counterfeit goods harm the economy or were purchased in retribution for unfair business practices by large corporations was shown to be non-significant. The socio-demographic factors along with perceived elements that influence consumers' propensity to contemplate buying counterfeit branded products were investigated by Bian and Moutinho (2009) and it was found that demographic factors and product involvement didn't seem to have a big influence.

It is important for advertisers to be aware of these types of criteria since they will help marketers decide which media and marketing strategies will work best for the target audience they intend to reach. As a result, they play a key role in deciding how customers feel about and react to counterfeit goods. There are a variety of results about how factors including gender, education, and income affect buying counterfeit goods. As a result, demographic factors are taken into account in their structure as drivers of counterfeit proneness. Thus, the socio-economic factors considered by the researcher are gender, age, education status, and annual income.

2.8.1 Gender

Gender differentiation was marked at various levels of perceptions regarding counterfeits. According to several studies, men and women prefer to purchase various counterfeit goods which shows the differences between their purchasing habits (Swami et al., 2009). According to a research, men found to be often more prone to engage in unlawful counterfeit purchases (Carpenter & Lear, 2011). Male customers demonstrated a stronger favourable attitude with respect to subjective norms and perceived behaviour control to acquire counterfeit items, according to the research of Khor and Lim (2019). In comparison to men, women were inclined to exhibit an idealistic viewpoint (Chaudhry & Stumpf, 2011). Women are less likely to purchase counterfeit goods when they perceive greater risk associated with things like product features and advantages (Babamiri et al., 2020). In contrary, Nawi et al. (2017) found out that females were influenced more to purchase counterfeit products than male customers. Therefore, the difference between men and women may be due to how the element of danger was perceived. It was also shown in the same study that there was a substantial variation in attitudes regarding buying counterfeit items by gender. According to Carpenter and Lear (2011), gender had an impact on customer opinions regarding the morality of counterfeiting, even though it had not moderated the social cost or the anti-big business aspects of consumer attitude about such items.

In contrast to the aforementioned views, Sarma et al. (2019) observed there were no distinctions between male and female consumers when it comes to choosing the counterfeits of luxury fashion labels because both genders proved to have similar

perceptions in their study. Gender has a negative association with buy intention, although it constitutes only for only a small percentage of the differences in purchase intention as concluded by Nadeem et al. (2016). There were no statistically significant differences between males and females in the means of attitude or intention to purchase, according to Riquelme et al. (2012) as well. The socio-demographic statistics in the research of Dabija et al. (2014) revealed that men refrained from buying counterfeit food, mobile phones and computers while women refrained to buy counterfeit fashion products, cosmetics and mobile phones. There was no discernible difference in the perceptions of buying fake goods between men and women as per the findings of Dhingra and Bhatia (2014b).

2.8.2 Age

Shrivastava (2023) found that the adolescent counterfeit purchasers showed more favourable attitudes towards counterfeit goods and weaker consumer ethics than non-buyers, suggesting that consumers' ethical convictions change as they get older and that can be used as a key in reducing consumer demand for counterfeit goods. Chou (2017) examined the ethical perception of counterfeit consumers and explored the relationship of the same with their age and concluded that the older people had a more positive ethical approach than younger ones which was reflected in their attitude towards counterfeit products. Dhingra and Bhatia (2014a) expressed that in comparison to the middle-aged and older age groups, the younger age group had a more favourable opinion of the knockoff brands. Accordingly, it was shown that young customers with high levels of fashion consciousness and public self-consciousness were more interested in purchasing counterfeit fashion goods (Ahmad et al., 2012).

Rajesh (2017) revealed a negative correlation between age and purchasing of goods, showing that buyers of all ages had not lessened their inclination to purchase counterfeit goods. Tuyet Mai and Linh (2017) revealed in their study that the young consumers had a favorable attitude and positive intention towards counterfeit consumption which is hazardous and troublesome for a physically and mentally healthy generation as well as the economic development of the nation. The

age of the individuals was also found to be a deciding factors in not purchasing some of the counterfeit product categories (Dabija et al., 2014).

2.8.3 Educational Status

The attitude towards acquiring fake items was more favourable among those with lesser levels of education (Babamiri et al., 2020). People with higher levels of education typically purchase fewer fake goods (Hanzaee & Jalalian, 2012). One explanation for this finding might be that individuals with greater education are more aware of counterfeit items or that those with higher social standing may not see purchasing counterfeit goods favourably. On the other hand, the inability of consumers to afford genuine items can also be one of the causes for the purchase of counterfeit goods. Higher educated people often have greater financial clout, which leads them to spend more money on authentic items and have negative attitudes towards purchasing fake goods (Babamiri et al., 2020). Similar views are shared by Mbura et al. (2020) that the customers with lower levels of formal education than consumers with higher levels of education had a larger association between attitude towards counterfeit products and purchase intention. The education level of the customers were found to be deciding factors in not purchasing some of the counterfeit or pirated product categories (Dabija et al., 2014). Furthermore, people with less education have more purchasing tendency towards counterfeit products in the opinion of Mishra and Rana (2019).

2.8.4 Annual Income

One significant demographic aspect that affects people's decisions to buy counterfeit goods is their level of income. Low-income individuals struggle to cover their costs for their families and homes. They therefore have a strong desire to purchase counterfeit goods. Lower-income people tend to buy counterfeit goods as a result of higher pricing (Yaqub et al., 2015). All consumers, whether they are from the upper class or the lower class, are very drawn to branded goods. But cost is the most important factor. Lower income individuals who cannot afford branded goods turn to buy knockoffs, which drives up the demand for these goods while encouraging others to buy branded goods (Eisend & Schuchert-Guler, 2006).

Counterfeit items are often substituted for legitimate goods by customers who are unable to have sufficient funds to purchase authentic items (Bupalan et al., 2019). Limited income people's desire to have branded luxurious products force them to satisfy with its counterfeits (Mishra & Rana, 2019). Chou (2017) examined the integrity levels of counterfeit consumers and found a significant relationship of the same with their monthly income. Similarly, Hamelin et al. (2013) discovered that low-income consumers are more likely to purchase fake goods on a socio-demographic level. The findings of the study by Gani et al. (2019) indicated that the income level had a stronger predictive power than price and gender for consumers' intentions to buy counterfeit goods. Similarly, Bhanot (2019) also revealed that the attitude had a favourable influence on purchase intention and there was a significant difference in purchase behaviour towards counterfeits on account of income.

Consumers in the low-income segment were brand and value concerned and felt little risk, which affected their attitude towards counterfeit items in a favourable manner (Bhatia, 2018). When their disposable incomes have plummeted owing to an economic crisis, such as inflation or deflation in general; or financial crisis in specific, consumers often retain their behaviour by purchasing low-priced items, or counterfeits. According to Stravinskiene et al. (2013), this behaviour promotes the market for items that are counterfeits.

2.8.5 Counterfeit Purchase Factors

The location of sales, advice and suggestions of the shop assistants were found to be vital in the favourable purchase decision of customers in owning a counterfeit version of the branded items (Dabija et al., 2014). Clothing, electronics, and mobile phones were the most popular categories of counterfeit goods, according to the research conducted by Dhingra and Bhatia (2014b). Consumers who purchased counterfeit goods were not apparently willing to pay a premium for the original product, not because they lack the means to do so, but rather because they believed that the premium paid for the original was not able to justify the similarity of intangible values provided by the counterfeits (Ferreira et al., 2008). It was shown that the product categories had a significant main impact on the intention to buy

fashion counterfeit items, showing that buyers had more intention to buy fashion counterfeit goods than non-purchasers (Ha & Lennon, 2006).

Sales outlets, price, quality and performance, and novelty were the significantly identified leads in purchasing bogus products according to Gentry et al. (2006). Customers opined the difficulty in recognizing counterfeits as their quality rises. Cant et al. (2014) expressed the view that vendors at flea markets, China shopping areas, and sidewalk vendors had the greatest rates for counterfeit buying locations. Hence, the authorities might focus on these areas in an effort to reduce the spread of counterfeit goods and the same can be accomplished by regularly conducting retail investigations within these areas. Furthermore, research has shown that customers are more likely to buy counterfeit goods the more easily available they are (Elsantil & Hamza, 2021). The prevalence of online counterfeit goods purchases would likely be attributed mostly to availability.

Hashim et al. (2020) mentioned that many people preferred to purchase counterfeit items since they were widely available in their nearby localities and added with a favour of reasonably inexpensive items. Junejo et al. (2020) mentioned the factors of insufficient funds and the non-availability of desired brands at reasonable prices as part of the consumer decision model which had an association with the formation of attitude and purchase intention towards counterfeit goods. Ease of availability and purchase had a big impact on people's decisions to purchase counterfeit goods (Sasongko & Haryanto, 2017). Further, Adhikari and Biswakarma (2017) mentioned that those markets which were good in availability and accessibility towards counterfeit goods stimulated customers to have a favorable purchase intention towards counterfeit products. The study conducted by Rasheed et al. (2014) indicated that cheap price and ease of access had a bearing on consumers' intentions to make purchases, and that ease of access had a substantial impact on consumers' attitudes regarding counterfeit goods. According to Ojo and Oluwakemi (2012), the easy possibility to find counterfeit versions of the majority of the products along with the quick availability found to be the strong attraction generators towards the same. Although easy access was discovered with an insignificant negative relation with purchase intention, it was positively connected with attitude in the observation of Chaudary et al. (2014).

2.9 Research Gap

Nearly all product categories are impacted by the prevalence of counterfeit goods, which is a global concern. Over the last few decades, the researchers' interest in counterfeiting has grown more intense. According to the literature review, a large number of studies have been carried out in Western nations as well as South Asia (Phau et al., 2009; Quoquab et al., 2017). This gives the potential for further investigation into Indian consumers of counterfeit products. Indians live in a community-oriented society where purchase behaviour is driven by other people's opinions, hence they behave differently while making purchases than the customers in the Western world. The Western culture, on the other hand, is characterized by independence or self-centeredness, and people tend to prioritize their own interests over those of others when making purchase decisions. Hence, it is hard to extrapolate the findings to the Indian scenario. Despite the fact that there have been numerous studies to analyze and explain the purchasing habits of consumers who buy counterfeit goods across the globe, the literature review reveals that there have been very few studies conducted to understand consumers' behaviour in purchasing and using counterfeit products in India (Bedi & Chopra, 2021; Bhanot, 2019; Nakassis, 2012; Patil & Handa, 2014; Yadav et al., 2018).

- Studies in the area of counterfeiting practices are found in many foreign nations whereas such studies are found to be few in the case of India and there is a scarcity of studies in the context of non-deceptive counterfeits with respect to the state of Kerala where counterfeit incidents are reported but remain unexplored. Therefore, the present study is constructed to understand and examine the perception of customers towards counterfeits, the driving forces behind the attitude of customers towards counterfeit products in Kerala and how attitude relates to the purchase intentions of buying a counterfeit product in the context of non-deceptive counterfeiting.

- The existing literature shows a lack of an integrated and comprehensive model on the perception of customers towards counterfeits as well as the influence of various driving motives of customers towards counterfeit products. To bridge this gap, the study examined the contribution of

cognitive, affective, and social drivers leading to the formation of attitude and purchase intentions towards counterfeits, and a comprehensive model was developed incorporating the factors from various theories and models.

- The mediation role of positive attitude and perceived value on the association between drivers of purchasing counterfeits and purchase intention have not been explored in the previous studies as per the literature. The study examines both the direct and indirect effects of cognitive, affective and social drivers of purchasing counterfeits on purchase intention by addressing the mediating role of positive attitude and perceived value.

- The study also examines the moderating effect of novelty-seeking behaviour in exploring the effect of price-quality inference on perceived value and purchase intentions towards counterfeit products. At present, there is a scarcity of research investigating the aforementioned relationship. Thus, the study is justified in filling this research gap by extracting the interaction-moderation effect of novelty-seeking behaviour of the customers in between price-quality inference and perceived value as well as in between price-quality inference and purchase intentions towards counterfeits.

2.10 Conclusion

The current chapter provides a comprehensive account of the existing literature on customer perception and motives towards the formation of attitude and purchase intention towards counterfeit products providing the researcher with an extensive understanding of the research topic. In spite of this, a sizable research gap was found across the review, underlining the necessity for more research to fill in the knowledge gaps. Thus, the framework of the present study is grounded on the identified research gap.

Chapter 3

Theoretical Framework

Contents

3.1 Introduction

The aim of this chapter is to lay out significant phrases and concepts associated with the research on the grounds of academic and legal aspects. It can be tough and challenging to identify whether the products are counterfeit in the first place. The abundance of terminology and concepts that are accessible and used in describing counterfeit items emphasizes the demand for more investigation into research on counterfeiting. The literature review of prior research and study is covered in the preceding chapter. The conceptual framework employed in this study, which comprises independent factors, mediating variables, and dependent variables, is presented in this chapter. Also, an outline and conceptualization of counterfeiting practices, antecedents of attitude and purchase intention towards counterfeit products, theories associated with counterfeiting, and anti-counterfeiting movements have been explained in this part of the research.

3.2 The Phenomena of Counterfeiting

Every single economy in the entire world has been impacted by the threat of counterfeiting. The lives and economics of Indian residents have also been impacted, and alarmingly, the number of counterfeiting events has been rising over the past three years. Products that are counterfeit violate the intellectual property rights of the trademark holder because they bear a trademark that is similar to or nearly

identical to one that is registered to a different party (De Matos et al., 2007). Although it is methodologically difficult to quantify the monetary effects of counterfeiting, reliable research suggests that the trade in fake products presently accounts for 3.3 percent of global commerce and is growing according to the ASPA Report (2021). It is generally recognised and proven that fake goods may endanger the health and safety of customers, stifle competition, harm real manufacturers' interests and brand names, threaten employment, and lower tax revenue.

The counterfeiters either try to trick the buyer into thinking they are buying a real product or try to persuade the buyer that they could trick other people with the replica. Some knockoffs use the same components and are made in the same plant as the original, real product (Philips, 2005). Without having to invest in establishing this equity or guaranteeing the product contains the equivalent quality as the original items, the counterfeiter reaps the rewards of the equity built into the brand. The ability to distinguish between fakes and real products is so elusive that it fools not only unwary customers but even company sales personnel (Du Toit, 2011). Some consumer items, particularly those from high-end or coveted brands or those that are cheap to create and easy to copy, have been regular and popular targets of counterfeiting. The counterfeits are frequently less expensive than the real thing, the quality expectation would not be the same. Customers would be happy given that as the fundamental functional criteria are accomplished or their exposure and symbolic worth is attained (Michaelidou & Christodoulides, 2011).

However, due to recent technological advancements and an improvement in product quality, counterfeit goods are now more advantageous than legitimate ones in the marketplace. Customers may be encouraged to buy a product by being able to test it out before they buy it to determine how well it works or performs. Contrary to real products, however, counterfeit goods continue to lack guarantees, increasing the financial risks associated with purchases (Khalid & Rahman, 2015). It has been discovered that if the actual product characteristics of the genuine item and the version that is counterfeit are comparable in conformity with quality, customer purchase intention is expected to be greater. According to Chacharkar (2013), nearly one-third of buyers would knowingly buy counterfeit items regardless of the reality that selling and producing counterfeits is illegal in some nations, such as the U.S.

and the U.K. In accordance with what Kenawy (2013) reported, it's crucial to comprehend the supply side as well as the demand side of counterfeit brands in order to regulate their presence and rising prevalence. But it is more significantly noticed that the consumer hunger for counterfeit products is one of the main drivers of the presence and spike in the spread of the counterfeiting phenomena since demand is always the primary driver of a market. Thus, the present research is focused on the demand aspect of counterfeiting.

3.2.1 Counterfeit Products

A term, phrase, or symbol that indicates the source or origin of a certain commodity or service offered in commerce is known as a trademark as per the International Anti-Counterfeiting Coalition (IACC). Products that have infringed the legality of the trademark are known as counterfeit products and they are the inferior copies of the real thing. In other words, an item that utilises another person's trademark without that person's consent is considered a counterfeit. The reputation of a business and its client base in the worldwide market are both harmed by counterfeiting (Monk, 2021). It impacts both businesses and customers by spreading disbelief in real goods produced by esteemed companies. Criminals who manufacture or sell counterfeits aim to gain an unfair advantage over the trademark owner's goodwill (Wall & Large, 2010). A trusted brand or product is fraudulently imitated or forged in counterfeiting, which is a severe criminal offense.

Consumers' health and safety are seriously threatened by the manufacture and illicit trade of counterfeit goods (Naim, 2005). It also has an effect on consumers' and organisations' ability to expand economically through declined sales, downtime, and replacement expenses. By limiting the entry of hazardous and dangerous counterfeit products into the market and supporting the integrity of legal trade systems, operations aimed at preventing the manufacture and dissemination of counterfeit goods assist in protecting the community's safety and the nation's security. Albeit counterfeit products are traded all over the world, the manufacture of counterfeit goods is most common in developing nations as well. In developed nations, counterfeits are produced in smaller quantities. Ultimately, the already extremely adverse potential social implications are dramatically increased by the fact

that counterfeiting is frequently associated with organized crime activity and that counterfeit goods are frequently produced in factories (Philips, 2005).

According to Jacobs et al. (2001), the four product categories most susceptible to product counterfeiting are:

• Products with well-known brand names that are highly visible, plentiful, and low tech

• Expensive, high-tech products

• Prestige goods with a high price tag

• Products with a high level of R&D, such as industrial and medicinal or pharmaceutical products.

The sorts of goods being counterfeited are diversifying, according to more recent data from various sources (Vida, 2007). It has been noted a trend away from high-end prestige goods and an increase in the variety of luxury goods that are being illegally copied. The list of all the product categories that are counterfeited has been extended to electronic gadgets, chemicals and pesticides, electrical components, aviation commodities, automobile components, agricultural supplies, sporting goods, household equipment, food, drink, and a wide range of other things.

3.2.2 The Concept of Deceptive and Non-deceptive Counterfeits

Deceptive and non-deceptive counterfeiting are the two main forms of counterfeiting practices that have been the subject of the research that is now accessible in the context of counterfeiting practices. In the opinion of Eisend and Schuchert-Guler (2006), when consumers are tricked into buying a fake product while longing for buying the authentic one, they frequently become the victims of deceit. Grossman and Shapiro (1988a) refer to these purchasing transactions as deceptive counterfeiting. Amine and Magnusson (2007) found that the legal system, societal factors, and personal factors play crucial roles in the expansion and rise of counterfeit goods.

Most deceptive counterfeiting investigations concentrate on the prevalence and adverse impacts and are presented as reports and factual occurrences. Consumer behaviour research cannot be conducted in cases of deceptive counterfeiting because consumers often mistakenly purchased fake goods for real ones, making it

impossible for researchers to observe actual consumer behaviour. According to Grossman and Shapiro (1988b), deceptive counterfeit products are those products whereby the consumer struggles to examine the genuineness of the products they are buying, and whether they can easily differentiate counterfeits from authentic products. The customer cannot be held responsible for their actions since they are unable to make a demarcation between legitimate and bogus trademarks and the authenticity of the goods (Penz & Stöttinger, 2005). Deceptive counterfeiting frequently occurs in marketplaces with customers who lack sufficient knowledge about the same.

Non-deceptive counterfeit goods, in juxtaposition with deceptive counterfeit goods, are products where the consumer frequently realizes, or at the very least suspects, that what they are buying is bogus due to thorough examination, low price indications, or for the reason that genuine manufacturers signal genuineness by regulating and restricting the supply (Eisend & Schuchert-Guler, 2006; Gentry et al., 2006; Yao, 2015). The customer decides independently to buy the unlawful items even while they are aware of or suspect that they are counterfeits (Albers-Miller, 1999).

Yao (2005) found that the manufacturing of non-deceptive counterfeit products is a frequent practice in underdeveloped nations. There is a possibility that counterfeit purchasers attempt to convincingly pass off the bogus product as something authentic and thereby deliberately mislead the observers (Yoo & Lee, 2009). Accordingly, many people view counterfeiting in marketplaces for premium brands as a crime with no obvious sufferers (Cordell et al., 1996). The absence of particular regulations to tackle product counterfeiting is one factor contributing to the progress of counterfeiting activities in emerging economies (Bamossy & Scammon, 1985). Similar enforcement initiatives are also difficult to understand and navigate in industrialized countries with established laws, including the United States. Bamossy and Scammon (1985) also pointed out that these economies have a lenient stance when it comes to such unlawful acts.

Luxury brand marketplaces frequently exhibit a typical instance of non-deceptive counterfeiting (Hennigs et al., 2015; Jose Scotto et al., 2021; Nia & Zaichkowsky, 2000; Tuyet Mai & Linh, 2017; Y. Wang & Song, 2013; Wiedmann

et al., 2012). Researchers who study counterfeiting acknowledge the reality that premium counterfeit customers frequently possess sufficient proof of the brand's falsehood (Vida, 2007). Regardless of how similar the counterfeit items might appear, proof of their authenticity might be still obtained through notable disparities in prices, unlicensed distribution systems, and subpar quality of the merchandise (Eisend et al., 2017; Wilcox et al., 2009). Certain individuals, however, claimed that counterfeit premium brands provide noticeably better quality merchandise (Jiang & Cova, 2012; Jiang & Shan, 2016). Thus, it could be challenging for customers to recognize such a substantial difference in actual-life circumstances. According to Grossman and Shapiro (1988b), it is understandable that a consumer's skill and knowledge will aid them to recognize a bogus brand. However, the researchers generally conclude that the great majority of counterfeit customers consciously purchase counterfeit high-end products on the grounds of the findings and outcomes of the previous studies in the field of counterfeiting (Borekci et al., 2015; Hennigs et al., 2015; Nia & Zaichkowsky, 2000; Tuyet Mai & Linh, 2017; Y. Wang & Song, 2013). Even the statistical surveys done in many nations regarding counterfeit consumption supports this point of view.

3.3 Counterfeits and Infringements

The line that separates counterfeiting and infringement is crucial. When someone who is not the owner or who is not licensed by the owner uses a mark that is identical to or deceivingly comparable to the owner's trademark, it constitutes trademark infringement under section 29(1) of the Trademark Act, 1999. On the contrary, counterfeit is defined as having been produced when the original items are imitated in order to give goods of lower quality, to trick consumers, and to damage the reputation of the authentic trademark holder.

The Trademark Act of 1999 specifies the penalties for trademark infringement, which is often a civil offense. The Indian Penal Code outlines the penalties for counterfeiting, which is an unlawful act. In a trademark infringement action, it is the plaintiff's responsibility to show that the defendant used the trademark without permission. Contrarily, with a counterfeit, the sheer fact that a similar replica exists serves as sufficient evidence. To summarise, all counterfeiting

activities come under the purview of infringements, but not all infringements are treated as counterfeits. Grey markets, imitations, piracy, and counterfeiting are the four separate types of intellectual property violations that have been documented in previous investigations (Lai & Zaichkowsky, 1999; McDonald & Roberts, 1994).

3.3.1 Contrasting Counterfeiting with Piracy, Imitation, and Grey Marketing

The term counterfeiting may be the most often used in the body of research on intellectual property violations. It is frequently used synonymously with phrases like imitation, piracy, and knockoffs (Ang et al., 2001; Eisend & Schuchert-Guler, 2006; Wee et al., 1995). Counterfeiting is not the same as that of piracy, imitations, or grey market goods but certain similarities in these terminologies confuse people and hence are used interchangeably. Hence, it is vital to draw attention to the narrow yet significant distinctions between counterfeiting and other similar types of intellectual property infringements in order to have a comprehensive understanding of it. The explanation given below depicts the differentiations between these terms:

- **Counterfeiting**

Manufacturing and selling fake trademarked goods without the authorization or permission of the brand owner is known as counterfeiting. Counterfeiting refers to the illicit production of identical replicas of legitimate brands (Phau & Teah, 2009). Grossman and Shapiro (1988a) explained the practice of counterfeiting as the violation of lawfully registered trademarks. These products are sometimes hard to distinguish, which is the reason why they first go unreported in the market. The term counterfeit goods refer to duplicates or imitations of a commodity that are meant to be mistaken for the real deal in order to intentionally deceive a consumer. Consumers are frequently offered fake brands without being informed of their falsity (Lai & Zaichkowsky, 1999; McDonald & Roberts, 1994). However, it is said that consumers deliberately purchase counterfeits in particular consumption scenarios, such as those involving counterfeit premium or luxury brands (Nia & Zaichkowsky, 2000; Y. Wang & Song, 2013). Easily defined, counterfeit goods are copycat items that are produced at a lower level and marketed under the label and trademarks of a different manufacturer without the consent of the legitimate owner of the trademark.

- **Piracy**

The products that are utilized, copied, passed on, or offered for sale without the owner's consent frequently include films, music, literature, or other original works of art. Copyrighted materials such as literary works, software, and content for entertainment are frequently violated in the course of piracy (Cheung & Prendergast, 2006; Chow, 2000; Deng et al., 1996). Thus, piracy is the unlicensed reproduction and illegal use of creative works and media including music, software, books, photographs, and movies. It represents a violation of copyright and associated rights. In the opinion of Lai and Zaichkowsky (1999), consumers frequently buy pirated products like video games, CDs, and computer software knowing that they are pirated versions.

- **Imitation or Replica**

Imitation products are the products that are thought to be genuine replicas since they lack the hallmark of the trademarked item. Producing looks-a likes and sound-alikes of widely recognized brands in the market is known as brand imitation, often known as knock-offs (Nia & Zaichkowsky, 2000). Even though imitations are not intended to be perfect replicas of original brands, they are frequently mistaken for them because of how they resemble them in terms of branding, design, and shape (Lai & Zaichkowsky, 1999; McDonald & Roberts, 1994). In other words, even while a replica may have the same features and functionality as a popular branded product, it typically has a distinct symbol or emblem that is apparently identical to the well-known brand. Thus, they are not treated as blatantly unlawful and strictly prohibited.

In the words of McDonald and Roberts (1994), by copying the brand features, imitators mislead customers into purchasing items that are designed to be identical to well-known brands, ending up in breach of a firm's trademark. Producing counterfeit goods takes place with the intention of tricking others into thinking that they are authentic but in reality they are fake whereas imitation products are not misrepresented as the genuine article. They are regarded to be basically exact replicas of the branded products instead. Counterfeit items are ridiculed by law enforcement and are consequently forbidden in many nations. Imitation items, however, are typically not first seen as illicit. In addition to bearing

the identical trademark of the real product, counterfeit products also replicate its labeling and containerization, which is another distinction between replicas and counterfeit items. On the other hand, imitation products have an individual trademark or design that only vaguely resembles a prominent brand. Lai and Zaichkowsky (1999) opined that due to the fact that imitation may be deceptive and difficult to detect while still being harmful to legitimate companies, imitation makers frequently get off with their fraudulent practices.

- **Grey Marketing**

According to McDonald and Roberts (1994), grey markets refer to the selling of production surpluses by contract manufacturers in violation of manufacturing agreements. Grey markets are created by a company's legal business partners who decide to distribute production excess through illegal channels (Gentry et al., 2006; Huang et al., 2004). It entails lawfully acquiring merchandise in one place or via one channel of distribution and reselling it in a different marketplace. In other words, it is the legitimate import of products via an unlawful sales and distribution channel. Unauthorized dealers control these markets and they rob the business from genuine manufacturers and authorized dealers (Maqsood & Soomro, 2021).

Profits and brand perception are highly affected by the presence of grey markets. Grey goods are authentic products that are made by a legitimate organization but are distributed through illegal methods. Even if these products are legal, it's always an intelligent decision to exercise caution. Grey market vendors generally provide commodities that have been rejected as a result of damage, malfunction, or of quality concerns, it may also be a recalled merchandise. Many incidents by well-known multinational companies faced the issue of recalling their products from the markets. In short, grey marketplaces provide genuine goods via illegal means.

3.4 The Emergence and Prevalence of Counterfeit Markets

The market for counterfeit products is expanding, and there are many explanations suggested for this emergence (Chaudhry & Zimmerman, 2009; Jacobs et al., 2001). The global spread of counterfeit products is being fuelled by seven key

factors. These include low-cost high technology that yields low investment and high profits, globalization and lower trade barriers, consumer complicity, expanded channels and markets, strong global brands, weak international and national enforcement, and high tariffs and taxes (Chaudhry & Zimmerman, 2009). These critical factors are explained in detail below:

a) Low-cost high technology that yields low investment and high profits

All typical expenses associated with producing and promoting a product, such as research and development, marketing, quality assurance, statutory minimum wages, and warranty assistance, are avoided by counterfeiters. According to Chaudhry and Zimmerman (2009), duplicating has endless advantages since there are no start-up costs and greatly reduced overhead costs. With high-tech machinery that is readily available and reasonably priced, numerous products may be manufactured. Holograms and other complex authentic identifying signs are now easier for counterfeiters to replicate.

These days, counterfeiting has crept into the internet economy and a counterfeiter may find a lot of sources for manufacturing tools by searching the internet. We frequently come across fraudulent websites and social networking links that offer enticing discounts on various things. According to the INTA (2021), there are several reasons criminals stick to selling counterfeit goods online. They may even conceal their IP addresses while remaining anonymous online. The internet enables counterfeiters to market their goods to customers worldwide beyond the purview of the law of the land (Karote, 2022). It is hard to trace them or their trading channels as well. This makes the counterfeiters enjoy all the opportunities of staying anonymous throughout unless they are caught.

The legal commodities are produced during the day under contract for brand owners, and when the factory has officially closed, either high-quality overruns or low-quality imitations are produced. Even though they are impossible to identify from genuine items, these so-called "third shift" products ultimately fall within the definition of counterfeit products. Thus, the products that involve low-cost and high technology results in low investment and high-profit paves the way for huge growth for the counterfeit market.

b) Globalisation and lower trade barriers

The expansion of free trade zones around the globe is another reason why counterfeiting is increasing globally. It is very hard to seize fake goods due to the huge amount of shipments in many nations (Jacobs et al., 2001). According to OECD (2009) report, open ports and free trade zones are enticing counterfeiters. The unrestricted movement of monetary resources between the nations across borders has benefited the counterfeiters given that it is very simple for counterfeiters to shift investments and operations from one nation to another and to conceal earnings from counterfeiting activities. In the vast majority of nations, exchange restrictions have been scaled back or abandoned. Tax benefits and other exemptions are offered in free trade zones, which serve to strengthen the financial system of the nation that hosts the zone. But the few inspections and convenient transportation options in these zones contribute to an increase in counterfeiting and piracy.

c) Consumer complicity

There is a pile of evidence to support the claim that customers are too eager to buy counterfeit goods even when they are aware of their inferior quality. According to Tom et al. (1998), consumers purchase counterfeit goods for a number of reasons, such as the belief that they are superior to the genuine article, support for the market as a means of demonstrating anti-big-business attitudes, and carelessness towards the constitutional safeguards of intellectual property, etc. The fact that there exists a sizable market for counterfeits is one of the primary drivers of their emergence. Millions of people are greatly affected by the growth in luxury brand value, and the only way they can afford it is to purchase a bogus luxury item that satisfies their addiction to expensive items while still being reasonably priced. Compared to those who unintentionally purchase counterfeit goods, there are significantly more people buying them intentionally. In addition, compared to authentic items, counterfeits offer distributors and merchants large profit margins. All these lead to a proliferated market for counterfeit products.

d) Expanded channels and markets

Manufacturers have expanded into areas that they were impossible to reach just a few years ago due to the expansion of global trade. In nations like China and

India, the rise of the wealthy class has opened up vast new markets for goods with well-known international labels. The key distribution routes that are readily accessible for counterfeiters to reach consumers are traditional retail stores, unofficial ones like "flea markets," street sellers, clandestine outlets, and the internet (Olsen & Granzin, 1993). Even though it is challenging for counterfeiters to achieve any significant market share at reputable retail establishments, research indicates that the trade of goods through this channel is escalating. Through unofficial channels is another typical strategy for facilitating the sale of bogus goods.

Nowadays, almost any kind of goods can be purchased online, and buyers are increasingly trusting this channel. “Canyouseethedifference.com” is one blatant website that advertises replicas for sale (Chaudhry & Zimmerman, 2009). The chance for counterfeit goods on the internet is tremendous. A maker of bogus products can advertise through this channel to a practically limitless global audience. The internet drew the counterfeiters’ attention due to five main attractions:

- Anonymity: The counterfeiters may easily hide their genuine identity to reduce the chance of being caught.
- Flexibility: It is simple for counterfeiters to set up an internet presence, which they can then quickly remove or relocate to areas with passive IPR enforcement.
- Market size – It is exceedingly challenging for intellectual property rights holders and law enforcement agents to track down and initiate measures against counterfeiters due to the overwhelming quantity of online stores.
- Market reach - 24 x 7 access to a large worldwide customer base is made possible for the counterfeiters and that too at a low cost.
- Imitation - With the help of easily retrievable software and impressions on the internet, counterfeiters may easily build "clone" websites that resemble or replicates the legitimate websites of trademark owners.

The extreme complexity of supply chains has made it much simpler for counterfeiters to pass off copies of genuine items and sell them in the market in the case of car or aviation components, health and beauty products, medications, and even clothes (Jacobs et al., 2001).

e) Strong global brands

Globalization has enabled the creation of international brands. These brands have grown widely recognized among consumers in Shanghai, London, Mumbai, and Moscow (Sutherlin, 2009). Numerous individuals are more familiar with the brands' names than at any stage in past decades because of the huge sums that manufacturers have spent marketing them globally. Nowadays, people purchase luxury brands as a means of showing their desirability and establishing their personality (Stravinskiene et al., 2013). Luxury fashion companies are becoming more and more popular around the world, which gives them societal relevance and the ability to let people exhibit particular characteristics via the things they spend money on.

Juggessur and Cohen (2009) have rightly observed that by portraying themselves at the pinnacle of aesthetics, craftsmanship, status, and trends, fashion brands add value to their products. For highlighting one's individuality and for connecting with particular communities, people may be wearing particular brands. Counterfeits advocate for customers to associate themselves with superior bodies. As stated earlier, individuals desire popular brands, yet many find it difficult to pay for genuine goods. This has given birth to vendors or counterfeiters that meet the demand for items with established brands at significantly reduced rates (Chaudhry & Zimmerman, 2009).

f) Weak international and national enforcement

Counterfeiting has evolved into a minimal market entry technique as a result of poor implementation of domestic as well as international intellectual property regulations. The NAFTA pact, the WTO’s agreement on TRIPS, and the European Union's Scrivener laws are all global initiatives designed to promote intellectual property rights protection. According to Lea (2008), the formation of the TRIPS agreement marked the start of several international problems with intellectual property rights. In accordance with the US, many developing countries were failing to implement the agreement's provisions, which led to the theft, piracy, counterfeiting, and infringement of their intellectual property (Chaudhry &

Zimmerman, 2009). According to Sutherlin (2009), India and China have long been recognized as the most serious violators of intellectual property rights on the earth.

Although there are a variety of national legislation and international treaties in place to safeguard intellectual property rights, Chaudhry and Walsh (1996) contend that legal remedies available to the scapegoats of counterfeited or unlicensed items have generally been unsatisfactory. The existence of a market for counterfeit goods harms consumers, home and host nations, major and small intellectual property owners, and related wholesalers and merchants. Plenty of proof suggesting that terrorist and organized crime networks are funding their operations through the sales of counterfeit goods. The governments of various nations must enact strict intellectual property rules and should provide their regulators with cutting-edge tools for keeping an eye on supply chains. The lack of these two processes may be a contributing factor in the booming counterfeit industry. In the opinion of Chaudhry et al. (2009), strict intellectual property rules will reduce the likelihood of IPR breaches and stop the practice of counterfeiting.

g) High tariffs and taxes

As the businesses have increased as a result of the removal of trade barriers, it has become easier for counterfeit goods to be produced in one country and exported to another. High levies and tariffs can also provide avenues for counterfeiters, despite the fact that this may seem absurd. Customers who purchase products may be aware that these items are on the market and have a strong desire to get them. Where governments have artificially restricted pricing or imposed import taxes on certain products, counterfeiters may enter the market to meet demand by providing inferior or even hazardous goods at low costs. In 11 developing countries, the cumulative total taxes and tariffs on retail pharmaceutical supplements in 2003 ranged from 24 percent in Mexico to 55 percent in India, according to Chaudhry and Zimmerman (2009). The identical rationale may be employed with all kinds of branded items, where intensive marketing and prominent storefronts generate demand but exorbitant costs dissuade most buyers. Thus, counterfeit goods are a major issue in many high-tariff nations.

All of these factors contributed to the development and growing prominence of counterfeit goods and their marketplaces, and one significant additional factor is the underutilization of anti-counterfeiting technologies. The implementation of anti-counterfeiting technologies is treated with disdain by numerous enterprises, who fail to consider counterfeiting cautiously (Butticè et al., 2020). The truth is that replication ravages their company from one end to the other like malignancy, and its financial consequences turn out to be devastating at times. It's definitely the time for business entities to make use of anti-counterfeiting techniques to prevent replicators from stealing their earnings. Enterprises can combat the potential threat of counterfeiting practices if they have a solid awareness of all these causes.

3.5 Theories and Models Pertinent to the Context of Counterfeit Products

The increasing demand for counterfeit goods is vital to investigate, as counterfeiting practices are on the rise around the world. It is also important to identify the factors that contribute to Keralites procuring counterfeit goods. The purchase behaviour of customers, processes of the counterfeit trade, and the economic and social impacts of counterfeiting have been extensively studied in theoretical and empirical literature. Reviewing the same is essential to comprehend the demand for counterfeit goods. Theoretical reviews are classified into two sections: the first section deals with the theories of consumer behaviour and the second section deals with the ethical, social, personality, and anticipated utility aspects of counterfeit products. The Theory of Reasoned Action and the Theory of Planned Behaviour serve as the fundamental theoretical foundations for counterfeit literature. However, an inevitable amount of counterfeit research has also employed the Cognitive Dissonance Theory and Social Learning Theory accompanied by the SOR model as well (Samaddar & Menon, 2020).

3.5.1 Consumer Behaviour Theories

Consumer behaviour includes many surprising elements since the human mind has numerous interacting neural networks and the way customers choose between various items involves a fascinating diversity of variables (Kotler et al., 2002). Consumer behaviour is the conduct that consumers exhibit when they hunt for, acquire, employ, assess, and discard goods and services that they believe will meet

their expectations (Assael, 1995). The Assael model constructed four distinct decision-making processes, including inertia, brand loyalty, complicated decision-making, and constrained decision-making. It is a component of human behaviour that is associated with people's choices and actions when using and buying products. Baker (1991) expressed consumer behaviour as people's direct involvement in obtaining and using goods and services that are for monetary gain. Following are some of the theories in connection with the consumption of counterfeit products:

3.5.1.1 The Theory of Reasoned Action (TRA) and The Theory of Planned Behaviour (TPB) in the Context of Counterfeit Products

Cognitive theories like the Theory of Reasoned Action which was developed by Fishbein and Ajzen (1975) and its subsequent follow-up, the Theory of Planned Behaviour by Ajzen (1985, 1991), provided a conceptual framework for comprehending how people behave in particular circumstances. For an explanation of consumer attitudes, the planned behaviour theory was discussed. According to these theories, a customer's purchasing behaviour is influenced by their attitude towards the goods being purchased as well as their intend to buy the same. The Theory of Planned Behaviour (TPB) is a well-researched paradigm that has been successful in predicting and explaining behaviours across a range of disciplines, including understanding why people act unethically (Tuyet Mai & Linh, 2017).

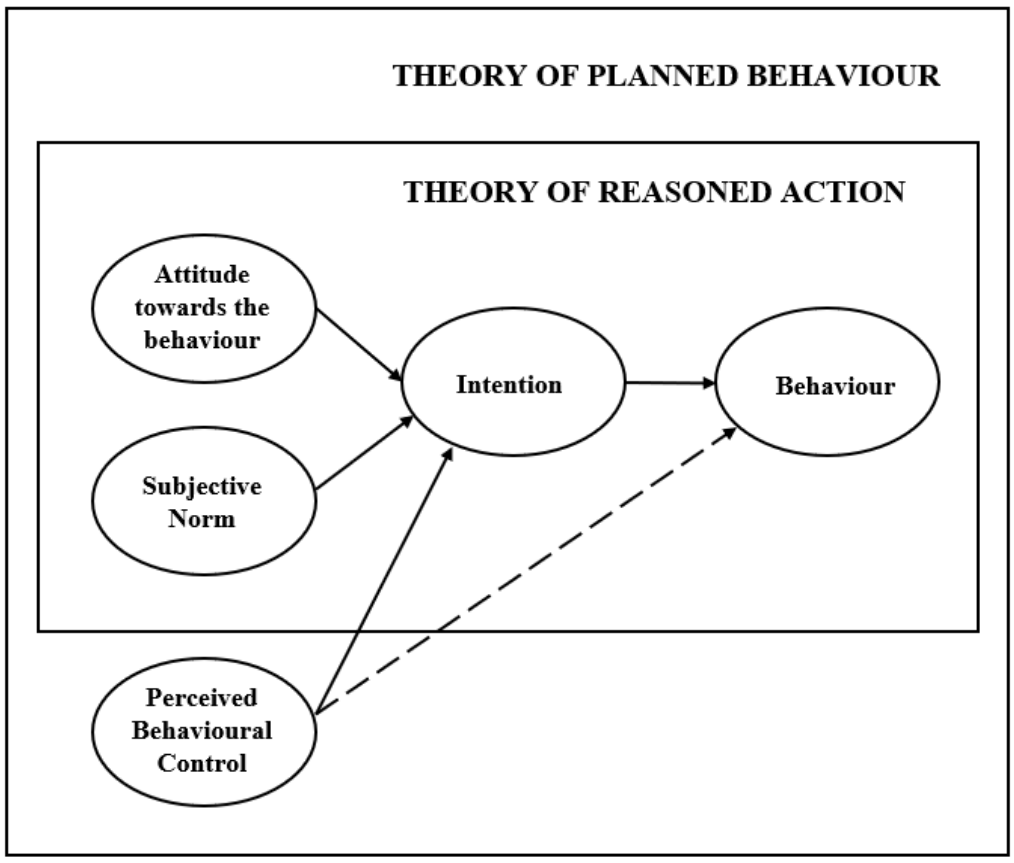
In order to systematise prior research and incorporate new elements, such as psychographic and demographic drivers, (Penz & Stöttinger, 2005) turned to TPB for advice. According to Ajzen (1991), The Theory of Planned Behaviour (TPB) argues, in essence, that behaviour is governed by the intention to engage in it, which is determined by the attitude towards the activity, the subjective norm, as well as the perceived behavioural control. In order to better predict conduct, attitudes towards behaviour are used rather than attitudes towards things such as attitudes towards a counterfeit item.

TPB also takes into account how much control a person has over their own behaviour and explains how that impact works. TPB is considered to be more relevant than the Theory of Reasoned Action in the case of behaviours that are challenging to carry out. The decision to buy counterfeits appears to be challenging because of the great desire to indulge and the enormous price benefits of imitation

goods over genuine goods sometimes. The idea was employed by Penz and Stöttinger (2008) in the area of consumer behaviour toward counterfeit goods as a useful tool for the development of models. The main component of the TPB is behavioural intention, often known as the choice to act in a certain manner, and it is a powerful predictor of actual action (Mbura et al., 2020). Phau and Teah (2009) claimed that purchasing intention influences purchase behaviour, which in turn influences attitudes. Nawi et al. (2017) emphasized that understanding the customer's attitudes towards a given behaviour and intention is crucial to comprehend the customer's behaviour.

Figure 3.1

The Theory of Planned Behaviour and The Theory of Reasoned Action



Source: Ajzen (1991)

TPB is a psychological theory that has gained a lot of support from researchers that study consumer behaviour. The TPB renders the assertions that (a) the best way to anticipate personal behaviour is to recognize the intention; (b) the

intentions are explained by individual assessments of performing behaviour and by their concerns regarding society; and (c) the external factors only shows the indirect effects on behaviour that could represent moderator, mediator, and model components. Abraham and Sheeran (2003) cited these points in their discussion of TPB. Tseng et al. (2021) employed the TPB in their research work as the theoretical foundation to evaluate customers' decision-making process while purchasing counterfeit outdoor items in the market for outdoor recreation.

By the Theory of Planned Behavior, three factors—behavioral beliefs, normative beliefs, and control beliefs—influence human behaviour (Ajzen, 1991). Behavioral opinions are those regarding the likely consequences of behaviour and assessments of those consequences. Normative beliefs are those regarding the normative expectations of people and the drive to meet these expectations (Ajzen, 1985). Control beliefs are those regarding factors that may facilitate the behaviour. Behavioral beliefs result in positive or negative attitudes toward the behavior, normative beliefs in social constraints or subjective norms, and control beliefs in perceived behavioural control, in their respective categories (Ajzen, 1985). The degree to which the attitude and subjective norm are positive, along with the individual's intention to engage in the behaviour in issue, increases its likelihood of happening. People are expected to carry out their intentions when the chance presents itself if they have adequate control over their behaviour (Bupalan et al., 2019; Patiro & Sihombing, 2014). As per the findings of Budiman (2012), the level of the abilities, competences, and other requirements required to carry out the decided behaviour was referred to as the real behavioural control, which had an impact on the behaviour in addition to the attitude, subjective norm, and behavioural management.

Previous research has identified various reasons as the main drivers of purchase intention for counterfeit luxury items, including personal, social, economic, and demographic aspects (Ang et al., 2001). Jose Scotto et al. (2021) mentioned that a consumer's decision to buy a counterfeit product is influenced by personal and societal variables, which helps in explaining why people choose to buy knockoffs of premium brands. The main determinant of intentional actions is one's attitude towards utilizing knockoffs of expensive brands (Riquelme et al., 2012). The

attributes of fake goods influence customers' purchasing decisions favourably (Purwanto et al., 2019). According to Yoo & Lee (2009), customers who prioritize hedonic benefits above utilitarian ones are more likely to accept counterfeit goods. Therefore, it is believed that these two benefits are predecessors for plans to buy counterfeit goods. The willingness to acquire counterfeit products has occasionally been used as a stand-in for actually making the purchase (Khan et al., 2017). Basu et al. (2015) investigated human behaviour from the viewpoints of marketing, sociology, and psychology. The TPB provides examples of the motivations underlying voluntary behaviours like the procurement of fake goods. TPB aids in drawing a connection between consumer spending patterns and the prevalence of counterfeit goods.

3.5.1.2 The Theory of Buyer Behaviour in the Context of Counterfeit Products

According to the Howard and Sheth (1969) model of consumer behaviour or the theory of buyer behaviour, the decision-making process throughout the buying process is extremely systematic and reasonable. In this concept, clients adhere to a "problem-solving" hat at each stop, with many factors affecting the path of the journey.

There are three consecutive layers of decision-making in this model:

• Extensive Problem-Solving: It's a stage of comprehensive problem-solving. At this point, clients are unaware of the brands they may choose from or the products they are looking for. To locate an appropriate product, they are diligently solving problems.

• Limited Problem-Solving: With more information at hand, customers are taking their time and starting to weigh their options.

• Habitual Response Behaviour: Consumers are well-aware of their options and are familiar with their preferred brands. Consequently, people are aware of where to go each time they make a purchase.

Many researchers and academicians agree that this model is the most reliable construct for explaining consumer behaviour. The theory revealed four essential elements: hypothetical constructions; stimulation; response; and external factors.

The goal is to give a thorough understanding of the purchasing decision-making process. The approach highlights high-quality goods and services as well as a welcoming business environment. Purchaser incentives provide stimuli and stimulate replacements for activities with the goal of gratifying their drives through learning components. According to Justin et al. (2021), counterfeiting consumption was explained on the basis of stimulating or driving factors, both internal and external and how the customers are responding to their cues in concluding a purchase decision towards counterfeit products. Further it was pointed out the influence of group factors on purchase intention towards counterfeit products mediated by the attitude of Chinese consumers towards fake goods based on the model developed using the Howard and Sheth (1969) theory of consumer behaviour, combined and connected with the Utility Theory and the Theory of Planned Behaviour.

3.5.1.3 Black Box or Stimulus-Response Model in the Context of Counterfeit Products

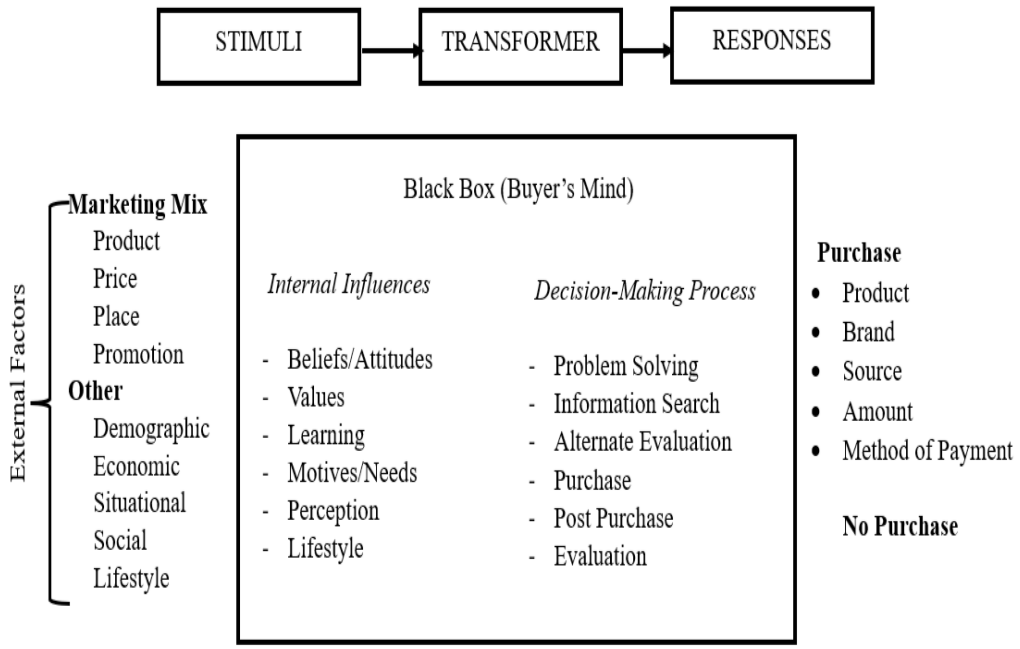
According to the Black Box concept, also known as the Stimulus-Response model, consumers are independent thinkers who analyse both internal and external inputs before making judgements about what to buy. In the world of marketing, customers enter the "Black Box" and create a selection of options before making a purchase (Kotler, 1997).

Marketers need to comprehend the "Black Box" and create plans for reacting to inputs. The black box model shows how a customer behaves in response to stimuli with regard to decision-making, consumer attributes, and consumer reactions. The behaviourism theory, which the black box model is linked to, holds that consumers lack insight into their own thought processes and relationships with stimuli. Environmental cues are primarily influenced by the social, economic, and cultural aspects of a particular civilization.

To get the appropriate reaction, businesses might modify the marketing stimulus. The environment determines demographic, economic, situational, social, and lifestyle elements, which are mainly outside the control of businesses and customers. Thus, a thorough understanding of motives or stimuli that favour customers towards counterfeit products will be advantageous for manufacturers and marketers to plan accordingly to save authentic products and their owners.

Figure 3.2

Black Box Model



Source: Kotler et al. (2004)

3.5.1.4 The Bandwagon Effect in The Theory of Consumer Demand in the Context of Counterfeit Products

Consumers' desire to buy counterfeit products may be explained by the bandwagon effect in the Theory of Consumer Demand as proposed by Leibenstein (1950). The bandwagon effect is the propensity for people to adopt particular behaviours, styles, or attitudes merely because others are doing so. According to earlier research on the idea of consumer demand, people buy things to either fit in with their social circle or to keep their exclusivity from other people. Leibenstein (1950) categorised consumer demand for goods into functional and non-functional needs. In contrast to non-functional demands, which indicate increased demand as a result of reasons apart from the qualities and intrinsic features of commodities, functional needs demonstrate the presence of demand as a result of the fundamental characteristics of commodities. The lack of functional demand demonstrated that consumer interest in those commodity goods is mostly dependent on the likelihood that others are also buying and using the same goods. In other words, people may choose to purchase a product due to its widespread appeal or in an effort to elevate

their social standing. If such branded products are not affordable, people compensate the same by purchasing counterfeit versions of the branded products as per the opinion of Kenawy (2013).

3.5.2 Theories on ethical, cognitive, social, personality, and anticipated utility aspects of counterfeit products

Certain theories and factual points describe the ethical, social, and personality elements that are closely associated in the context of counterfeiting along with the aspect of anticipated utilities or benefits from the purchase and consumption of counterfeit merchandise. Certain researchers have modified and combined the existing theories and models of Ivan Pavlov's Stimulus-Response Model, EDM Theory, Goal Theory, and Skinner's Behavioral Modification Model etc. for facilitating the development of a blanket set of tactful strategies to face and alleviate the impact of counterfeit consumption (Mburu et al., 2018). The following are some of such theories that are applicable in the counterfeiting context:

3.5.2.1 The Ethical Decision-Making Theory (EDM) in the Context of Counterfeit Products

Ferrell and Gresham (1985) established the EDM theory. Due to its ability to examine and forecast ethical behavior, it is often utilized to anticipate conduct for research involving counterfeit goods. According to EDM theory, a person's choice about an ethical or immoral matter is influenced by three factors: personal characteristics, close relationships, and opportunity. Individual characteristics such as knowledge, values, and beliefs are all associated with education, attitude, and intention. These metrics were discovered to be relevant in the context of ethical decision-making for the explanation of behavioural intention. The Theory of Planned Behavior and Ethical Decision Making (EDM) theory has been relied upon as a theoretical framework by Mbura et al. (2020). An intriguing connection that exists between customers' intentions to purchase counterfeit goods is the way that unethical corporate practices and profit-driven motivations have a direct impact on consumers' ethical judgments. In contrast to non-purchasers, counterfeit purchasers, for instance, had more unfavourable opinions on company ethics.

Moreover, if consumers believe that businesses disregard ethical standards to be competitive and profitable, they may transgress ethical norms in exchange

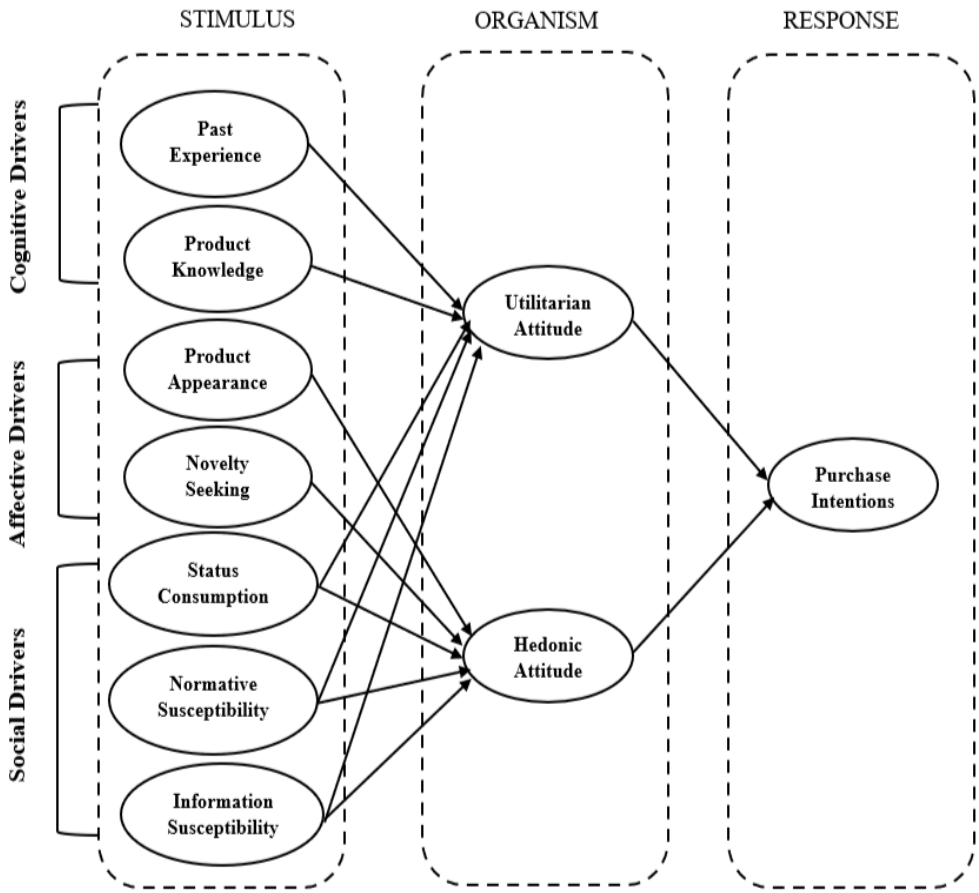
situations to advance their interests. In that instance, customers frequently excuse the abuse of businesses by claiming that they are to blame for it since they defraud clients. In other words, loyal customers are more forgiving while perceived harm is minimal, but when perceived pain and injustice mount, they become more dissatisfied, which leads to a drop in moral behaviour.

3.5.2.2 Stimulus-Organism-Response (SOR) Model in the Context of Counterfeit Products

The SOR or Stimulus-Organism-Response (SOR) model was propounded by Mehrabian and Russell (1974) and it provides a better analysis of consumer behaviour from the aspects of cognitive, affective, and social drivers. Along with the TPB theory of Fishbein and Ajzen (1975), a modified version of the SOR model has been undertaken by the researcher.

Figure 3.3

Stimulus-Organism-Response (SOR) Model



Source: Mehrabian and Russell (1974)

There are three elements in the SOR model namely Stimulus, Organism, and Response and the general assumption regarding the SOR model is that the element of the organism reacts or responds to the stimulants that mainly puts its pressures from outside. Consumers' perspectives on the different aspects of counterfeit products are taken in the role of stimulus, the attitude towards counterfeit products (ATCP) has been considered as the organism and the purchase intention towards counterfeit products has been taken as the response in the modified SOR model by the researcher. Many studies used the SOR model in explaining factors contributing towards attitude creation leading to intention. The Stimulus-Response Model or black-box model was also applied to explain the stimulating role of social factors (Junejo et al., 2020).

3.5.2.3 The Theory of Utilitarianism in the Context of Counterfeit Products

The utilitarian theory of morality holds that any activity that would leave you miserable or harm another person is unacceptable. The general advancement of society would be promoted by a utilitarian ideology when utilised to guide social, economic, or political decisions. Customers tend to see counterfeiting favourably when they perceive it as having a high social value of diffusion and as a means of battling against large businesses, as was predicted. Customers who view counterfeiting as immoral and detrimental to society, on the other hand, will have a negative opinion of it (Kwong et al., 2003).

3.5.2.4 The Appraisal Theory in the Context of Counterfeit Products

The appraisal theory states that a person's emotions may be used to encourage them towards one behaviour over another (Johnson & Stewart, 2005). Kim et al. (2009) made a remark that customers should be less likely to purchase counterfeit goods if they have negative feelings about them. They would act morally in accordance with this responsible behaviour (Kim & Johnson, 2014). Some customers, however, do not feel awful enough to quit purchasing counterfeit goods given the enormity of the market for them. Some consumers may believe that purchasing counterfeit goods is not a negative thing because it is considered as usual as stated in the study by Zampetakis (2014). Others may agree that purchasing fakes

is wrong, but because emotions have two different aspects such as valence and intensity, they may not feel strong enough to prevent them from doing so.

Consumers weigh the positive and negative aspects of a scenario concurrently, as demonstrated by Kim and Johnson (2014) and Zampetakis (2014), and this battle between the two is common when purchasing knockoffs of luxury brands. Both optimistic and adverse emotions are brought out by counterfeit goods. The satisfaction of receiving a good bargain by purchasing a brand at a lower cost may give rise to pleasure. The same people may feel uncomfortable emotions like shame and remorse, which have frequently been noted as unfavourable emotions associated with purchasing fakes (Zampetakis, 2014). Marticotte and Arcand (2017) found out that the contrast between real and counterfeit products, which affects the intention to purchase, is probably what causes mixed feelings.

3.5.2.5 The Social Identity Theory (SIT) in the Context of Counterfeit Products

Social identity theory was developed from a series of studies, frequently called minimal-group studies, conducted by the British social psychologist Taifel and Turner (1979). According to them, social behaviour is determined by the character and motivations of the person as an individual as well as by the person's group membership. In short, it is the study of the interplay between personal and social identities. The goal of social identity theory was to define and forecast the situations in which people perceive themselves as either individuals or members of groups. The identity or recognition from the society or the group of people one individual belongs to matters as per the social identity theory.

People frequently have a more favourable perception of members within their internal group than of those in the outgroup (Hickman & Ward, 2007). This can be accomplished by minimizing incorrect data about the ingroup or by portraying others in an unfavourable condition as per the recommendations of Grohs et al. (2015). Even though the original and counterfeit items might not be marketed to the same audience, the counterfeit can be mistaken for the real thing (Field et al., 2008). Given its illicit status, the counterfeit version poses a particularly dangerous threat from the perspective of the genuine brand. The theory also considers the consequences of personal and social identities on individual perceptions and group behaviour.

3.5.2.6 The Theory of Social Control in the Context of Counterfeit Products

According to the theory of social control, people pick up meanings that support or discourage deviant behaviour and categorise an act's commission as proper or wrong in the context of the organisations they belong to. In essence, friends and family members may support or oppose the purchase of counterfeit goods, which might influence a person's decision. Dootson (2014) in his research commented that the social learning theories buffer the influence of social structure on a person's propensity for crime or norm violations. According to Fejes (2017), people pick up meanings that support or discourage deviant behaviour and categorize an act's commission as proper or improper in the context of the organizations they belong to. In essence, friends and family members may support or oppose the purchase of counterfeit goods, which might influence a person's decision.

Business ethics represent business conduct norms, whereas consumer ethics reflect consumer behaviour norms. According to the theory of social control, taking advantage of the socialisation and learning processes helps people develop self-control and lessens their propensity to engage in antisocial behaviour. Norms are guidelines or standards that govern what people ought to or ought not to think about, say, or perform, and how they should or not behave under given circumstances within a given culture (Dootson, 2014).

Behavioural practises by consumers which breach the accepted conventions of behaviour in consumption contexts is the meaning of consumer misbehaviour. Fullerton and Punj (1997) discovered over 35 different categories of consumer misbehaviour, including the deliberate purchasing of counterfeit products. Individuals acquire their society's views, values, and norms through socialisation; insufficient socialisation is one cause of norm transgression.

According to the concept of social control, internalisation of norms is one way society promotes conformity with norms. Even if no one observes the breach, internalisation of norms causes emotions of remorse or disgrace when an accepted behaviour is broken. Individuals acquire standards of behaviour in trading environments, such as an equitable exchange of funds for goods, among other norms. Some consumer behaviours are discouraged by internalised ethical attitudes and ideas. Everyone, however, does not experience socialisation in the same way,

resulting in varying degrees of norm internalisation and norm deviation (Fullerton & Punj, 1997). As a result, the theory of social control postulates that a culture views a certain behaviour as normative or as a violation of a norm for instance, counterfeit goods violate a fair exchange of money for goods.

Norm violation is viewed by the theory as one of six phases. The six phases of social control as they relate to consumer behaviour are shown in the following hypothetical scenario: (i) norms—standards of behaviour in situations of exchange (e.g., fair exchange of money for a product); (ii) norm violation which has been treated as a deviant behaviour (e.g., consumer purchases counterfeits); (iii) recognition of breach of norms (e.g., consumer is seen buying a counterfeit product from an unauthorised vendor); (iv) reports of norm infractions (e.g., consumer boasts to her peers that he or she grabbed a counterfeit version of a branded product); and (v) Reactions to violations—penalties (i.e., incentives or reprimands) and (vi) application of sanctions (e.g., consumer's companions express favourable or adverse reactions when they notice a counterfeit version with the consumer) (Dootson, 2014). What constitutes consumer misbehaviour varies between countries due to differences in values and conventions (Lee & Workman, 2011). Fullerton and Punj (1997) mentioned in their study that the three kinds of variables that affect consumer behaviour when they buy counterfeit goods are product, individual, and culture.

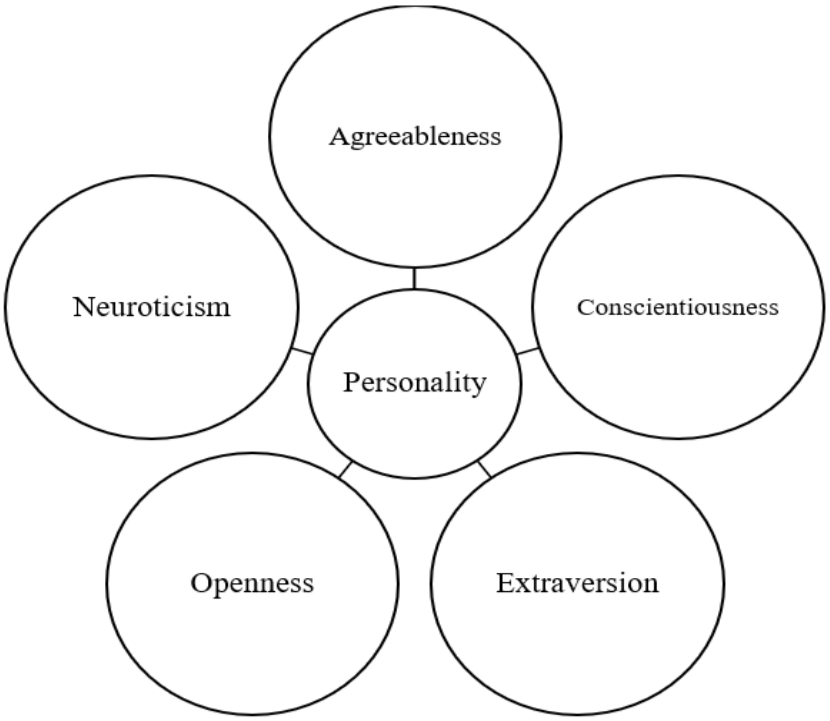
3.5.2.7 The Five-Factor Model or The Big Five Model of Personality in the Context of Counterfeit Products

The Five-Factor Model (FFM), created by Costa and McCrae (1976), categorises personality traits into five general categories. It is commonly known as The Big Five Model of Personality and is the most helpful paradigm in comprehending personality characteristics in the field of marketing that has been validated by many scholars (Ozer & Benet-Martínez, 2006). According to this model, personality may be reduced to five main characteristics, denoted by the abbreviation CANOE or OCEAN. Conscientiousness, Agreeableness, Neuroticism, Openness, and Extroversion are five significant personality traits that are examined in this approach.

The majority of the researchers have concluded that these five personality traits have a significant impact on consumer behaviour, decision-making, and

ultimately buying behaviour. Unlike previous characteristic theories that categorise people as either introverts or extroverts, the Big Five Model states that each personality attribute exists on a continuum.

Figure 3.4
The Five-Factor Model



Source: Costa and McCrae (1976)

Ang et al. (2001) portrayed that customers with weaker principles of ethics will feel less guilty about acquiring counterfeit items. They discovered that personality traits like mindfulness and honesty influence the buying of counterfeit items. Jiang et al. (2018) demonstrated the importance of ethical predecessors in the purchase of counterfeit products. As a result, the research of personality factors related to the attitude towards purchasing counterfeit products can aid in the concentration on commercials against counterfeit goods, recognition of contemplated customer segments for intercessions, and formulation of statutes (Babamiri et al., 2020).

3.5.2.8 The Theory of Cognitive Dissonance (CDT) in the Context of Counterfeit Products

Festinger's Cognitive Dissonance Theory postulates that when people have contradictory behaviours and beliefs, an uneasy tension will arise, and they will be

driven to alter their behaviours or beliefs in order to ease the tension (Festinger, 1957). Counterfeit purchases are a consumer behaviour that frequently involves cognitive dissonance. When a customer purchases counterfeit goods, there are two separate notions to consider: deceptive, or when the consumer purchases counterfeit goods without realising it since they are identical to genuine branded goods, and non-deceptive, or when the consumer can tell the difference between the two. Consumption acts as a means of social status struggle in addition to meeting basic requirements.

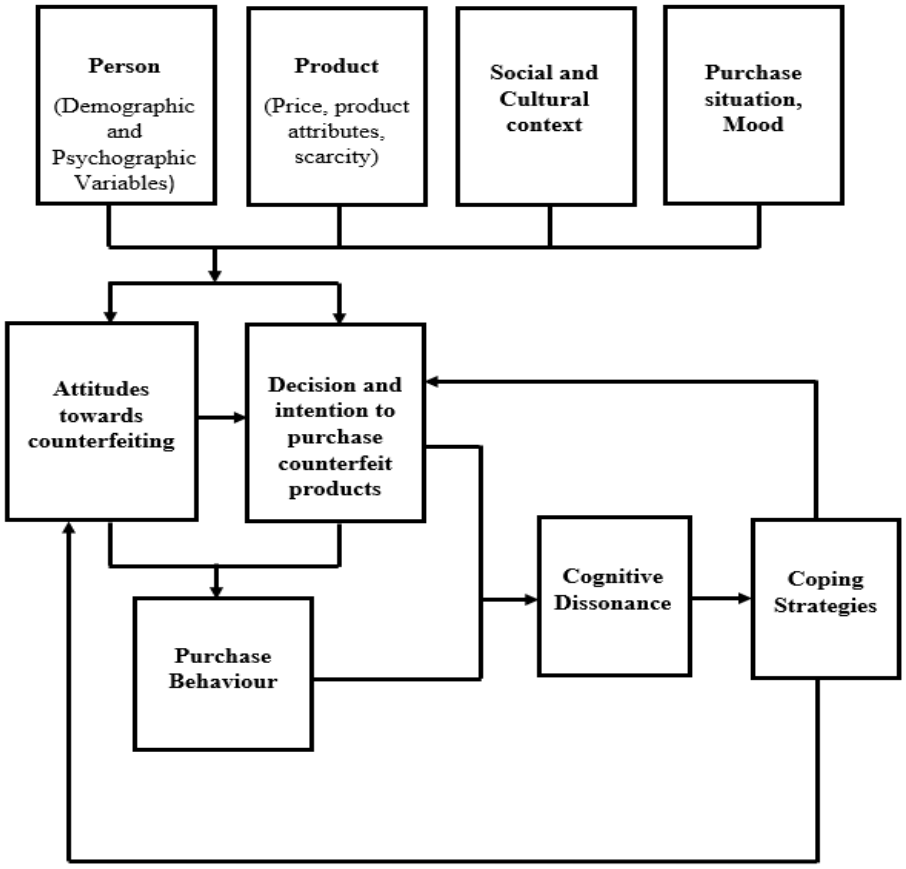
Higher socio-economic status has numerous advantages and people who wanted to have high social standing but were unable to may hence feel dissonant. They attempt to maintain a favourable self-concept in social comparison, but their behaviours do not help them rise to a better standing, which leads to this dissonance. They can enhance their performance and prepare the way for a better rank to ease this unpleasant tension, but most individuals would choose the simpler route of overindulging in expensive goods while demonstrating their ability to purchase them. People that consume expensive, well-known brands would feel satisfied since they would feel better about themselves in a comparison with others.

According to Li (2020), people frequently make justifications in an effort to lessen the impact of their own actions stating everyone purchases fraudulent goods. Some other customers defend their actions by reinterpreting the non-choosing options and believing that the genuine goods are too much expensive and are not worth it, while some consumers assign a more positive consequence to counterfeit buys, such as counterfeits that can benefit the economy of the nation. Finally, it's important to note that consumers who willingly buy counterfeit goods do so with the intention of seeming as though they can afford branded or luxury goods so they may feel superior to other people in public. It also depicts social and economic inequality across the board. According to previous studies, those who are better able to justify their odd behaviour are also more likely to buy knockoff products (Vida, 2007). Denying that a concrete victim is connected to the behaviour is one justification used by customers to justify purchasing items illegally. Some customers could find it difficult to identify organisational victims as victims, especially merchants and brand owners (Carpenter & Lear, 2011).

A person's attitudes towards counterfeiting, as well as verdicts and motives to buy counterfeits, are influenced by factors related to the person (e.g., socio-economic factors, psychographic variables like readiness to take possible dangers), the product (specifically the price, product characteristics like fashion ability, brand distinctiveness, and unavailability), the cultural and social environment, as well as the circumstances. The factors have an impact on behaviours and intentions of customers by way of attitudes about counterfeiting.

Figure 3.5

The Theory of Cognitive Dissonance



Source: Eisend and Schuchert-Guler (2006)

According to Festinger's dissonance theory, the concept addresses the discrepancies between views and purchasing decisions or behaviour that are unique to counterfeit goods and brands and result in cognitive dissonance and the same concept has been developed and modelled by Eisend and Schuchert-Guler (2006). Consumers employ coping mechanisms to lessen the feeling of dissonance and in

the case of high-priced items the coping mechanism would be the purchase of counterfeit products.

3.5.2.9 Self-Concept Theory in the Context of Counterfeit Products

According to Sirgy (1982), self-concept theory has been explained as an individual's ideas and feelings about his relatedness to an object that are considered as a whole. Consumers that place a greater focus on their looks and care about winning the favour of others frequently purchase branded goods. According to Phau et al. (2009), consumers are driven by a desire to astound others with their capacity to pay exceptionally high costs. However, consumers who want to impress others but who are unable to afford such exorbitant costs sometimes turn to counterfeits since they provide them a chance to be someone they are not (Borekci et al., 2015). Malik et al. (2020) evaluated the elements of self-concept in their research work along with an examination of individual traits and the consumption of counterfeit products in the context of an emerging market and found that the independent self-construct affecting purchase intention was not shown to have a substantial direct influence.

3.5.2.10 The Self-Image Congruence Model in the Context of Counterfeit Products

Self-congruity is a cognitive procedure that results in how consumers relate their impression of a brand image particularly, brand personality or brand-user image to their own ideal self. According to the self-congruity theory, customers relate the image they have of themselves to the image of what they are buying. As a result, individuals are likely to favour a product with a comparable image to their own. Consumers, according to the self-image congruence paradigm, seek congruence between product features and their perception of themselves (Graeff, 1996), and they want to be in an environment where their real self-image fits their pertinent version of themselves as per the findings of Higgins (1987).

In today's world, brands serve as symbols, allowing customers to articulate their identity and engage more easily with others who share their interests. They tend to select and purchase things that have features that are similar to their own in order to impress significant others and demonstrate their individuality via the product

image. According to Triandewi and Tjiptono (2013), original luxury items carry an aura of exclusivity, affluence, prestige, and high social position, which may lead self-image-conscious buyers to buy originals. Many researchers reported a detrimental influence of self-image on counterfeit buying intention.

3.5.2.11 The Utility Theory in the Context of Counterfeit Products

Thaler (1985) in his utility theory, discussed two types of utility acts in the context of consumer purchases such as acquisition utility, which points to the financial terms of the purchase like profit or loss; and transaction utility, which demonstrates the emotional terms of the purchase like pleasure or pain, along with the terms of the financial transaction. People are impacted by the product's underlying desire for fulfilment, which makes them more likely to be value-conscious than reward eagerness (Lichtenstein & Burton, 1989). The utility hypothesis is very similar to the counterfeit theory, which holds that the primary driver of the purchase of counterfeit items is perceived quality at a low price. Despite having the lowest quality, counterfeit items offer adequate value for the money (Wilcox et al., 2009). The key justification for buying counterfeits is the reduction of the risk associated with acquiring costly genuine items because the price of reproductions is a fraction of the price of an authentic product (Tom et al., 1998).

3.6 The Repercussions of Counterfeiting Practices

Counterfeiting results in substitutes that place lives in danger, including defective automobile components, potentially hazardous and unsafe medicines, erroneous medical equipment and surgical instruments, harmful children's products including illicit nourishment products for babies, and many more. According to Bian and Veloutsou (2007), counterfeiting is viewed as a political, economic, and social issue. In the opinion of Berman (2008), the absence of expenditures associated with the promotion, trademark licensing, R&D, engineering and designing expenses, quality oversight, test marketing, pilot advertising, client service, reclamation of warranties, or recalls of products gives counterfeiters an undeserved benefit. The intangible harm to the reputation of authentic company brands is the risk that is most frequently emphasized (Hidayat, 2008). Although many people may not consider the trivial money that huge businesses are losing as a result of counterfeiters and their

associates, there are many ramifications that have an influence on the overall society (ASPA Report, 2019). Socio-economic repercussions, consequences that are faced by rights holders, impacts on customers, and adverse effects on the government are the main outcomes of counterfeiting operations (OECD, 2007). A burgeoning counterfeit business is accompanied by job losses, tax income losses for the government, considerable safety concerns, and other adverse consequences (OECD/EUIPO, 2022). The usage or consumption of counterfeit products produces hazardous and harmful consequences on users and its impact goes beyond economic downturn. Several research works have been carried out throwing light on the economic effects, cognitive influence, consumer image, social effects, and health impact of counterfeit products (Mburu et al., 2018).

Mangalasserri et al. (2022) made a remark on how fake goods affect a premium brand's reputation. The value of the authentic brand would be driving the demand for counterfeit items. The creation and sale of fake and counterfeit goods have grown so pervasive that no customer can be certain of the originality of the product he or she has purchased due to the lack of awareness among customers, inadequate regulation, and swift advances in technology. Many people today have been deceived into perceiving that the goods they purchase are authentic when in fact they are counterfeits. These bogus products have seriously impeded the expansion of the consumer goods industry and damaged the confidence and credibility among consumers. However, Randhawa et al. (2015) examined the negative side effects of close connections of consumers with the brands and the psychology behind consumers' attraction towards counterfeit luxury brands. Previous research works on non-deceptive counterfeiting revealed three reasons such as price affordability or product features, social and cultural influencing factors and socio-economic status of the consumers accounts for the proliferation of counterfeit consumption.

The question of where the proceeds from the sales of counterfeit goods flow is an additional concern that has lately started to crop up. According to the studies of Furnham and Valgeirsson (2007) and Marticotte and Arcand (2017), the sale of counterfeit goods facilitates funding and supports the activities of terrorists and criminal groups. This is an accelerating and alarming concern, particularly when

counterfeits are harder to spot since the involvement of the internet in counterfeiting transactions made it so easy (Berman, 2008; Mavlanova & Fich, 2010). Counterfeiters are becoming more cunning and are coming up with new techniques to evade detection as the counterfeit sector grows stronger and anti-counterfeit organizations strengthen regulations.

The long-term impact of selling counterfeit goods ends up in harmful effects on producers, merchants, and trademark owners financially and reputationally, and it erodes customer faith in real items (OECD/EUIPO, 2019). Although counterfeiting affects legitimate producers and customers, it can also have wider socio-economic impacts (Di Liddo, 2017). The principal effects of counterfeiting on pertinent parties are mentioned below:

3.6.1 Economic Consequences

A nation's convenient access to counterfeit goods would alert watchful customers throughout the world to the product functionality of that specific product and related goods made in that country. The commercial and trading climate of the economy would eventually change as a result. Since many counterfeit goods are produced in China, the majority of the developed and developing nations are currently paying close attention to the products imported from China. Additionally, counterfeiting has a significant negative influence on employment in all countries. According to several studies, piracy and counterfeiting kill countless employment opportunities each year (OECD, 2009). Therefore, if piracy and counterfeiting could be completely eliminated or severely reduced, an equivalent volume of career possibilities could be produced all over the world. The following are the economic consequences of counterfeiting practices and consumption of counterfeit products:

- **Growth and Innovation Issues**

Through the creation and exploitation of concepts for novel goods and procedures, innovation has been widely acknowledged as one of the primary forces behind economic progress (Salixova, 2021). These concepts are safeguarded by innovators via patents, copyrights, design rights, and trademarks. The motivation to create novel concepts and products would decrease without sufficient safeguarding

of the rights to intellectual property (OECD, 2007). For those industries where the cost of research and development to produce new goods is high relative to the cost of manufacturing the end products, the risks are perceived as being particularly significant. Therefore, counterfeiting may have significant negative consequences on innovation and, ultimately, advancement, to a level that they retard innovators' efforts.

- **Illegal Activities**

The financial benefits are transferred through counterfeiting practices to the parties who are frequently involved in a range of illicit activities, such as tax deception, money laundering, and illicit trade in drugs. In the words of Naim (2005), it may be anticipated that a significant amount of the revenues are ultimately utilized to finance more criminal activities in an unscrupulous and structured way.

- **Environmental Issues**

The increasing number of confiscated products raises environmental concerns because the destruction of the same may be an expensive procedure that generates a lot of garbage. The use of subpar counterfeit goods can have a negative impact on the environment. A good example is the chemical business, which has incidents where the usage of counterfeit chemical fertilizers gravely damaged the environment. Examples listed include the extensive harvest devastations in China, Russia, Ukraine, and Italy (Chaudhry & Zimmerman, 2009).

- **Loss of Employment Opportunities**

The economy as a whole and the affected industries are both impacted by counterfeiting activities. Jobs from copyright holders to violators are transforming the economy. The change has repercussions for employee welfare because working conditions are frequently far worse in covertly operated illegal enterprises than in well-known businesses that appreciate their employees more and follow health, safety, and other statutory norms (Kenawy, 2013). Numerous analyses have been conducted at each level of the industries for examining the loss of employment opportunities which have ended up as a result of counterfeiting

practices, or in reverse, the employment possibilities that would be generated if infringement levels dwindled.

- **Issues in Trade and Commerce**

Econometric analysis was used to look at the connections between counterfeiting and its impact on the intensity and mechanism of worldwide trade (X. Zhang et al., 2012). Although there was no correlation in the results for trade volumes, there were hints that counterfeit products affected the sorts of commodities that were imported and exported. The countries with relatively high counterfeiting rates were inclined to send overseas fewer items where risks to health and safety could be crucial.

3.6.2 Consequences Faced by the Manufacturers or Rights Holders

The majority of legitimate businesses that produce and sell original items are the main targets of counterfeiters. Losses to them are extremely destructive, especially in terms of decreased sales and earnings. The long-term issues include future sales being lost from customers who purchase low-quality counterfeit items and place the real product with the same level of subpar quality. It also has a detrimental effect on the brand's reputation and the value of the company. Hence for the protection of the brand and the manufacturers, additional expenditures need to be incurred.

- **Diminished Sales Volume and Price**

The market share of the person who holds the rights is reduced as a result of counterfeit goods driving legitimate products off the market and driving prices down. In the case of products that violate trademark and copyright laws, a diminished market share consists of two factors: (i) sales lost to customers who mistakenly buy an unauthorized item for the real deal, and (ii) revenue lost due to customers who purposefully choose a cheaper counterfeit item over the real thing (Gul et al., 2020).

- **Damage to Brand Value and Firm Reputation**

Long-term use of counterfeit goods may harm a company's reputation and brand image. Customers who considered that they were purchasing a genuine

product when they actually purchased a fake, are likely to hold the producer of the original item accountable if the counterfeit one does not live up to expectations (Zhang et al., 2012a). This situation will lead to an erosion of credibility and goodwill. Consumers may be hesitant to purchase another product from a company and may express discontent to other potential customers if they are unaware that they were duped.

As Hien and Trang (2015) rightly mentioned, the prevalence of high-priced items' counterfeit counterparts may reduce conventional buyers' desire for the original products. Responses from customers of various industrial sectors such as the technological devices, pharmaceutical industries, electronic gadgets, information technology components, computer and related devices, electrical devices, food and beverage, high-end goods, sporting goods, automobile accessories and components, surgical and medical equipment, and textile units, etc. mirrored these impacts in their answers to the survey carried out by OECD on the basis of various industrial segments.

- **Loss of Royalties**

The monetary reward that IPR owners get in exchange for allowing other parties to use their rights is known as royalties. These profits are taken away from the rights holders or manufacturers due to the violation of intellectual property rights (OECD, 2007).

- **Low Profitability Rates for Investments**

The prevalence of counterfeiting may make it less profitable for some businesses to make investments in the creation of novel goods and strategies since the trick behind the novelty element is easily tracked down by the counterfeiters. The element of innovation is highly questioned by the prevalence of counterfeit products.

- **Additional Expenditures for Combating Counterfeiting**

Intellectual property owners spend money on numerous types of expenses to stop the manufacturing and selling of counterfeit products. It should be highlighted that while these expenses are remedial in the natural sense, they cannot be termed

pure societal loss because they do not result in better products, product innovation, or other improvements.

- **Reduced Scope of Operations**

Every aspect of a company's operations can be impacted by counterfeiting practices. The OECD industry survey's respondents cited situations in which diminished profitability and reductions in their brand equity have forced businesses to go out of business or cut down their activities (OECD, 2009).

3.6.3 Social Consequences

Counterfeiters aren't really concerned with the effectiveness, safety, or quality of their goods. The likelihood of unfavourable consequences on consumers is increased as a result. Counterfeit goods pose notable safety hazards to consumers (Lewis, 2009). Most of the time, the safety rules and technical requirements that apply to genuine goods are ignored while designing and producing counterfeit goods. The use of false safety markings, which are meant to deceive benevolent purchasers into believing that the things they are buying are safe by frequently disguising this issue. This is a topic that is regularly addressed in the OECD investigations (OECD, 2007, 2009; OECD/EUIPO, 2019). Health and safety issues would be a problem for customers who purchase counterfeit goods, whether they do so consciously or inadvertently. Customers typically buy counterfeit and bogus goods for a number of reasons, including affordability, the chance to use comparatively less expensive goods without bothering them being destroyed, an opportunity to stay up-to-date, the potential to gain status in society attributed to a brand, etc. He seldom realizes that, once he buys a counterfeit item of inferior quality, he is more susceptible to putting his own life and safety, as well as the health and safety of his dependents, in jeopardy because many of these items are produced using risky, untested, or subpar substances and materials (Waziri, 2011). It is undeniable that customers do initially profit financially from such purchases, but the long-term adverse effects would typically outweigh the minimal positive effects of counterfeiting.

According to the findings from the reports of Organisation for Economic Corporation and Development, the four industries that are most frequently affected

by counterfeit items in terms of health and safety are automotive components, pharmaceutical products, electrical elements, and the food and beverage sector. Troublesome replacement components with fake brand names from reputable manufacturers have been found in the automobile industry. Among the goods that have been counterfeited are brake pads, hydraulic hoses, engine and chassis supplies, suspension and steering parts, and airbag devices. These devices' shortcomings significantly compromise the safety of automobiles at times. Pharmaceutical items that violate trademarks may contain legitimate substances in the wrong proportions or be put together erroneously. On top of that, non-active or even hazardous compounds might be included in the medicines. The majority of people who buy fake medications are probably utterly ignorant about the fact that they are being harmed (World Health Organization, 1999). Frude et al. (2020) conducted an investigation on the seizure of steroids and found out that the usage of counterfeit or tainted products threw a risk to the general public's health. People who used counterfeit Anabolic-Androgenic Steroids and other performance and appearance enhancers for non-medical reasons claims that they suffered negative effects as a result.

It has been discovered that counterfeit circuit breakers are either inaccurately configured or made of inferior components in the industry for electrical elements. Electric shocks and short circuit incidents have claimed the lives of people as a result of these flaws. Only a few individuals would purposefully buy fake food goods in the food and beverage industry because of possible health hazards, among other reasons. These dangers might range from minor discomfort to life-threatening diseases and even life. This has been observed with disappointingly processed raw spirits and bogus infant formula, as was mentioned in the sectoral evaluation done by the OECD/EUIPO (2019).

3.6.4 Consequences Suffered by the Government

Governments and the private sector have recently given increasingly significant importance to their safeguarding of IPRs. Governments came to an agreement on a multilateral scale to create a framework for identifying and protecting IPRs in both domestic and international environments. Additionally, governments have been collaborating with multinational corporations like the World Intellectual Property Organisation (WIPO), Interpol, and the World Customs

Organisation (WCO) to strengthen surveillance (OECD, 2007). In order to provide more efficient global solutions, counterfeiting concerns are also being discussed in the framework of the G8 summit conferences. All countries continue to struggle with counterfeiting regardless of these attempts (BASCAP, 2009).

- **Loss of Tax Returns**

Tax returns or revenues from legitimate manufacturers have been reported as more successful than those from counterfeiters. Corporate taxation on earnings, sales tax, value-added duties, excise duties, tariffs on imports, and social insurance expenditures are only a few examples of prospective losses (Gul et al., 2020). In industries like alcoholic beverages and tobacco, where excise duties are steep and the trafficking of counterfeit goods to get over those levies is common, revenue losses tend to be more severe.

- **Additional Cost of Anti-Counterfeiting Efforts**

Governments incur expenditures relating to customs, allied law enforcement organizations, and the financial backing needed to handle legal processes as a result of counterfeiting. Hien and Trang (2015) in their research mentioned that managing and getting rid of confiscated things comes at a significant expense. Furthermore, governments frequently invest funds in programs designed to address counterfeiting, which includes promoting awareness of the issue nationally as well as internationally and collaborating with other governing bodies to strengthen regulatory administration (Waziri, 2011).

Governments frequently foot the bill for mitigating the effects of counterfeiting on the safety and well-being of the general public. Through corruption or swindling of public authorities, criminal networks occasionally try to lessen the disruption of their supply chains and the possibility that they will be held accountable for their illegal actions. These kinds of behaviours harm society as a whole by decreasing the efficacy of public institutions (BASCAP, 2009).

3.7 Combating the Counterfeit Menace – International and National Strategies

With the unravelling of international boundaries, advancing technology that is nowadays accessible to the average person, and ubiquitous globalization, the counterfeit market has experienced a great upsurge in the current economic climate.

Regarding the demand aspect, the longing of consumers to purchase branded goods at affordable rates has in some way encouraged the advancement of the industry of counterfeiting. The volume of counterfeiting has increased enormously as a result of all these variables (Budiman, 2012). In almost all the significant segments of the economy and industrial areas, counterfeiters have been successful to establish a stronghold. It is imperative to examine how each country defines what counts as a counterfeit good since legislation pertaining to counterfeit products is examined holistically from an international and national viewpoint. Thus, the international and national strategies to combat the counterfeit menace are described in the following points.

3.7.1 International Framework for Anti-Counterfeiting Efforts

Numerous legal frameworks are in place to safeguard the rights to intellectual property. The World Trade Organisation (WTO), founded in 1995, and the World Intellectual Property Organisation (WIPO), founded in 1967, are the two most well-known international organizations that deal with the violation of IPR and the issue of counterfeiting practices. The production, importing, exporting, shipment, and marketing and selling of consumables that are not legitimate but are intended and promoted so that they look equivalent to original items with the objective to entice the customers into deeming that the products are original is known as counterfeiting is in the context of international marketing. This interpretation of a counterfeit product that is generally accepted can potentially be found in the TRIPs Agreement. This agreement, a key component of the WTO, was developed to establish guidelines for the protection of property rights in intellectual property (Cateora et al., 2013). The TRIPS Agreement must be followed by all WTO members.

Counterfeiting is a widespread outbreak all over the world, harming companies and the global financial system, threatening capital investments in research and inventiveness, ruining the brand image and corporate reputation of well-known brands, and posing potential threats to the well-being and security of customers. The International Chamber of Commerce (ICC) has a global network of nearly 6 million commercial enterprises, chambers of commerce, and corporate

collaborations spread over approximately more than 130 nations. National committees from throughout the world communicate corporate goals to the ICC International Headquarters in Paris. In order to formulate the ICC viewpoint on particular business challenges, more than 2,000 professionals from ICC member firms contribute their knowledge and experience. The UN, the WTO, the G20, and numerous additional multinational organizations including both global and region-specific, are kept informed of the outlook of the global industry.

With the goal to increase the public's knowledge regarding the detrimental social and economic consequences of counterfeiting, the ICC established Business Action to Stop Counterfeiting and Piracy (BASCAP) in 2005. BASCAP was established with the purpose to connect and mobilize businesses spanning industries, domains, and national boundaries in the battle to oppose counterfeiting; strengthening the words and approaches of businesses to government authorities, the general population, and media outlets; and increasing consciousness and comprehension of counterfeiting operations and the economic and social consequences. The development of solutions to stop infringement has been the major focus of anti-counterfeiting efforts (BASCAP, 2007). It intends to join forces with companies so that they can fight counterfeiting practices with greater effectiveness. Among its initiatives is the development of forums for the exchange of knowledge about the levels of counterfeiting in various markets and industries, as well as knowledge regarding appropriate brand protection strategies. It is also meant to give individuals or organizations better information about the steps being implemented to deal with the problems. Studies are also being conducted to develop better tools for assessing the level of counterfeiting in various economic systems. Initiatives are performed to inform governments and the public about the social and economic repercussions of counterfeiting (BASCAP and INTA, 2017).

Over 7,000 trademark owners and specialists from over 190 countries constitute the International Trademark Association (INTA). As a membership organization with a non-profit mission, INTA handles trademarks and other associated intellectual property concerns to safeguard consumers as well as the government system (De Barnier, 2014). Since its inception in 1878, INTA has

pioneered worldwide IPR research, development of policies, and imparting knowledge on IPR (INTA, 2021).

Another non-profit organisation called the International Anti-Counterfeiting Coalition (IACC) was founded in 1979 to combat product counterfeiting. The IACC focused on the theoretical concerns of intellectual property protection. All forms of IPR that belong to its members, including copyrights, trademarks, and patents, have been incorporated into the membership and enforcement priorities of the IACC (Waziri, 2011). The IACC advocates several policy efforts both domestically and internationally, giving intellectual property owners the opportunity to participate in the creation of laws, rules, and global treaties. Additionally, it offers members the chance to get trained with law enforcement experts all across the globe. These initiatives have the same goal of promoting efficient and dissuasive execution of intellectual property laws, particularly in the fight against counterfeiting.

In order to promote global commerce and economic growth, the Organisation for Economic Co-operation and Development (OECD) was established in 1961. A global economy that is based on innovation faces significant obstacles from the illegal trade in fake goods. It hinders economic progress, presents serious risks to the well-being of individuals and the community, supports organized criminal activities, weakens competent public administration, weakens the public confidence in the government, and can eventually represent a challenge to democratic and political equilibrium. The OECD and the EU Intellectual Property Office (EUIPO) have respectively been gathering data on various facets of this risk. A series of reports, OECD (2007, 2009); OECD/EUIPO (2019, 2021, 2022) have been released on account of the same.

As per the latest report of OECD/EUIPO (2022) exhibiting the seizure statistics, between 2017 and 2019, there were more than 400,000 product seizures globally in categories of potentially hazardous goods. The deadly counterfeits that were confiscated were headed for approximately 150 economies and came from more than 190 different nations. The items of footwear, apparel, luxury goods, and electronic appliances experienced the most seizures among the harmful fakes intercepted from 2017 to 2019. Pharmaceuticals, optical and medical equipment,

spare parts, and other products were also offered for sale in the counterfeit markets (OECD/EUIPO, 2022).

International rules for protecting intellectual property rights have been developed through a multilateral agreement known as the Anti-Counterfeiting Trade Agreement (ACTA). The goal of ACTA is to create a global legal structure that can address issues like online copyright violations, marketing and sale of counterfeit products, and related problems. A number of nations, including Mexico, Australia, Japan, Singapore, Morocco, Canada, New Zealand, South Korea, and all twenty-two member states of the EU have signed the treaty. This is a kick-off in terms of creating a universal framework for handling the concerns associated with online counterfeit goods.

The above explained are the international organisations and associations that function restlessly to eradicate counterfeiting practices from the global market which is flooded with counterfeiters and counterfeit products.

3.7.2 Legal Framework for Anti-Counterfeiting in India

India's plot of economic progress has drawn curiosity all over the world, creating new difficulties and obstacles for the home economy. The authenticity and credibility of genuine brands are tarnished by illegal and counterfeit merchandise, thus damaging the reputation of the individual or the corporation that owns it. This has an adverse effect on the customers by way of threats to their health and safety in addition to ruined business and earnings for the original manufacturer. The accessibility of branded goods to customers has increased in India as a result of globalization. Brands are also aggressive in securing IPR protection, such as registering their trademark, slogan, copyright, etc., to safeguard the goodwill attached to their products. The issue of counterfeit goods entering the supply chains triggers not only violation but also the dilution of an organization's reputation. Multiple remedies are offered under different intellectual property legislation to address the issue of counterfeiting.

There is no special legislation pertaining to counterfeiting in India's legal system, although there are statutory, civil, criminal, and administrative remedies that consist of recommendations in The Trademarks Act 1999; The Copyright Act 1957;

The Patents Act 1970; The Designs Act, 2000; The Customs Act 1962; The Drugs and Cosmetics Act 1940; The Prevention of Food Adulteration Act 1954; The Consumer Protection Act 1986; The Intellectual Property Rights (Imported Goods) Enforcement Rules 2007; The Contract Act 1872; Bureau of Indian Standards Act, 1986; Indian Penal code 1860; Information Technology Act 2000; Food Safety and Standards Act 2006; and Prevention of Money Laundering Act 2002 (Agrawal & Khan, 2021). Before taking any legal action for violations of the Trademarks Act, the justice system needs to consult with the registrar of trademarks, which occasionally causes a delay in the process. Stakeholders shall have discussions to come up with a workable solution to this dilemma.

The Customs Act of 1962, as well as the 2007 Rules for the Enforcement of Intellectual Property Rights on Imported Goods, forbid the importation of illicit goods (Agrawal & Khan, 2021). Rights holders frequently complain that the regulations do not allow for the suspension of the export of bogus goods. The parent Customs Act, however, forbids even their shipment, so a person who experiences injustice can ask Customs to halt the export. The distinction in the context of exports entails that the authentic producers are obliged to inform them beforehand of such shipments. All IP legislation includes legal remedies in the form of restraining orders, financial compensation, and account rendition. A civil proceeding is started by bringing a case before the district or the appellate court with territorial authority. In situations where counterfeiting is the challenge, Indian courts have considerable experience with intellectual property rules and will even issue ex-parte injunctions upon the receipt of an allegation. The provisional reliefs that are made available to right claimants as civil measures are the orders of Anton Piller, John Doe, and Mareva injunctions (Alexander, 1997).

Anton Piller rules that the rights holder may request the ex-parte employment of commissioners to examine the defendant's places of business in order to discover and confiscate counterfeit products. The commodities are given back to the accused with the assurance that they would be kept securely until further court instructions. The court can assign commissioners and grant them the power to visit, search, and effectuate seizures on the property of any identified or anonymous defendants through a special order known as a "John Doe" order. When it is impossible to pin

down every single counterfeiter or when they function out of transient locations, this type of response is most successful. In some circumstances, an injunction may be issued against the perpetrators to block their financial affairs until subsequent court instructions and such injunctions are known as Mareva injunctions (Agrawal & Khan, 2021; Alexander, 1997). The Code of Civil Procedure from 1908 governs how civil proceedings are handled. As per the present state of affairs, courts are using summary judgments more frequently in matters involving intellectual property. Anti-counterfeit litigation is perhaps the greatest situation that uses summary judgment, particularly in Anton Piller's cases were successful because of its very nature (Agrawal & Khan, 2021).

Cybersquatting is another trademark infringement and it is the practice of acquiring, utilizing, or trading in a domain name on the internet with the aim of making money from the reputation of another person's brand (Karote, 2022). Customers were found to be capable of creating top-notch copies of intellectual property that use digital technology as a consequence of the swift advancement of technology (Lalović et al., 2012). In order to trick customers into buying counterfeit items, skilled counterfeiters frequently register domain addresses and create websites that utilize, or strikingly mimic, the names and logos of well-known companies. Anyone who thinks that a domain name which is registered in the.IN Registry violates their legal rights or interests may file a complaint with the.IN Registry as per the INDRP Policy (Aggarwal & Bainwala, 2021). One of India's leading dairy companies, Amul had revenue for the fiscal year 2019–2020 of more than 5.28 billion US Dollars i.e., 38,550 crore Indian rupees. The firm became a victim of cybersquatting after someone bought the domains and built fake websites. According to IPC section 415, counterfeiting is a kind of cheating and as per IPC section 417, anyone who is convicted of deceiving faces sentence of imprisonment for a duration that might last up to one year, as well as a fine or both (Agrawal & Khan, 2021).

In the cases of Cadbury India Ltd. and Ors. v. Neeraj Food Products, Montblanc Simplo Gmbh v. Gaurav Bhatia & Ors, and Nike Innovate C.V. v. Ashok Kumar, the various judicial systems issued significant court orders and injunctions. Numerous courts have ruled that in the context of counterfeiting, the plaintiff who

owns the original trademark is entitled to payment for damages, the dismantling of counterfeit products, the freezing of the financial assets and affairs of the counterfeiters, etc. Since these products not only result in a loss for the original producer but also for the government considering less revenue in taxes has been collected, a harsher approach to address the counterfeiting issue ought to be implemented.

3.7.3 Organizational Facilitations for Anti-Counterfeiting in India

In 1920, the Associated Chambers of Commerce & Industry of India (ASSOCHAM) was established with the target of developing and establishing India as one of the leading economies and thus it played a vital and crucial role in the economic history of the nation. As per the report of ASSOCHAM (2015), utilizing its global network of 4,50,000 plus representatives, it contributes useful knowledge to accelerate the Indian economy. It has more than 400 organizations, coalitions, and provincial chambers under its umbrella in addition to a significant presence in states and major cities throughout the world. It acts as a bridge between corporations and the government in line with the goal of building a future for the industrial units in India. It is a flexible and forward-thinking organization that is driving several efforts to increase the Indian industry's worldwide competitiveness. According to a recent report published by ASSOCHAM (2015), between 60 and 70 percent of nutritional supplements supplied throughout India are false, counterfeit, unlicensed, and unauthorized.

Another oldest and biggest apex business organization in India is the Federation of Indian Chambers of Commerce and Industry (FICCI), which was founded in 1927. It represents the voice of industry and commerce in India. Its history is intricately entwined with India's fight for independence, industrial development, and its establishment as one of the leading economies in the world. FICCI continues to propel this historical trend by promoting discussion, communicating the opinions of the corporate sector, and forming strategies (FICCI, 2012). In order to address these concerns, FICCI created the Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) in January 2011. CASCADE aims to conduct consumer awareness campaigns

throughout India about the effects of using illegal, and counterfeit goods (FICCI CASCADE Annual Report, 2021).

Prominent international organizations like the Eurasian Group, the Financial Action Task Force, Interpol, and the Asia Pacific Group have recognized and embraced India as a member (FICCI, 2021). The Central Bureau of Investigation in India has included a session on intellectual property in its conference, and Interpol has collaborated on offering training sessions that have garnered enthusiastic support from trade associations and business groups on combating illicit global commercial transactions. The ICC's BASCAP and INTA have been working together to promote the significance of anti-counterfeiting measures and the rendering of the same effectively. Several public and private entities in India have also been associated with the aforementioned organizations for ensuring the efficient enforcement of anti-counterfeiting strategies (FICCI CASCADE Annual Report, 2021).

These are the national-level legal provisions and organizational setups that operate in a solid and incessant way to eliminate the presence and consequences of counterfeit products from the Indian market which is drenched in illicit and counterfeit operations.

3.8 Conclusion

The third chapter discussed numerous theories and models linked to counterfeits, the consequences of counterfeiting practices, the legal framework in the setting of counterfeits, and other related topics that aided in the development of the theoretical foundation for the current study. The chapter discussed a detailed account of the theories and models used in the context of counterfeiting, as well as the motivations behind customer attitudes and purchase intentions towards non-deceptive counterfeits, as well as reviewing the vast arena of analytical studies associated with it in the realm of consumer behaviour, which calls for deeper probing into the aspect. Various theories and models offered insights into customer perceptions and motives pertaining to counterfeits.

Chapter 4

Research Methodology

Contents

4.1 Introduction

The nation's economy grows as a result of authentic enterprises, whereas counterfeit businesses stifle that progress. Items with sound brand popularity are easier for counterfeiters than items with modest brand popularity. One element of the economic facet that drives sustainable business growth involves thwarting the counterfeiting of items. Given that customer demand remains the predominant driver of a market, it is crucial to note that consumer demand for counterfeit goods represents one of the main motivating factors for the existence and expansion of a counterfeiting catastrophe.

Producing and selling counterfeit goods damages corporate goodwill and brand reputations, lowers earnings, devalues costs associated with R&D, and results in legal troubles. Counterfeit products give rise to lost tax revenue for the government, loss of sales and profit for the manufacturers of genuine products, loss of employment opportunities, health hazards, and other related risks for consumers, etc. Accordingly, the current study emphasizes the demand side of counterfeiting for tracking the perception of customers regarding counterfeits and the motives that facilitate the value considerations, attitude development, and intent to purchase the counterfeits in the context of non-deceptive counterfeit merchandise in Kerala.

4.2 Research Problem

Considering the fact that the market for counterfeit goods is booming and that consumers who purposefully buy counterfeit goods account for a sizable portion of losses, it is suggested that before businesses develop, execute, and promote advertising and marketing initiatives that may mitigate the demand for counterfeit goods, a more thorough knowledge of their consumers is essential to the success of their campaigns. All around the world, counterfeiting has expanded into a supplementary economic process. Consumers and counterfeiters continue to be driven by the desire to feast on major brands at only a portion of the price due to rapid globalization, advancements in e-commerce, and the growth of information technology. Although counterfeiting has been a problem for reputable manufacturers since the 1970s, it has been prevalent for a very long time. Reproduced items of a trademark brand that are almost comparable to or identical to real goods are considered counterfeits. This involves using trademarks, packaging, and labelling to falsely represent a product to be the original. The manufacturer himself may not be able to tell the difference between an authentic item and a counterfeit item.

The global dilemma facing branded goods is caused by the rising sales of counterfeit goods. The amount of counterfeit trade has increased from USD 650 billion to approximately USD 3 trillion during the past decade. Counterfeiting has cost the world economy 323 billion dollars in losses. According to the FICCI CASCADE (2023) Report, the illegal and counterfeit trade in the top five industries leads to 15.96 lakhs in terms of loss of actual employment opportunities. The anticipated tax revenue lost to the government as a result of these commodities is Rs. 58,521 crores, with the tobacco and alcoholic beverage sectors contributing approximately 49 percent of the total tax loss.

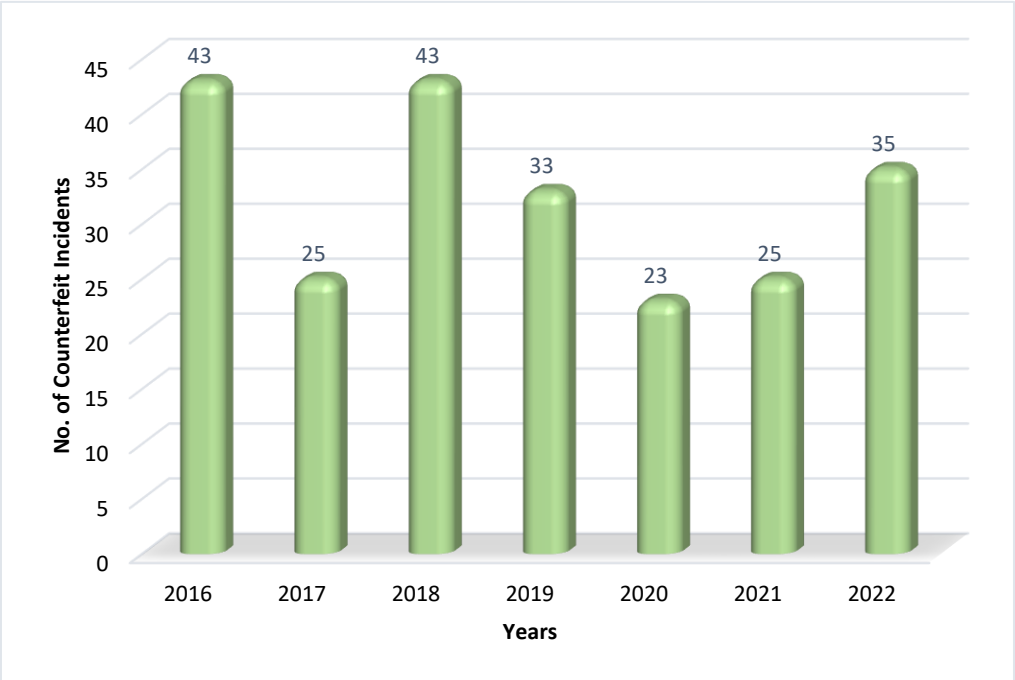
Mishra and Rana (2019) have opined that the Indian population, as well as the consumption of counterfeit goods in India, is increasing at a threatening rate. According to the FICCI (2021) Report, this unlawful commerce accounts for 10 percent of the total trade around the world. The consumer market for counterfeit goods is expanding at a 40 percent annual pace in India. According to the OECD/EUIPO (2022) Report, India is the world's 10th largest producer of harmful counterfeit goods. It also showed India's ranking as the eighth provenance economy

importing counterfeit goods into countries in the European Union, fifth in the trade of counterfeit goods through online channels, and seventh in the trafficking of counterfeit goods via marine routes. The General Trade-Related Index of Counterfeiting Economies (GTRIC-e) has determined the rankings. Moreover, India is on the Priority Watch List of Special 301 Report on Intellectual Property Protection and Enforcement released by USTR (United States Trade Representative).

According to earlier studies, thirty percent of customers deliberately buy counterfeit items (Phau et al., 2001; Tom et al., 1998). The fact that Kerala is a consumer state means that there are greater chances for unauthorized dealers and counterfeiters to take advantage of the state's consumers. The FICCI CASCADE Annual Report (2021) stated that during the pandemic period of coronavirus attack worldwide, the law enforcement entities of Kerala were able to seize a sizable amount of counterfeit sanitizers, fake and inferior quality masks, counterfeit PPE kits etc.

Figure 4.1

Counterfeit Incidents Reported in Kerala



Source: https://keralapolice.gov.in/crime-statistics/ipc-cases

The figure plotted above exhibits the number of counterfeit incidents reported in the state of Kerala from 2016 to 2022. The data has been drawn from the published official reports of crime statistics during the aforementioned time period by the Kerala police force. The figure showing counterfeit occurrences in 2017 displayed a decrease of 41.9 percent from 2016, whereas it was moved up again tremendously by 72 percent in the year 2018. Counterfeit incidents marked a fall in 2019 by 23.3 percent and a further decline of 30.3 percent in 2020. The data shows a decreasing trend during the pandemic time which was in contrary to the status of the Indian economy at the same period. 2021 signalled a hike of 8.7 percent and it got even exacerbated by 40 percent in 2022. The alarming upsurge in the cases of counterfeit goods over the past two years in Kerala has shown the urgent necessity to confront the threat posed by these activities.

One of the factors contributing to the growth of counterfeiting is the desire for counterfeit products among consumers. It is the reason why counterfeiting exists and flourishes in almost all economies (Ang et al., 2001). The scarcity of demand-side investigations in the state of Kerala regarding counterfeit consumption and the presence of the abovementioned problems and consequences of counterfeits makes it justifiable to conduct the study in Kerala. Therefore, it is significantly necessary to determine and examine the factors contributing to the attitude and purchase intentions of consumers towards counterfeit products in the State of Kerala. Hence, the study highlights the perception of customers regarding counterfeits, motivating forces or driving factors that leads to the customer attitude and intent to buy counterfeits along with the examination of mediating effect of attitude and perceived value as well as extraction of moderating effect of the novelty-seeking behaviour of the customers.

4.3 Research Questions

From the extensive literature, the researcher formulated the research questions which would form the base for framing the objectives of the study. Following are the research questions:

- What are the cognitive, affective, and social factors that motivate customers in Kerala to engage in the purchase of counterfeit products?

- What is the extent to which customers in Kerala perceive value, hold positive attitudes, and express purchase intentions towards counterfeit products?
- What are the effects of different motivating factors influencing counterfeit purchases on the development of attitudes and purchase intentions among customers in Kerala?
- Does the presence of a positive attitude and perceived value mediate the relationship between drivers of counterfeit buying and purchase intention?
- Does the level of novelty-seeking behaviour have a moderating effect on the relationship between price-quality inference, and perceived value and purchase intentions?

4.4 Research Objectives

The researcher identified the research gap from the existing literature in the context of counterfeiting and formulated the following research objectives:

- To investigate the cognitive, affective, and social drivers influencing the customers to purchase counterfeit products in Kerala.
- To examine the level of perceived value, positive attitude and purchase intentions of counterfeit products among the customers in Kerala
- To explore the effects of customer motives on attitude formation and purchase intentions towards counterfeit products in Kerala.
- To examine the mediating effect of positive attitude and perceived value on the association between drivers of purchasing counterfeits and purchase intentions.
- To extract the moderating effect of novelty-seeking behaviour on the influence of price-quality inference on perceived value and purchase intentions.

4.5 Major Hypotheses of the Study

A comprehensive examination of the literature forms the foundation for hypotheses. The relationships between the customer motives across socio-demographic factors as well as direct effect of the same on the attitude, perceived

value, and purchase intention have been hypothesized along with the mediation and moderation effects which are as listed below:

H1: Cognitive, affective and social drivers of the customers in Kerala that influence them to buy counterfeit products are at an average level.

H0: There is no significant difference between various socio-demographic factors of customers with respect to factors of cognitive, affective and social drivers of purchasing counterfeit products.

H0: There is no significant difference among the levels of perceived value, positive attitude and purchase intention of customers with regard to counterfeit products.

H0: There is no significant association between various socio-demographic factors of customers and the level of perceived value, positive attitude and purchase intention of customers with regard to counterfeit products.

H0: There is no significant association between the degree of driving factors of counterfeit product buying and the level of perceived value, positive attitude and purchase intention of customers with regard to counterfeit products.

H1: Cognitive, affective and social drivers of counterfeit product buying have a positive effect on customers' positive attitude and purchase intention.

H1: Positive attitude of the customers has a positive effect on purchase intention.

H1: Positive attitude and perceived value mediate the relationship between drivers of counterfeit products and purchase intention.

H1: Novelty seeking behaviour has a moderating effect on the strength of the relationship between price-quality inferences, and perceived value and purchase intentions.

4.6 Conceptual Framework of the Study

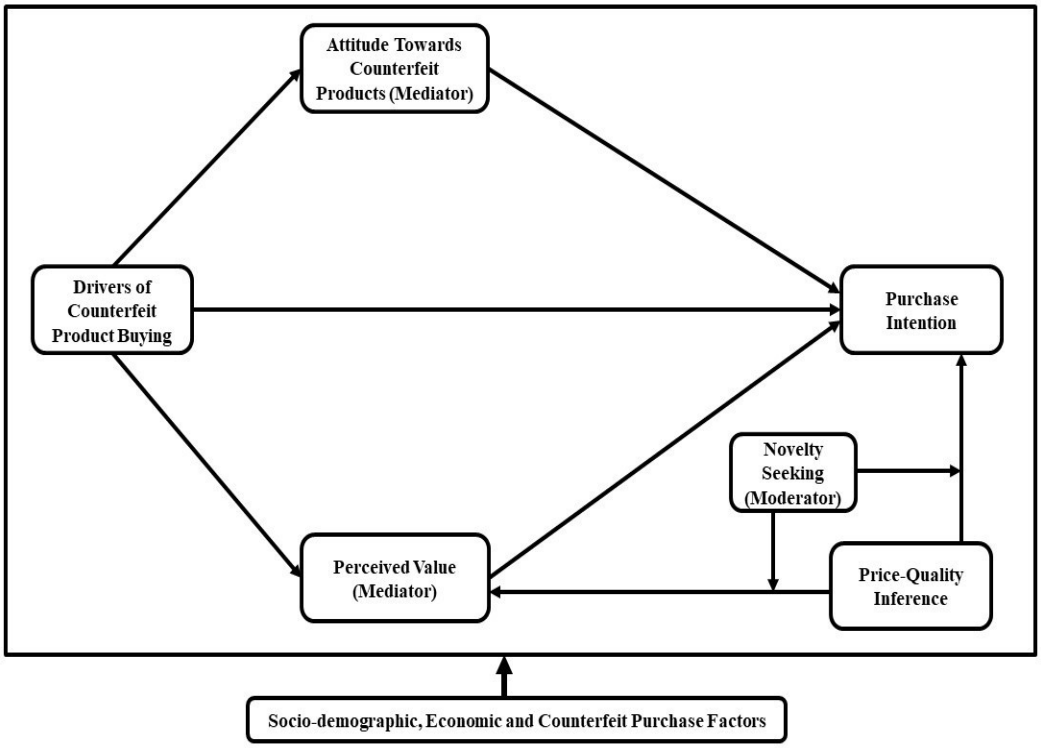
With the aid of existing research, the basic theoretical framework has been expanded into an all-encompassing model. The concepts relating to counterfeiting areas are pursued to be integrated into a theoretically sound, logical framework that explains and logically underpins them. The conceptual framework described here

was meant to articulate its justification for assessing customer perception, motives, attitude, and intention to purchase counterfeit products in the context of Kerala.

The conceptual model for this study was derived from prior research and literature that exhibits the constructs under drivers of counterfeit product buying which are treated as independent variables, attitude towards counterfeits and the perceived value of the same which are considered as the mediating variables, novelty-seeking tendencies of the customers which are taken as the moderating variable to express two moderation effects, and finally, purchase intention which is treated as the dependent variable. Drivers of counterfeit product buying comprise the three main customer motives which are cognitive drivers, affective drivers, and social drivers that either constitute a favourable attitude concerning counterfeits or an unfavourable attitude towards the same. These driving forces can also induce or stimulate customers to purchase counterfeits to satisfy their needs and desires for occupying branded products that are not primarily affordable for them.

Figure 4.2

Conceptual Framework



Source: Developed by the Researcher

4.7 Scope of the Study

Trademark infringement is an alarming problem since counterfeit goods affect a wide range of businesses in both industrialized and developing nations' B2B and B2C marketplaces. By reducing the demand for the supply of counterfeit goods, these criminal practices can be curbed. Studies focusing on the demand side of counterfeiting are still rare, especially in the context of India. Recently, more research is conducted on counterfeiting activities and their effects in various segments of the economies worldwide, and it is undeniable that the counterfeit element is present in almost all the industrial sectors in India. The state of Kerala is not free from the tentacles of counterfeiters. Despite this fact, the scarce studies on counterfeiting issues in the Kerala commerce literature signal a gap. As a result, the study's goal is to determine the factors that contribute to customers buying counterfeit goods as well as their attitudes and intentions in the context of Kerala. The respondents to the survey are customers who live in Kerala State, and the study is conducted within the framework of the state.

This study confines its application to non-deceptive counterfeiting, in which consumers intentionally purchase counterfeit products. The selection of non-deceptive counterfeits is considered to be significant since only in this case the customers' attitudes towards counterfeits would reflect their demand for such products. According to the Theory of Reasoned Action (TRA), personal and societal variables have a substantial influence on people's buying intentions for counterfeit goods. The stimulating factors explained in the S-O-R (Stimulus-Organism-Response) model mentioned the inevitable elements of cognitive, affective, and social drivers in the counterfeiting studies. These factors are those that add up to a personal attitude towards the purchasing intention. A non-deceptive counterfeit item is referred to as a counterfeit product in this study.

The study examines how consumer perception, motives, attitudes, and purchase intentions about counterfeits are affected by socio-demographic, economic, and counterfeit purchase factors. The study additionally explores how positive attitudes and perceived value mediates the relationship between drivers of counterfeit product buying and purchase intention. The study likewise extracts how

novelty-seeking behaviour moderated the perceived value and purchase intentions by the interaction effect with price-quality inference. The study would add to the body of knowledge on demand-side investigations and aims to provide manufacturers, retailers, academicians, and policymakers with a better understanding of the adverse impact of consumer purchasing behaviour towards counterfeits. The findings and recommendations of the research would help businesses to combat counterfeiting by enabling them to develop stronger marketing strategies and, more importantly, aid them identify the market segments they should target and how to address the consumer demands that are at present being satisfied by the counterfeit products.

4.8 Research Methodology

The methods used by the researcher to carry out the suggested research are extensively outlined in this part of the chapter. The proposed research design for the study, the sources of the data used for the research, the sampling methodology, the development of the research instrument, the variables under study, and the explanations of the different methods of statistical analysis utilized for the study have been provided in depth.

4.8.1 Research Design

The goal of the research is to identify the relationships between the driving factors that affect customers of counterfeit goods' attitudes and purchasing intentions. The demographic disparities among customers with varying attitudes towards and intentions to buy counterfeit goods are examined. Hence, a descriptive research strategy encompassing customers of counterfeit goods in Kerala has been opted for the purposes of the research. The study collected descriptive data about the characteristics of the population on the grounds of their perception as well as cognitive, affective and social driving factors and provides explanations of the same in the context of non-deceptive counterfeit products. Hence the study is descriptive in nature. As the study formulated the hypotheses and tested these hypotheses using various statistical tools to know the effects of customer perception and motives, level of attitude and intent to purchase the counterfeits, it is analytical too.

4.8.2 Sources of Data

The study makes use of both primary and secondary data sources, although it emphasizes the primary data that was gathered using a standardized questionnaire which was individually distributed and administered to the prospective customers of counterfeit products in Kerala. Information based on counterfeit markets or producers is hard to obtain due to its clandestine nature. The term 'customers' used in this study is the potential customers of the counterfeit products in Kerala. The secondary data sources have mostly been employed for background research and for analyzing the results of earlier studies in this field. It was feasible to offer insightful recommendations by considering the research's findings and the body of prior literature. Secondary information was gathered from an assortment of published sources, including journal articles, reports from various national and international organizations, reports in the press, books, earlier research, and pertinent websites.

4.8.2.1 Secondary Data

The secondary data made it possible to conduct a more in-depth investigation and offered chances to compare and interpret the findings with those of previous investigations. The research mainly acquired secondary data from a multitude of sources, including the reports and publications of the Organisation for Economic Co-operation and Development, World Trademark Review on Anti-counterfeiting and Online Brand Enforcement, European Union Intellectual Property Office, European Commission Report on the Protection and enforcement of Intellectual Property Rights, International Trademark Association Committee, Review on Notorious Markets for Counterfeiting and Piracy, Business Action to Stop Counterfeiting and Piracy, Frontier Economics, Associated Chambers of Commerce and Industry of India, Federation of Indian Chambers of Commerce and Industry, Committee Against Smuggling and Counterfeiting Activities Destroying the Economy, Authentication Solution Providers' Association, Crime Statistics Records of Kerala Police, national and international academic journals, proceedings from conferences, and contents featured in periodicals that provided pertinent details on reliable information, trends, and counterfeiting practices. International and national legal frameworks were incorporated as well.

Furthermore, the research comprised information pertaining to consumer behaviour, customer perceptions, marketing strategies, counterfeit-related topics, and the consequences of counterfeits on the economy as a whole, which provided a solid foundation for understanding the context and history of the research problem. Official Websites of OECD, WCO, BASCAP, NASCAP, INTA, FICCI, ASSOCHAM, and Ministry of Commerce and Industry were also depended upon for obtaining secondary data on the trends and trade via counterfeiting. The aforementioned authoritative sources offered a solid foundation for extracting data from theoretical frameworks, which assisted in the examination and interpretation of the research outcomes.

4.8.2.2 Primary Data

The primary data for the study was gathered using a well-structured questionnaire, which was specifically designed to achieve the research objectives focusing on the perception of customers towards counterfeits and the motivating factors that would stimulate them towards counterfeits in the context of Kerala. A field study was conducted, and customers were surveyed on their thoughts on various assertions in order to acquire primary data. Data on different components were obtained, which included characteristics indicated as motivators for consumer attitude and purchase intention. Respondents were asked to rate their level of agreement or disagreement with each statement. The final data collection was conducted after gaining a valuable understanding of the research instrument through the pilot survey.

4.8.3 Sampling Design

Sampling is a statistical approach in which the entire research is based on a subset of the population in order to derive conclusions about the overall features of the population. The research procedures and analyses would be used to determine the unit of study. The sampling strategy guarantees that the samples are accurate and reflect the characteristics of the larger population. Furthermore, it guarantees that the sample is appropriate for addressing the study objectives, reduces sampling bias, and ensures an effectively constructed sampling design.

4.8.3.1 Population

As outlined by Malhotra and Peterson (2001), a population characterization must identify the geographical limits of the research. The population mentioned in the above definition thus confines the research population's geographical boundaries to Kerala. The state of Kerala was chosen as the research's geographic emphasis because it has seen an increase in counterfeit seizures and incidents recorded in recent years. Yet, it remains an unexplored geographical distribution in the context of counterfeiting practices. It does not limit the population to prior counterfeit customers but also includes non-buyers to examine their attitudes and purchase intention but has considered only those who have attained the age of 18 years. As a result, consumers who have previously purchased counterfeit goods and those who intend to buy counterfeit goods in the future were included in the target group. Because the goal at this time was to analyse the perception of consumers towards counterfeited items, questions focused on the phrase "counterfeited products" in general. Finally, the study intended to collect data on the perceptions and motives of customers towards counterfeit products.

4.8.3.2 Sample Size Determination

The pilot study was conducted with the help of a draft questionnaire which was administered to a sample of 90 customers. This process assisted the researcher in modifying the statements that affect the quality of the research instrument as well as offering the opportunity to understand the dimensions of the research.

The sample size was determined based on the standard deviation of the pilot study's sample of 90 respondents. The sample size was determined at a significance level of 5% to ensure that the standard error would fall within acceptable limits. Using the following formula of Israel (1992), the sample size was determined:

Sample size (n) = $(ZS/E)^2$

Where, Z = Standard Value corresponding to confidence level of 95% = 1.96

S = Sample Standard Deviation from the pilot study of 90 sample = 0.699

E = Acceptable Error = 5% (i.e., 0.05)

Hence, the sample size (n) = $(ZS/E)^2$ = $(1.96*0.699/0.05)^2$ = 750.76

Thus, in the final phase, 751 data samples were collected for the research purpose.

During the data analysis phase of the investigation, the sample size was determined using the covariance-based structural equation modelling (CB-SEM) method. The implementation of Structural Equation Modelling (SEM) analysis using Maximum Likelihood Estimation requires a sample size that maintains a 5:1 ratio of cases to free parameters, as per the recommendations of Tanaka (1987), assuming the use of multivariate normal data. The study determined that a sample size of 751 was adequate for developing CB-SEM models.

4.8.3.3 Sampling Technique

The clandestine nature of counterfeit markets or manufacturers makes it challenging to gather information on the same. The sample selection method employed in the current research has been meticulously developed to align with the research objectives. The study emphasized the significance of obtaining a representative sample of customers from the state of Kerala. The term 'customers' used in this study is the potential customers of counterfeit products in Kerala. In order to choose respondents for the research on consumers' perceptions of counterfeit goods and the driving factors that influence the development of attitudes and purchase intentions towards counterfeits in the state of Kerala, a multi-stage random sampling approach was used. The process of categorizing was done to ensure participation from diverse geographic locations and to account for any differences in customers' perceptions due to the availability and accessibility of counterfeits in Kerala.

Since the counterfeit study is exploratory in nature, a true and fair representation of Kerala population has to be assured. For the same, the fourteen districts in the state of Kerala were split into three main regions in the first stage: the North Kerala Region, the Central Kerala Region, and the South Kerala Region. These regions were grouped based on shared geography, history, and cultural traits. The districts that made up the north Kerala region were Kasargod, Kozhikode, Kannur, Wayanad, and Malappuram; the four districts that made up the central

Kerala region were Palakkad, Ernakulam, Thrissur, and Idukki; and the five districts that made up the south Kerala region were Kottayam, Kollam, Pathanamthitta, Alappuzha, and Trivandrum. By using stratification, it was made sure that the sample included people from different geographical regions. In order to accommodate representation from all three areas, one district from each of the three regions was included using the lottery method. The study was conducted in the districts of Malappuram from the north region of Kerala, Thrissur from the central region, and Alappuzha from the south region of Kerala. In the following phase, two wards—one from the municipality and one from the grama panchayat—were chosen through a lottery method. Given that Municipalities have a larger population than Grama panchayats, 150 respondents from the Municipality ward were chosen using the systematic random sample approach, and 100 respondents were chosen in the same way from the Grama panchayat ward.

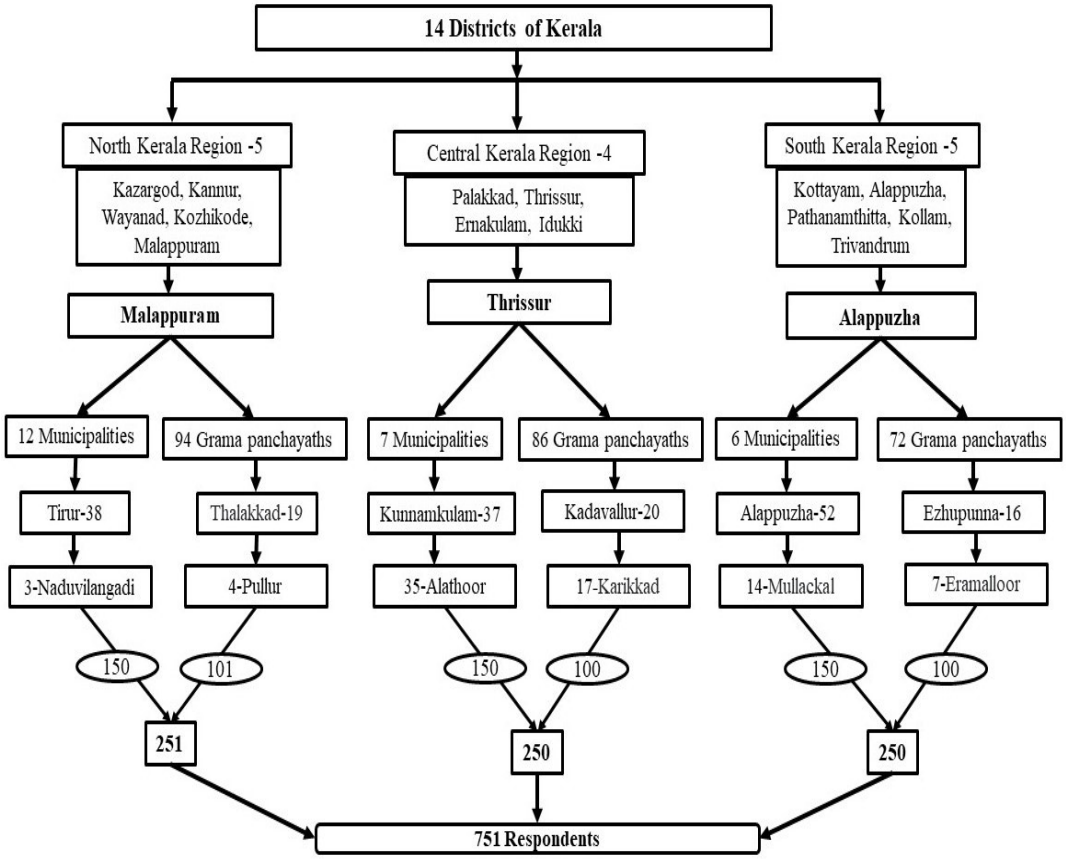
Malappuram district has twelve municipalities, from which Tirur municipality has been considered which has thirty-eight wards. The third ward of Naduvilangadi was randomly chosen from which 150 responses were collected. Malappuram district has ninety-four grama panchayats from which Thalakkad with nineteen wards was focused upon. The fourth ward Pullur was considered for collecting data systematically from 101 respondents to fulfill the sample size requirements. Thus, a total of 251 responses were collected from the district of Malappuram. The research area for Central Kerala was the Thrissur district, which has seven municipalities and eighty-six grama panchayaths. A random selection was made and Kunnamkulam municipality with thirty-seven wards was considered and the 35th ward, Alathoor was randomly chosen to get 150 responses. Likewise, Kadavallur grama panchayat was considered with twenty wards, and the seventeenth ward Karikkad was chosen to collect 100 responses. Therefore, the researcher collected a sum of 250 responses from the Thrissur district. Alappuzha district, which is located in South Kerala, has six municipalities out of which the Alappuzha municipality with fifty-two wards was randomly chosen. The fourteenth ward Mullackal was further concentrated upon to pool data from 150 customers. Out of the seventy-two grama panchayats in the Alappuzha district, Ezhupunna with sixteen wards was chosen at random and the study was then narrowed down to the seventh

ward Eramalloor to gather information from 100 respondents. A total of 250 responses were pooled from the district of Alappuzha.

Respondents were chosen from each selected ward to take part in the study in the final stage. The persons on the electoral roll were given the questionnaires to ensure a representative sample. The systematic sampling approach was put into practice using a sampling interval. Furthermore, every fifth individual on the electoral roll was contacted to participate in the study since the sample interval of five had been established. This methodological technique ensured an impartial selection of respondents and gave every person an equal chance to be included in the sample. The data for the final research purpose was carried out in between January 2022 to June 2022. Consequently, 251 responses were gathered from the district of Malappuram, 250 from Thrissur, and 250 from Alappuzha, thus, forming a total of 751 responses for conducting the research.

Figure 4.3

Sample Frame



4.8.3.4 Designing of Questionnaire

The researcher used the phrase "counterfeit products" in a wider sense since the goal of the questions at the time was to gauge how consumers felt generally about counterfeit goods across all product categories (De Matos et al., 2007). The techniques which were utilized to produce the questionnaire for the current study included the construction of the basic questionnaire, pretesting the same by a pilot study, refining of the questionnaire, final drafting of the instrument, and measuring the reliability and validity of the questionnaire. Information from numerous respondents was acquired at a certain point as the study was cross-sectional in nature. The purpose of this research is to determine the connections between the forces that influence the attitudes and intentions of consumers concerning counterfeit goods. Customers with diverse attitudes towards and intents to purchase counterfeit goods are evaluated over demographic differences. As a result, a descriptive research approach covering consumers of counterfeit products in Kerala has been chosen for the research. The research gathered descriptive information on the population's traits based on perception as well as cognitive, affective, and social motivating factors, and it offers explanations of the same in the context of non-deceptive counterfeit goods.

Respondents were requested to complete all three sections of the questionnaire and return it shortly after it was done. The respondents' age, gender, educational level, and annual income were all included in the first section's socio-demographic and economic data. By detecting any possible differences in views of counterfeit goods based on socio-economic variables, it offered insights relating to the perception of customers towards counterfeits. Additionally, depending on the information gathered through questionnaires, manufacturers of genuine goods may design anti-counterfeiting measures by evaluating the link between socio-demographic traits and consumers' impressions of counterfeits. The questions in the second section focused on counterfeit purchase factors exhibiting the distinguishing ability of the customers between the counterfeits and the genuine products, the type of counterfeit products they intend to buy and the nearby availability and accessibility that further induces them to form an inclination towards counterfeits. Questions about customer motives or driving forces such as cognitive, affective, and

social drivers along with the perceived value, attitude and purchase intention made up the third part of the questionnaire.

The variables that were chosen for the research were selected after carefully reviewing the body of existing studies and the identified objectives of the study. Each variable and sub-variable represents a certain aspect of the research. These factors were chosen in order to analyze relationships and effects in the context of the counterfeit segment in Kerala. The variables, sub-variables, and their nature are outlined below:

Table 4.1
List of variables used for the study

Variables and Sub-variables	Nature of Variables
Socio-demographic and Economic Factors: ➢ Gender ➢ Age ➢ Education Qualification ➢ Annual Income	Independent Variables
Counterfeit Purchase Factors: ➢ Distinguishing Ability ➢ Type of Counterfeit Products ➢ Nearby Availability	Independent Variables
Cognitive Drivers: ➢ Price Consciousness ➢ Price-Quality Inference ➢ Value Consciousness ➢ Perceived Risk	Independent Variables
Affective Drivers: ➢ Risk Averseness ➢ Integrity ➢ Personal Gratification ➢ Novelty-Seeking	Independent Variables
Social Drivers: ➢ Information Susceptibility ➢ Normative Susceptibility ➢ Status Consumption ➢ Social Influence	Independent Variables
Perceived Value	Mediating Variable
Attitudes towards Counterfeit Products	Mediating Variable
Novelty-Seeking Behaviour of Customers	Moderating Variable
Purchase Intentions towards Counterfeit Products	Dependent Variable

A five-point Likert scale was employed to gauge answers based on prior research. The questionnaire for the study was carefully created to ensure that the appropriate scales and measurements were utilised to evaluate the constructs of interest. Scales were selected based on well-established literature and past field research. The cognitive drivers comprise of Price Consciousness (PRC), Price-Quality Inference (PQI), Value Consciousness (VLC), and Perceived Risk (PRR). The affective drivers include Risk Averseness (RAV), Integrity (ITG), Personal Gratification (PRG), and Novelty-Seeking (NVS). The social drivers consist of Information Susceptibility (INS), Normative Susceptibility (NRS), Status Consumption (STC) and Social Influence (SOI). Further, the elements of Perceived Value (PRV), Attitude towards counterfeit products (ATT) and Purchase Intentions regarding counterfeits (PRI) were measured using the concerned validated scales. An overview of scales and sources is summarised in the following table.

Table 4.2
Research Instrument: Scales and Sources

Variables	Source	No. of Items
Price Consciousness	Bloch et al. (1993); Lichtenstein et al. (1990)	5
Price-Quality Inference	Huang et al. (2004); Lichtenstein et al. (1993)	4
Value Consciousness	Ang et al. (2001); Lichtenstein et al. (1990)	4
Perceived Risk	De Matos et al. (2007); Mitchell (1999)	6
Risk Averseness	Huang et al. (2004)	6
Integrity	Ang et al. (2001); De Matos et al. (2007); Kim et al. (2009)	4
Personal Gratification	Ang et al. (2001); Bloch et al. (1993); Wee et al. (1995)	5
Novelty-Seeking	Phau and Teah (2009); Wee et al. (1995)	4
Information Susceptibility	Ang et al. (2001); Bearden et al. (1989); Phau and Teah (2009)	4
Normative Susceptibility	Ang et al. (2001); Bearden et al. (1989); Phau and Teah (2009)	4

Variables	Source	No. of Items
Status Consumption	Eastman et al. (1997); Eisend and Schuchert-Guler (2006); Riquelme et al. (2012)	5
Social Influence	Huang et al. (2004)	3
Perceived Value	De Matos et al. (2007); Huang et al. (2004)	4
Attitudes towards Counterfeit Products	Budiman (2012); De Matos et al. (2007); Phau and Teah (2009); Wang et al. (2005)	6
Purchase Intentions	Ang et al. (2001); De Matos et al. (2007); Phau and Teah (2009); Ting et al. (2016); Wee et al. (1995)	10

Source: Secondary Data

4.8.3.5 Operational Definitions of the Variables

According to Staake et al. (2009), counterfeit products are unauthorized or unlicensed versions of the products infringing trademark rights. It is the low-priced imitations of highly demanded goods that typically look similar to the original but offer inferior quality. The operational definitions of the variables pertinent to the research are outlined below:

- **Price Consciousness**

According to Lichtenstein et al. (1993), price consciousness indicates the degree to which the consumer focuses exclusively on paying lower prices. Low price ignites the counterfeit market's growth to a great extent.

- **Price-Quality Inference**

The widely held belief that a product's price is positively connected with its level of quality across all product categories is known as the price-quality inference (Bearden et al., 1989) ie., higher-priced products are believed to possess higher quality than lower-priced products.

- **Value Consciousness**

Contrary to authentic products, counterfeits are thought to be of lower quality. Value-conscious consumers base their buying decisions on the value provided by it, with respect to its low price and slightly substandard quality. Consumers will assess the worth of the money they spend to buy the product and

many consumers consider counterfeits to be good value for their money (Bloch et al., 1993).

- **Perceived Risk**

Perceived risk is the level of perception regarding the presence of risk elements that will prevent customers from buying counterfeit products (Mitchell, 1999). Purchasing counterfeit items is viewed as a risky decision since buyers may endanger their own financial, social, or legal security.

- **Risk Averseness**

The tendency to avoid taking risks is known as risk averseness (Bonoma & Johnston, 1979) and it covers the various dimensions of risks such as psychological risks, financial risks, environmental risks, safety, and health hazards etc.

- **Integrity**

Integrity presents the level of the customer's moral standards and conformity to the law (Cordell et al., 1996). Integrity is determined by the factors of personal ethical values and standards and legal obedience possessed by an individual.

- **Personal Gratification**

Personal gratification is a sense of success or accomplishment, social recognition as well as acceptance, and enjoying better things in life (Ang et al., 2001). Personal gratification influences the purchase decision of consumers regarding counterfeit products.

- **Novelty Seeking**

Novelty-seeking is the search for change and distinctness because of their inquisitive nature (Hawkins et al., 1980). Novelty seeking is the curiosity of individuals to seek variety, difference, and the urge to try out something new.

- **Information Susceptibility**

Information susceptibility describes the customers' purchase decisions to make a purchase based on the expert opinions of others (Ang et al., 2001). Information susceptibility plays a vital role for consumers before buying counterfeit products, particularly those who have little information on the brands or categories of the products.

- **Normative Susceptibility**

Consumers who have normative susceptibility would purchase a product based on what they assume others would expect or want them to buy (Ang et al.,

2001) ie., customers' purchase decisions are based on the notions of what would please others.

- **Status Consumption**

Status consumption is the evident consumption of consumer goods that represent status for the individual, family, close friends, or any other significant people (Eastman et al., 1997). Status consumers seek to possess brands that reflect their self-identity and are more status conscious.

- **Social Influence**

Social influence is the effects that others such as family members and friends have on an individual customer's attitude (Wang et al., 2005). The suggestions from the group acting as a reference have an impact on people's decisions to buy a product whether it is authentic or counterfeit.

- **Perceived Value**

The customers' emotional assessment regarding the worth of the good or service is known as perceived value. Perceived value had an encouraging impact on consumers' attitudes concerning counterfeit luxury products and their inclination to buy them as per the research findings of Toklu and Baran (2017).

- **Attitudes Towards Counterfeit Products**

Schiffman and Kanuk (1997) defined attitude as a learned predisposition to behave in a consistently favorable or unfavorable manner with respect to a given subject matter or context. The more favourable attitude towards counterfeits, the more probability that the customers would purchase counterfeits.

- **Purchase Intentions**

Purchase intention is the customer's tendency towards buying and using a product or service, in a given circumstance (Dodds et al., 1991). The research utilised the term to denote the buyer's intent to buy and experience counterfeit products.

4.8.3.6 Pilot Study

A pilot study, which is often a small-scale study that aids in designing and modifying the major study, is the initial phase of the complete research methodology. Prior to the final data collection, a pilot study among potential customers was conducted to assess the reliability and validity of the research

instrument. During the pilot survey, every aspect of the questionnaire was evaluated on a sample of 90 respondents from Thrissur district in the state of Kerala.

The purpose of the pilot research was to assess the validity of the questionnaire, identify any potential flaws or inconsistencies if any, and address the necessary corrections prior to the generation of the final data. The respondents were given explanations of each question before completing the questionnaire, which they requested to do independently. The researcher supported those respondents who needed further explanation with the terms used in the research instrument as well as the terminologies relating to the counterfeit context.

Table 4.3

Pre-testing of Questionnaire

Constructs	No. of Items	Cronbach's Alpha	No. of items deleted
Price Consciousness	5	0.873	Nil
Price-Quality Inference	4	0.799	Nil
Value Consciousness	4	0.845	Nil
Perceived Risk	6	0.829	Nil
Risk Averseness	6	0.752	Nil
Integrity	4	0.806	Nil
Personal Gratification	5	0.820	Nil
Novelty-Seeking	4	0.921	Nil
Information Susceptibility	4	0.932	Nil
Normative Susceptibility	4	0.736	Nil
Status Consumption	5	0.774	Nil
Social Influence	3	0.902	Nil
Perceived Value	4	0.897	Nil
Attitudes towards Counterfeit Products	6	0.964	Nil
Purchase Intentions	10	0.891	Nil

Source: Primary Data

The scale proved reliable with respect to internal consistency because all Cronbach's alpha values were over 0.7 (Nunnally, 1967). This demonstrated that the information gathered utilizing the aforementioned construct was reliable and solid and devoid of structural flaws. Further, it demonstrated that the data gathered for the current study was dependable and produced consistent findings when tested repeatedly, which supported that the data appropriately reflected the research context under study.

Therefore, it may be used as a basis for additional investigation and interpretation to arrive at reliable findings that may be employed by various stakeholders in the research area.

4.8.4 Final Reliability and Validity of the Co-variance Based Confirmatory Factor Analysis (CB-CFA) Models

Confirmatory Factor Analysis (CFA) is a statistical method for ascertaining the factor structure of an identifiable set of observed data. The relationship between observed variables and the underlying latent components is investigated by the researcher using CFA (Suhr, 2009). The variables need to have enough validity and reliability. Utilizing the following tools, the measurement model is evaluated:

4.8.4.1 Composite Reliability (CR)

A statistical tool for evaluating the internal consistency of a group of items or variables in a research project is called Composite Reliability (CR). Composite reliability (CR) is used to evaluate a construct's overall dependability as well. The range of values is 0 to 1. According to Hair et al. (2010), composite reliability scores over 0.7 are regarded as excellent. When values are lower than 0.6, internal consistency is deemed insufficient.

4.8.4.2 Construct Validity

The degree to which a measuring tool properly assesses the theoretical construct or notion designed to measure is referred to as construct validity. Two forms of validity that are frequently applied in research are convergent validity and discriminant validity.

- **Convergent Validity**

The degree of similarity or shared variance between the observed variables or indicators of a certain construct is known as convergent validity. It gauges the degree to which these variables converge. Concerns regarding convergent validity during the validity evaluation, according to Hair et al. (2010), show that the observable variables do not sufficiently describe the latent component. According to Malhotra and Peterson (2001), the AVE is a more exacting gauge of convergent validity than even the conservative CR.

To assess convergent validity in the current inquiry, the researcher used the Average Variance Extracted (AVE). Through the use of standardized factor loadings, the AVE computation is generated. According to Hair et al. (2010), the AVE threshold value needs to be more than 0.5. Convergent validity can also be assessed using item factor loadings. The standardized factor loading criteria in this study are established at a value larger than 0.5 to determine item validity. Standardized factor loadings and AVE values must both be more than 0.5 in order for convergence to be considered sufficient.

- **Discriminant Validity**

The degree to which a specific concept is actually different from the others is referred to as discriminant validity. A high discriminant validity construct is regarded as noteworthy since it encompasses phenomena that are not included in other constructs. The variables are closely linked to variables from other constructs if the discriminant validity analysis does not yield the desired findings. This shows that some factors other than the hidden variable's own observable variables can explain the latent variable more effectively.

The Fornell and Larcker (1981) criterion was used by the researcher as a strict way to evaluate discriminant validity. In the analysis, the correlations between the latent variables and AVE's square root are compared. It is recommended that each construct's square root of the average variance extracted (AVE) be higher than its correlation with any other construct's latent variables. It is possible to establish discriminant validity by using this method.

Table 4.4

Final Reliability and Validity of CFA Model

Constructs	Cronbach's Alpha	AVE	Composite Reliability
Price Consciousness (PRC)	0.88	0.58	0.88
Price-Quality Inference (PQI)	0.84	0.59	0.85
Value Consciousness (VLC)	0.85	0.62	0.86
Perceived Risk (PRR)	0.91	0.65	0.92
Risk Averseness (RAV)	0.91	0.65	0.92
Integrity (ITG)	0.85	0.60	0.86
Personal Gratification (PRG)	0.89	0.61	0.89
Novelty-Seeking (NVS)	0.87	0.63	0.87
Information Susceptibility (INS)	0.89	0.65	0.90
Normative Susceptibility (NRS)	0.86	0.63	0.87
Status Consumption (STC)	0.87	0.59	0.87
Social Influence (SOI)	0.93	0.84	0.94
Perceived Value (PRV)	0.84	0.59	0.85
Attitude towards Counterfeit Products (ATT)	0.88	0.58	0.89
Purchase Intentions (PRI)	0.95	0.66	0.95

Source: Primary Data

All of Cronbach's alpha values are over 0.8, indicating the reliability of all the items used to measure the constructs. All the constructs are internally consistent given the Composite Reliability scores are greater than 0.80. Further evidence that the constructs are valid is provided by the Average Variance Extracted values, which likewise outweigh the suggested limit of higher than 0.5. Additionally, it shows that the elements are dependable and consistent in their capacity to identify the intended variables.

4.8.4.3 Normality Analysis of Data

A normality test assesses whether a sample of data is representative of a population that has a normal distribution. It is often carried out to see if data collected for the study exhibit a normal distribution. If the data are normally distributed, the

scores will typically cluster around the mean and the total count of observations on both sides of the mean will be equal in value. The normality of the current data was assessed by the researcher through the utilisation of a Kolmogorov-Smirnov test Sarstedt and Mooi (2011). The table given below depicts the result of the Kolmogorov-Smirnov test employed for the present data in the context of counterfeit products in Kerala.

Table 4.5

Kolmogorov-Smirnov Test: Measuring Normality of the Data

Sl. No.	Constructs	Kolmogorov-Smirnov Test	
		Statistic	Sig.
1	Price Consciousness	0.020	0.200*
2	Price Quality Inference	0.021	0.200*
3	Value Consciousness	0.024	0.200*
4	Perceived Risk	0.018	0.200*
5	Risk Averseness	0.021	0.200*
6	Integrity	0.019	0.200*
7	Personal Gratification	0.023	0.200*
8	Novelty Seeking	0.018	0.200*
9	Information Susceptibility	0.018	0.200*
10	Normative Susceptibility	0.021	0.200*
11	Status Consumption	0.019	0.200*
12	Social Influence	0.021	0.200*
13	Perceived Value	0.020	0.200*
14	Positive Attitude	0.023	0.200*
15	Purchase Intention	0.019	0.200*

** This is a lower bound of the true significance*
Source: Primary Data

The table presented demonstrates that the P values obtained from the Kolmogorov-Smirnov test exceed the predetermined significance level of 0.05. This implies that the data pertaining to each construct exhibits characteristics that match a normal distribution. Thus, the data has been proved to be normally distributed.

4.8.5 Statistical Tools and Software Packages for Data Analysis

The study is analytical since it developed hypotheses and evaluated them using different statistical tools and techniques to determine the impacts of consumer

perception and reasons, degree of attitude, and intent to purchase counterfeits. It provided an informative and thorough overview of the study by organizing the data in an accessible and cohesive manner.

- To investigate the cognitive, affective, and social drivers of the customers in Kerala that influence them to buy counterfeit products, mean, standard deviation, one sample t test, independent t test and ANOVA with Tukey HSD's post hoc analysis are used with the help of IBM SPSS 27 software package.

- To examine the level of perceived value, positive attitude and purchase intentions of counterfeit products among customers in Kerala, Quartiles, Percentage Analysis, Chi-Square test for goodness of fit and Chi-square test for association are employed with the help of IBM SPSS 27 software package.

- To explore the effects of various drivers of counterfeit purchases on attitude formation and purchase intentions among customers in Kerala, Quartiles, Percentage Analysis and Chi-square test for association, Co-variance Based Confirmatory Factor Analysis (CB-CFA) and Structural Equation Modelling (SEM) techniques were adopted with the help of IBM SPSS 27 and IBM SPSS AMOS graphics 21 software package.

- To examine the mediating effect of positive attitude and perceived value on the association between drivers of counterfeit buying and purchase intention, Structural Equation Modelling (SEM) techniques and bootstrapping procedures were employed with the help of IBM SPSS AMOS Graphics 21 software package.

- To find out the moderating effect of novelty-seeking behaviour on the effect of price-quality inference on perceived value and purchase intentions, Structural Equation Modelling (SEM) technique and simple slope curve analysis for testing the significance of interaction effect were used with the help of IBM SPSS AMOS Graphics 21 and MS Excel software package.

Thus, the suitable statistical tools have been adopted to examine the five research objectives. The following explanation belong to each statistical tool applied by the researcher for the analysis of the data pertaining to the present research:

i. Mean

The statistical measurement known as the mean represents the average value of a set of data. The mean provides a measurement of central tendency and is usually used to determine the normal or average result of a variable. The mean is widely used for comparisons and conclusions and serves as the foundation for statistical tests that assess the significance of differences between groups, such as t-tests and ANOVA. To investigate the cognitive, affective, and social drivers along with the perceived value, customer attitude and purchase intentions towards counterfeits, mean has been employed.

ii. Standard Deviation

A standard deviation is a statistical tool used to assess the level of volatility or dispersion in a set of data values. The amount of deviation from the mean that the data points exhibit is shown. It frequently shows up in descriptive statistics and is crucial for statistical research, such as testing hypotheses, calculating confidence intervals, and determining the importance of group differences. The standard deviation can be used to interpret the data's divergence from the mean. The standard deviation decreases with increasing data point proximity to the mean and increases with increasing data variability or dispersion. Standard deviation has been employed to investigate the cognitive, affective, and social drivers along with the perceived value, customer attitude and purchase intentions towards counterfeits.

iii. One Sample t-test

To determine if the mean of one sample significantly deviates from the population mean that is hypothesized, a statistical test known as a one-sample t-test is employed. It helps researchers draw conclusions about the population from the available sample data. The question of whether the actual sample mean differs considerably from the anticipated population mean is answered based on the hypothesis.

iv. Independent t-test

The independent t-test is a statistical procedure used to compare the average values of two distinct and unrelated independent groups. It determines whether there is a substantial difference in the means of the two groups. The test makes it easier to assess group differences and whether the differences found are statistically significant or not.

v. ANOVA with Tukey's HSD Post-Hoc Analysis

Comparing the means of three or more groups is done statistically using an ANOVA. It assesses the null hypothesis, according to which all group means are equal in value. A significant p-value is found by the ANOVA test when the value falls below an alpha cut-off of 0.05. It has been inferred from the cut-off specification that at least some of the group means are considerably different from one another. If the ANOVA test reveals significant differences, a post-hoc analysis is carried out to assess if each of the group means vary significantly from one another. Tukey's HSD (Honestly Significant Difference) test is a common post-hoc analysis carried out to determine if there are statistically significant differences between the group means, further, helps in assessing every paired comparison that is technically possible and logically feasible.

vi. Quartile Settings

Statistical measures called quartiles are used to split collected information into four equal halves and three levels by the quartiles, each of which represents a quarter of the entire data. Quartiles are particularly helpful for demonstrating how the observations are distributed when combined with additional metrics like the range, the lowest and highest values, and the interquartile range. To evaluate the levels of the cognitive, affective, and social drivers along with the perceived value, customer attitude and purchase intentions towards counterfeits, quartile settings has been used.

vii. Percentage Analysis

Percentage analysis is the technique of representing values or quantities as a percentage of a total or a base value. It is necessary to determine the share or proportion of each element in relation to the total or a particular benchmark. It is

also known as relative analysis or proportional analysis. Row-wise as well as column-wise percentages are computed to know the relative proportion of customer motives in accordance with the elements of customer perception regarding the value of counterfeit goods, attitude formation and purchase intentions.

viii. Chi-Square Test for Goodness of Fit

A statistical analysis which is performed to determine if observed categorical data closely resembles an expected distribution or whether there are notable differences between observed and projected frequencies is known as Chi-Square Test for Goodness of Fit. It's typically used to check if a sample fits a particular theoretical or expected distribution. The test is based on comparing the actual frequencies for each category or degree of a categorical variable to the expected frequencies.

ix. Chi-square Test for Association

The Chi-Square test for association is a statistical test used to determine whether there is a statistically significant relationship between the two category variables. It assesses if there is a significant difference between the results obtained from the measurement of the two parameters and those that the independence hypothesis would have anticipated.

x. Co-variance Based Confirmatory Factor Analysis (CB-CFA)

Covariance-based structural equation modelling (CB-SEM) is a fairly sophisticated model that is gradually demonstrated by both graphs and numerical findings in accordance. Confirmatory factor analysis (CFA) is a statistical method for confirming the factor structure of a collection of observed data. The relationship between the variables that are observed and the underlying latent constructs can be tested using CFA.

xi. Structural Equation Modelling

It is a multivariate analytical approach that uses factor analysis and regression to assess both the structural model and the quantitative model

simultaneously. In SEM, identifying and valuing constructs comes first. Constructs are used to represent unobservable concepts or properties and are used to infer conclusions about observed variables. SEM provides a comprehensive approach to investigate intricate interactions and supporting theoretical aspects. It allows for the concurrent analysis of measurement and structural elements, which improves understanding of the causal relationships between factors.

xii. Bootstrapping Procedures

The bootstrapping approach is used in statistics to determine parameter estimation variability and unpredictability as well as to estimate the sample distribution of a statistic. It requires making a number of replicates using replacement from the original data in order to generate a simulated population. These resamples are then used to compute the statistic of interest several times. The current study calculates the indirect effect values using the bootstrapping method with 5,000 sample replications, and the IBM-SPSS-AMOS Graphics -21 software package to investigate the mediating effects of a particular pathway.

xiii. Simple Slope Curve Analysis

As a follow-up to modelling, a simple slope analysis aids in the analysis and interpretation of significant interactions. The technique is frequently used to examine interactions between two numerical predictors. Simple slope test includes the regression equation for one predictor at particular values of a second predictor, which is typically referred to as a moderator.

4.9 Limitations of the Study

The research was focussed to examine the perception of customers towards counterfeits as well as their motives behind attitude formation and intention to buy the counterfeits in the background of the state of Kerala. The availability of literature in the field of counterfeit consumption is scarce in the Kerala context even though the problem is severe and several seizures have been marked in terms of counterfeit products. The other limitations of the study are pointed out below: -

- The researcher has given due consideration to the three driving forces such as cognitive, affective, and social drivers. There may be other driving forces as well which are not examined in the study. Also, the demand side of the

counterfeit products was the focal point of the study. The supply-side components were not taken into account.

- The state of Kerala serves as the only focus of the current investigation. Because of the social and cultural variations, the inferences may not be relevant or applicable to other parts of the country.
- The researcher does not evaluate the opinions of customers regarding deceptive counterfeit items since the researcher has concentrated on non-deceptive counterfeit products. Customers who are deceived by the counterfeit version of the authentic products are victims of deceptive counterfeiting practices.
- The current study only contained data from a small geographical area, since a representative sample was collected from three districts in Kerala state. It was owing to limits in terms of time and resources connected with the collection of data and analysis of the same.
- The structured nature of the research instrument may have prevented respondents from expressing their ideas as freely as they would have intended. Personal prejudice and bias of respondents are also a possibility while completing the questionnaires.

4.10 Conclusion

This chapter gives a thorough review of the processes and techniques applied in the present research. The research problem, research concerns, and research objectives were described in detail in the chapter, which helped to direct the selection of the best research methodology. The study's goals and hypotheses were laid out in a conceptual framework. By contemplating carefully, a number of research procedures, such as data collecting, data analysis, and sampling techniques, the study's resilience and validity were guaranteed. The use of various tools to examine the study objectives was also highlighted. Limitations were also acknowledged and taken into consideration in order to guarantee the reliability and validity of the study's findings.

Chapter 5

Cognitive, Affective, and Social Drivers Influencing the Customers Towards Counterfeit Products in Kerala

Contents

5.1 Introduction

The chapter explores the cognitive, affective, and social driving factors that induce consumers in Kerala to purchase counterfeit products, along with the socio-demographic disparities among these consumers. This research examines the general aspects of the cognitive, affective, and social inducements that influence the buying of counterfeit items. In order to conduct a comprehensive data analysis, the researcher considered several socio-demographic and counterfeit purchase factors, such as gender, age, educational qualification, annual income, distinguishing ability to identify counterfeit products from the original products, and the particular types of counterfeit products that individuals intended to procure.

5.2 Research Objective

Objective I: *To investigate the cognitive, affective, and social drivers influencing the customers to purchase counterfeit products in Kerala.*

The extent of different motivating factors that influence customers to buy counterfeit products was the focal point of the first objective of the research. Descriptive statistics like the mean and standard deviation as well as inferential analytic techniques like the one-sample t-test, the independent t-test, and ANOVA with Tukey's HSD Post-hoc analysis were employed to accomplish the aforementioned objective of the study.

SECTION - A

5.3 Cognitive, Affective, and Social Drivers Influencing the Customers Towards Counterfeit Products in Kerala.

The objective of the chapter aims at investigating the cognitive, affective, and social drivers of the customers in Kerala that influence them to buy counterfeit products. In order to accomplish this objective of the study, descriptive statistics, such as the mean and the standard deviation, as well as inferential analysis, such as the one sample t-test, the independent t-test, and the one-way analysis of variance with Tukey's HSD Post-hoc analysis, were utilised.

It is important to know what all are the driving forces that would stimulate the customers to have a favourable approach towards counterfeit products and it is more important to know the extent to which these factors influences their buying habits towards counterfeits. The following twelve constructs are considered as motives or factors that influence them to buy counterfeit products by the customers in Kerala.

(I) Cognitive Drivers

a. *Price Consciousness*
b. *Price-Quality Inference*
c. *Value Consciousness*
d. *Perceived Risk*

(II) Affective Drivers

a. *Risk Averseness*
b. *Integrity*
c. *Personal Gratification*
d. *Novelty Seeking*

(III) Social Drivers

a. *Information Susceptibility*
b. *Normative Susceptibility*
c. *Status Consumption*
d. *Social Influence*

5.3.1 Extent of Cognitive, Affective, and Social Drivers Influencing the Customers to Purchase Counterfeit Products in Kerala

H_0 5.1: Cognitive drivers of the customers in Kerala that influence them to buy counterfeit products are at an average level

Table 5.1

One Sample T-Test for Measuring the Cognitive Drivers of the Customers Towards Counterfeit Products in Kerala

Cognitive Drivers	Mean	Standard Deviation	Mean Difference	T Value	P Value	Rank (Mean)
Price Consciousness	4.25	0.60	1.22	55.73	<0.001**	**I**
Price-Quality Inference	3.52	0.69	0.52	20.81	<0.001**	**III**
Value Consciousness	4.22	0.66	1.22	50.61	<0.001**	**II**
Perceived Risk	3.23	0.58	0.23	11.05	<0.001**	**IV**

Source: Primary Data
*** denotes significant at 1% level*

The P value in the case of all factors of cognitive drivers stands below 0.01, leading to rejection of the null hypothesis at a significance level of 1%. The data suggests that the cognitive factors driving customers in Kerala to purchase counterfeit products are not at an average level. This indicates that it could be either below or above the average level. The mean scores of the cognitive drivers that influence customers in Kerala to purchase counterfeit products indicate that all scores are above average (> 3). This indicates that the cognitive factors that drive customers in Kerala to buy counterfeit products are above average. The cognitive drivers that influence customers in Kerala to purchase counterfeit products have been ranked based on their mean scores. The results showed that the potential customers are highly price conscious (4.25), followed by value consciousness (4.22), price-quality inference (3.52), and perceived risk (3.23). It is possible to conclude

from these findings that potential customers of counterfeit products are more price and value conscious.

H0 5.2: Affective drivers of the customers in Kerala that influence them to buy counterfeit products are at an average level

Table 5.2

One Sample T-Test for Measuring the Affective Drivers of the Customers Towards Counterfeit Products in Kerala

Affective Drivers	Mean	Standard Deviation	Mean Difference	T Value	P Value	Rank (Mean)
Risk Averseness	3.50	0.28	0.50	48.37	<0.001**	**III**
Integrity	4.43	0.38	1.43	101.36	<0.001**	**I**
Personal Gratification	4.03	0.70	1.03	40.23	<0.001**	**II**
Novelty Seeking	3.14	1.00	0.14	4.10	<0.001**	**IV**

Source: Primary Data
*** denotes significant at 1% level*

Given that the P value related to all factors of affective driving forces stands lower than 0.01, the null hypothesis can be rejected at the 1% confidence level. It suggests that the affective drivers of the buyers in Kerala that stimulate them to purchase counterfeit product are not at an average level. It suggests that the level may be either below or above the standard level. The affective drivers of the customers in Kerala that lead them to purchase counterfeit products all have mean scores that are above the average (> 3), which shows that all of the mean scores are high. It indicates that there are affective drivers of customers in Kerala, which would push the customers to purchase counterfeit products at above average levels.

Based on the results of the mean scores, the integrity (4.43) of the customers in Kerala is the most significant factor that influence the buying decision regarding counterfeit goods, followed by personal gratification (4.03), risk averseness (3.50), and novelty seeking (3.14). From these results, it's possible to draw the conclusion that personal integrity is a big influential factor behind why they intend to buy counterfeit products, followed by the element of personal gratification.

H0 5.3: Social drivers of the customers in Kerala that influence them to buy counterfeit products are at an average level

Table 5.3

One Sample T-Test for Measuring the Social Drivers of the Customers Towards Counterfeit Products in Kerala

Social Drivers	Mean	Standard Deviation	Mean Difference	T Value	P Value	Rank (Mean)
Information Susceptibility	4.06	0.79	1.06	36.76	<0.001**	**I**
Normative Susceptibility	3.27	1.00	0.27	7.49	<0.001**	**II**
Status Consumption	3.10	0.78	0.10	3.78	<0.001**	**III**
Social Influence	2.33	1.10	-0.66	-16.50	<0.001**	**IV**

Source: Primary Data
*** denotes significant at 1% level*

Given that the P value in terms of all sub-variables of social drivers shows values below 0.01, the null hypothesis is considered to be rejected at a significance level of 1%. The findings suggest that the social factors motivating consumers in Kerala to buy counterfeit products are not at an average level. This indicates that it may fall below or exceed the mean level. The results indicate that the mean scores for the social drivers of customers in Kerala, which influence their decision to purchase counterfeit products, exceed the average threshold (> 3). This indicates that the social factors that motivate consumers in Kerala to buy counterfeit products are prevalent at a higher-than-average level except the factor of social influence.

The study has revealed that the customers in Kerala are primarily influenced by information susceptibility (mean score of 4.06) when purchasing counterfeit products. This is followed by normative susceptibility (mean score of 3.27), status consumption (mean score of 3.10), and social influence (mean score of 2.23). Based on these findings, one may infer that individuals who are inclined towards purchasing counterfeit products exhibit higher levels of information susceptibility and possess greater knowledge about such products. This may potentially influence their future purchasing decisions. The study also revealed that these individuals exhibit a lack of social influence, resulting in a diminished likelihood of being persuaded to purchase counterfeit products.

SECTION – B

5.4 Customer Motives Towards Counterfeit Products Across Socio-Demographic, Economic and Counterfeit Purchase Factors

The following socio-demographic, economic and counterfeit purchase factors are considered for the analysis of customer motives towards counterfeit products in the context of Kerala.

1. *Gender*
2. *Educational Qualification*
3. *Age*
4. *Annual Income*
5. *Distinguishing ability*
6. *The specific types of counterfeit products that customers intended to purchase*

5.4.1 Cognitive Drivers Towards Counterfeit Products Across Socio-Demographic, Economic and Counterfeit Purchase Factors

Under cognitive driving forces, the sub-variables of price consciousness, price-quality inference, value consciousness and perceived risk levels of the customers were considered. The assessments of differences across socio-demographic, economic and counterfeit purchase factors in terms of cognitive drivers are analysed on the basis of independent t test, ANOVA, and if the test finds significance in the results of ANOVA, Tukey's HSD post-hoc analysis is used further.

H0 5.4: There is no significant difference in terms of cognitive drivers between male and female customers towards counterfeit products in Kerala

Table 5.4

T- Test for Significant Difference in Terms of Cognitive Drivers Between Male and Female Customers Towards Counterfeit Products

Factors of Cognitive Drivers	Gender				T Value	P Value
	Male		Female			
	Mean	SD	Mean	SD		
Price Consciousness	4.39	0.55	4.04	0.59	8.295	<0.001**
Price-Quality Inference	3.49	0.78	3.55	0.57	-1.202	0.230^{NS}
Value Consciousness	4.12	0.77	4.33	0.49	-4.235	<0.001**
Perceived Risk	3.25	0.60	3.21	0.56	0.736	0.462 ^{NS}

Source: Primary Data *** denotes significant at 1% level*

^{NS} *denotes not significant*

Given that the P value in terms of factors of cognitive drivers of purchasing counterfeit products such as price consciousness and value consciousness stands less than 0.01, the null hypothesis is rejected at the 1% significance level for male and female customers. As a result, there exists a significant difference between the male and female customers with respect to the factors of cognitive drivers of purchasing counterfeit products such as price consciousness and value consciousness. In other words, male and female customers do not have the same cognitive drivers of acquiring counterfeit products in terms of price consciousness and value consciousness. In the case of price-quality inference and perceived risk, the P value is greater than 0.05. Therefore, the null hypothesis is accepted. It indicates that there is no significant difference between the male and female customers with respect to the factors of cognitive drivers of purchasing counterfeit products in terms of price-quality inference and perceived risk. Male and female customers are clearly equal in terms of cognitive drivers of purchasing counterfeit products, such as price-quality inference and perceived risk.

H0 5.5: There is no significant difference in terms of cognitive drivers between the graduate and post graduate customers towards counterfeit products in Kerala

Table 5.5

T- Test for Significant Difference in Terms of Cognitive Drivers Between Graduate and Postgraduate Customers Towards Counterfeit Products

Factors of Cognitive Drivers	Educational Qualification				T Value	P Value
	Graduates		Post Graduates			
	Mean	SD	Mean	SD		
Price Consciousness	4.21	0.63	4.24	0.53	-0.496	0.620^{NS}
Price-Quality Inference	3.58	0.65	3.41	0.74	3.138	0.002**
Value Consciousness	4.37	0.47	3.96	0.84	8.366	<0.001**
Perceived Risk	3.23	0.51	3.23	0.69	0.011	0.991 ^{NS}

Source: Primary Data *** denotes significant at 1% level*

^{NS} *denotes not significant*

If a customer is purchasing counterfeit goods, the mean score indicates that the male buyers are more concerned about the price than the female customers.

Concurrently, female customers are more likely to be value-conscious than male customers when it comes to acquiring counterfeit products. The P value in terms of factors of cognitive drivers of purchasing counterfeit products such as price-quality inference and value consciousness is < 0.01, the null hypothesis is rejected at the 1% significance level for graduate and post graduate customers. As a result, there exists a significant difference between the graduate and postgraduate customers with respect to the factors of cognitive drivers of purchasing counterfeit products such as price-quality inference and value consciousness. In other words, graduate and postgraduate customers do not have the same cognitive drivers of acquiring counterfeit products in terms of price-quality inference and value consciousness.

In the case of price consciousness and perceived risk, the P value is > 0.05 leading to the acceptance of the null hypothesis. It indicates that there is no significant difference between the graduate and postgraduate customers with respect to the factors of cognitive drivers of purchasing counterfeit products in terms of price consciousness and perceived risk. Graduate and postgraduate customers are clearly equal in terms of cognitive drivers of purchasing counterfeit products, such as price consciousness and perceived risk. According to the mean score, graduate customers have more value consciousness and price-quality inference than postgraduate customers regarding purchases of counterfeit products.

H_0 5.6: There is no significant difference between the distinguishing abilities of the customers in terms of cognitive drivers towards counterfeit products in Kerala

Table 5.6

T- Test for Significant Difference Between Distinguishing Abilities of the Customers in Terms of Cognitive Drivers Towards Counterfeit Products

Factors of Cognitive Drivers	Distinguishing Ability				T Value	P Value
	Yes		No			
	Mean	SD	Mean	SD		
Price Consciousness	4.21	0.59	4.51	0.75	-2.502	0.013*
Price-Quality Inference	3.55	0.68	2.78	0.09	5.774	<0.001**
Value Consciousness	4.24	0.64	3.63	0.82	4.744	<0.001**
Perceived Risk	3.24	0.58	3.11	0.52	1.075	0.283^{NS}

Source: Primary Data
*** denotes significant at 5% level*
*** denotes significant at 1% level*
^{NS} denotes not significant

Since P value is less than 0.01, the null hypothesis is rejected at 1% significance level for customers who are able to distinguish a counterfeit product from original products and those who are unable to distinguish the same with respect to factors of cognitive drivers of purchasing counterfeit products such as price-quality inference and value consciousness. As a result, there is a significant difference between the customers who are able to distinguish a counterfeit product from an original one and those who are unable to distinguish a counterfeit product from an original product with respect to factors of cognitive drivers of purchasing counterfeit products such as price-quality inference and value consciousness.

In the case of price consciousness, the P value is less than 0.05. So, the null hypothesis is rejected at 5% significant level for customers who are able to distinguish a counterfeit product from an original product and those who are unable to distinguish a counterfeit product from an original product with respect to the price consciousness factor of cognitive drivers of purchasing counterfeit products. It indicates that there is a significant difference between the customers who are able to distinguish counterfeit products from originals and those who are unable to distinguish a counterfeit product from an original product with respect to the price consciousness factor of cognitive drivers of purchasing counterfeit products.

The null hypothesis is accepted in the case of perceived risk, given that the P value is > 0.05. Therefore, it indicates that there is no significant difference between the customers who are able to distinguish a counterfeit product from an original product and those who are unable to distinguish a counterfeit product from an original product with respect to perceived risk factors of cognitive drivers of purchasing counterfeit products. Customers who possess the distinguishing ability and who do not possess the same are obviously similar in terms of perceived risk factor of cognitive drivers of acquiring counterfeit items.

According to the mean score, customers who can detect a counterfeit product from originals have higher price-quality inference and value consciousness than customers who cannot differentiate a counterfeit product from an original product while purchasing counterfeit products. Customers who are unable to distinguish a counterfeit product from an original product are more price-conscious when

considering the purchase of counterfeit goods, in comparison to customers who are able to distinguish counterfeit products from the genuine products.

H0 5.7: There is no significant difference in terms of cognitive drivers among the age categories of the customers towards counterfeit products in Kerala

Table 5.7
ANOVA for Significant Difference in Terms of Cognitive Drivers Among the Age Categories of Customers Towards Counterfeit Products

Factors of Cognitive Drivers	Age Categories of the Customers			F Value	P Value
	< 25	26 - 35	> 36		
	Mean and SD	Mean and SD	Mean and SD		
Price Consciousness	4.09 (0.58)	4.40 (0.63)	4.30 (0.56)	17.353	<0.001**
Price-Quality Inference	3.57 (0.70)	3.36 (0.84)	3.55 (0.53)	5.182	0.006**
Value Consciousness	4.13 (0.53)	3.95 (0.95)	4.49 (0.49)	41.224	<0.001**
Perceived Risk	3.31 (0.66)	3.19 (0.50)	3.15 (0.49)	6.203	0.002**

Source: Primary Data *** denotes significant at 1% level*
Values within ( ) indicates Standard Deviation

The P value in terms of all sub-variables of cognitive drivers stands < 0.01 leading to the rejection of the null hypothesis at 1% level. It implies that there exists a significant difference among the age of the customers with respect to factors of cognitive drivers of purchasing counterfeit products. The factors of cognitive drivers of purchasing counterfeit products includes, price consciousness, price-quality inference, value consciousness and perceived risk. This confirms that customers of various age categories differ in terms of price consciousness, price-quality inference, value consciousness and perceived risk of purchasing counterfeit products.

5.4.1.1 Post-hoc Test of ANOVA – Age Categories

Although the test indicates a significant difference, it does not necessarily mean that each age category is significantly different from every other age category. In order to determine significant differences between these age categories, a "post-hoc" test is employed using the "Tukey HSD" method. The outcome of the post-hoc test is presented in the table below.

Table 5.8

Post-hoc Test for Significant Difference Among the Age Categories of Customers in Terms of Cognitive Drivers Towards Counterfeit Products

Factors of Cognitive Drivers	Age (I)	Age (J)	Mean Difference (I-J)	Std. Error	P Value
Price Consciousness	< 25	26 - 35	-0.307	0.057	<0.001**
		> 36	-0.208	0.048	<0.001**
	26 - 35	> 36	0.099	0.060	0.229^{NS}
Price-Quality Inference	< 25	26 - 35	0.206	0.067	0.006**
		> 36	0.013	0.056	0.970 ^{NS}
	26 - 35	> 36	-0.193	0.070	0.017*
Value Consciousness	< 25	26 - 35	0.180	0.061	0.010**
		> 36	-0.361	0.051	<0.001**
	26 - 35	> 36	-0.541	0.064	<0.001**
Perceived Risk	< 25	26 - 35	0.126	0.056	0.067 ^{NS}
		> 36	0.160	0.047	0.002**
	26 - 35	> 36	0.033	0.059	0.839 ^{NS}

Source: Primary Data *** denotes significant at 1% level*
** denotes significant at 5% level* ^{NS} *denotes not significant*

According to the Tukey HSD Post-hoc test, the following significant difference was found among the age of the customers with respect to factors of cognitive drivers of purchasing counterfeit products. In terms of price consciousness, Customers under the age of 25 differ drastically from those aged 26 to 35 and 36 and above. In the case of price-quality inference, customers in the ages of below 25 are significantly different from those in the age category of 26 to 35. At the same time, customers in the age groups of 26 to 35 are significantly different from those in the ages of 36 and above. When it comes to value consciousness, customers in the ages of below 25 are significantly different from those in the age category of 26 to 35 and 36 and above. Customers in the age category of 26 to 35 different greatly from those in the ages of 36 and above Considering the perceived risk, customers in the age group of below 25 are different significantly from those in the ages of 36 and above. According to the mean score, customers aged 26 to 35 are more price conscious than those aged under 25 when planning to purchase counterfeit products. Customers aged 36 and up are also more price concerned than those aged under 25. Customers under the age of 25 have a higher price-quality

inference than those between the ages of 26 and 35. At the same time, customers aged 36 and up have a better understanding of the price and quality of purchasing counterfeit products than those aged 26 to 35. If the customers plan to buy counterfeit products, customers under the age of 25 are more value aware than customers between the ages of 26 and 35. Customers aged 36 and above are more concerned about the worth of counterfeit products than those aged below 25 and 26 to 35. Customers under the age of 25 would perceive a greater risk of acquiring counterfeit products than those aged 36 and above.

H0 5.8: There is no significant difference among the annual income of the customers in terms of cognitive drivers towards counterfeit products in Kerala

Table 5.9
ANOVA for Significant Difference Among the Annual Income of Customers in Terms of Cognitive Drivers Towards Counterfeit Products

Factors of Cognitive Drivers	Annual Income				F Value	P Value
	< 2,00,000	2,00,001 - 4,00,000	4,00,001 - 6,00,000	6,00,001 - 8,00,000		
	Mean and SD	Mean and SD	Mean and SD	Mean and SD		
Price Consciousness	4.07 (0.56)	4.41 (0.55)	4.30 (0.70)	4.20 (0.42)	16.480	<0.001**
Price-Quality Inference	3.59 (0.65)	3.67 (0.69)	3.08 (0.67)	3.48 (0.44)	25.020	<0.001**
Value Consciousness	4.21 (0.55)	4.45 (0.48)	3.97 (1.04)	3.93 (0.11)	20.087	<0.001**
Perceived Risk	3.33 (0.57)	3.17 (0.57)	3.19 (0.54)	2.96 (0.68)	7.492	<0.001**

Source: Primary Data *** denotes significant at 1% level*
Values within ( ) indicates Standard Deviation

Since the P value in terms of all factors of cognitive drivers stands less than 0.01, thus the null hypothesis is rejected at 1% level. It states that there exists a significant difference among the annual income of the customers with respect to factors of cognitive drivers of purchasing counterfeit products such as, price consciousness, price-quality inference, value consciousness and perceived risk. It specifies that customers with various annual incomes differ in terms of price consciousness, price-quality inference, value consciousness and perceived risk of purchasing counterfeit products. It clearly states that customers with different annual

incomes are not equal in terms of the above-mentioned cognitive drivers of acquiring counterfeit products.

5.4.1.2 Post-hoc Test of ANOVA – Annual Income

Table 5.10
Post-hoc for Significant Difference Among the Annual Income of Customers in Terms of Cognitive Drivers Towards Counterfeit Products

Factors of Cognitive Drivers	Annual Income (I)	Annual Income (J)	Mean Difference (I-J)	Std. Error	P Value
Price Consciousness	< 2,00,000	2,00,001 - 4,00,000	-0.341	0.050	<0.001**
		4,00,001 - 6,00,000	-0.230	0.059	<0.001**
		6,00,001 - 8,00,000	-0.125	0.091	0.512^{NS}
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.111	0.063	0.300^{NS}
		6,00,001 - 8,00,000	0.215	0.093	0.099^{NS}
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	0.104	0.099	0.718^{NS}
Price-Quality Inference	< 2,00,000	2,00,001 - 4,00,000	-0.079	0.056	0.491^{NS}
		4,00,001 - 6,00,000	0.508	0.067	<0.001**
		6,00,001 - 8,00,000	0.113	0.102	0.683^{NS}
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.588	0.071	<0.001**
		6,00,001 - 8,00,000	0.193	0.105	0.259^{NS}
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	-0.394	0.111	0.002**
Value Consciousness	< 2,00,000	2,00,001 - 4,00,000	-0.238	0.054	<0.001**
		4,00,001 - 6,00,000	0.244	0.065	<0.001**
		6,00,001 - 8,00,000	0.283	0.099	0.023*
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.482	0.069	<0.001**
		6,00,001 - 8,00,000	0.522	0.102	<0.001**
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	0.039	0.108	0.984^{NS}
Perceived Risk	< 2,00,000	2,00,001 - 4,00,000	0.154	0.049	0.010**
		4,00,001 - 6,00,000	0.138	0.058	0.086^{NS}
		6,00,001 - 8,00,000	0.362	0.089	<0.001**
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	-0.015	0.062	0.995^{NS}
		6,00,001 - 8,00,000	0.208	0.092	0.111^{NS}
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	0.223	0.097	0.103^{NS}

Source: Primary Data
** denotes 5% level of significance*
***denotes 1% level of significance*
^{NS} refers to not significant

On the basis of Tukey HSD Post-hoc test, the following significant differences were found among the annual income of the customers with respect to factors of cognitive drivers of purchasing counterfeit products. In terms of price consciousness, customers with an annual income below 2,00,000 differ drastically from those with an annual income of 2,00,001 to 4,00,000 and 4,00,001 to 6,00,000. In the case of price-quality inference, customers with an annual income below 2,00,000 are significantly different from those with an annual income of 4,00,001 to 6,00,000. At the same time, customers with an annual income of 2,00,001 to 4,00,000 are significantly different from those with an annual income of 4,00,001 to 6,00,000. Customers with an annual income of 4,00,001 to 6,00,000 are also significantly different from those with an annual income of 6,00,001 to 8,00,000.

When it comes to value consciousness, customers with an annual income below2,00,000 are significantly different from those who fall under the annual income categories of 2,00,001 to 4,00,000, 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000. Customers with an annual income of 2,00,001 to 4,00,000 are different greatly from those with an annual income of 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000. Considering the perceived risk, customers with an annual income below 2,00,000 are significantly different from those with an annual income of 2,00,001 to 4,00,000 and 6,00,001 to 8,00,000.

According to the mean score, customers with an annual income of 2,00,001 to 4,00,000 are more price conscious than those with an annual income below 2,00,000 when they intend to purchase counterfeit products. Customers with an annual income of 4,00,001 to 6,00,000 are also more price-conscious than those with an annual income below 2,00,000. Customers with an annual income below 2,00,000 have a higher price-quality inference than those with an annual income of 4,00,001 to 6,00,000. At the same time, customers with an annual income of 2,00,001 to 4,00,000 have a better understanding of the price and quality of purchasing counterfeit products than those with an annual income of 4,00,001 to 6,00,000. Customers with an annual income of 6,00,001 to 8,00,000 have more price-quality inference than those with an annual income of 4,00,001 to 6,00,000.

Customers with an annual income of 2,00,001 to 4,00,000 are more value aware than those with an annual income below 2,00,000 when it comes to purchasing counterfeit products. Customers with an annual income below 2,00,000 are more concerned about the worth of counterfeit products than those with an annual income of 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000. Customers with an annual income of 2,00,001 to 4,00,000 are found to be more value aware than those with an annual income of 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000. Customers with an annual income below 2,00,000 perceive a greater risk of acquiring counterfeit products than those with an annual income of 2,00,001 to 4,00,000 and 6,00,001 to 8,00,000.

H_0 5.9: There is no significant difference among the types of counterfeit products intended to purchase in terms of cognitive drivers

Table 5.11

ANOVA for Significant Difference Among the Types of Counterfeit Products Intended to Purchase in Terms of Cognitive Drivers Towards Counterfeit Products

Factors of Cognitive Drivers	Types of Counterfeit Products Intended to Purchase			F Value	P Value
	Automobile Components	Electronic Devices and Equipment	Clothing and Accessories		
	Mean and SD	Mean and SD	Mean and SD		
Price Consciousness	4.20 (0.45)	4.25 (0.67)	4.20 (0.54)	0.520	0.595^{NS}
Price-Quality Inference	3.30 (0.70)	3.58 (0.70)	3.52 (0.65)	7.115	<0.001**
Value Consciousness	4.20 (0.28)	4.08 (0.83)	4.39 (0.44)	18.048	<0.001**
Perceived Risk	3.13 (0.56)	3.35 (0.55)	3.12 (0.60)	15.411	<0.001**

Source: Primary Data
*** denotes significant at 1% level*
^{NS} denotes not significant
Values within ( ) indicates Standard Deviation

Considering the P value for the factors of price-quality inference, value consciousness, and perceived risk stands less than 0.01 at the 1% level, the null

hypothesis is rejected. It indicates that there is a considerable difference among the types of counterfeit items that people in Kerala intend to purchase in terms of cognitive drivers of acquiring counterfeit products such price-quality inference, value consciousness, and perceived risk. It explains that buyers who aim to purchase various types of counterfeit items differ in terms of price-quality inference, value consciousness, and perceived risk of acquiring counterfeit products. It indicates that the customers who intend to purchase different types of counterfeit products are not equal in terms of the above-mentioned cognitive drives of acquiring counterfeit products.

5.4.1.3 Post-hoc Test of ANOVA - Types of Counterfeit Products Intended to Purchase

Table 5.12

Post-hoc Test for Significant Difference Among the Types of Counterfeit Products Intended to Purchase in Terms of Cognitive Drivers

Factors of Cognitive Drivers	Counterfeit Products Intended to Purchase More (I)	Counterfeit Products Intended to Purchase More (J)	Mean Difference (I-J)	Std. Error	P Value
Price-Quality Inference	Automobile Components	Electronic Devices and Equipment	-0.288	0.076	<0.001**
		Clothing and Accessories	-0.222	0.078	0.013*
	Electronic Devices and Equipment	Clothing and Accessories	0.066	0.054	0.433^{NS}
Value Consciousness	Automobile Components	Electronic Devices and Equipment	0.116	0.072	0.245^{NS}
		Clothing and Accessories	-0.190	0.074	0.028*
	Electronic Devices and Equipment	Clothing and Accessories	-0.307	0.051	<0.001**
Perceived Risk	Automobile Components	Electronic Devices and Equipment	-0.224	0.064	<0.001**
		Clothing and Accessories	0.011	0.065	0.983^{NS}
	Electronic Devices and Equipment	Clothing and Accessories	0.235	0.045	<0.001**

Source: Primary Data
*** denotes significant 5% level*
**** denotes significant at 1% level*
^{NS} denotes not significant

Focusing on the Tukey HSD Post-hoc test, the following significant difference was discovered across the types of counterfeit intending to purchase in terms of cognitive drivers of acquiring counterfeit products. Customers who want to acquire automobile components differ greatly from customers who aim to purchase electronic gadgets and equipment, as well as clothing and accessories, in terms of price-quality inference. When it comes to value consciousness, customers who intend to purchase automobile components are greatly different from those who intend to purchase clothing and accessories.

At the same time, customers who have the desire to purchase electronic devices and equipment differ significantly from those who intend to buy clothing and accessories. Considering the perceived risk, customers who intend to purchase automobile components are greatly different from those who intend to purchase electronic devices and equipment, whereas those who intend to purchase electronic devices and equipment are greatly different from those who intend to purchase clothing and accessories.

Customers who aim to acquire automobile components proved to have a lower price-quality inference, according to the mean score, than those who expect to purchase electronic devices and equipment, as well as clothes and accessories. Customers who aim to purchase clothing and accessories are more value conscious than those who intend to acquire automobile components, as well as electronic devices and equipment. Customers who prefer to buy electronic items and equipment perceive a higher risk of getting counterfeit products than those who desire to buy automobile components, as well as clothing and accessories.

5.4.2 Affective Drivers Towards Counterfeit Products Across Socio-Demographic, Economic and Counterfeit Purchase Factors

Affective driving forces consist of the sub-variables such as risk averseness, integrity, personal gratification and novelty-seeking nature of the customers. The assessments of differences across socio-demographic, economic and counterfeit purchase factors in terms of affective drivers are analysed on the basis of independent t-test, ANOVA, and if the test finds significance in the results of ANOVA, Tukey's HSD post-hoc analysis is used further.

H0 5.10: There is no significant difference in terms of affective drivers between the male and female customers towards counterfeit products in Kerala

Table 5.13

T- Test for Significant Difference in Terms of Affective Drivers Between the Male and Female Customers Towards Counterfeit Products

Factors of Affective Drivers	Gender				T Value	P Value
	Male		Female			
	Mean	SD	Mean	SD		
Risk Averseness	3.45	0.24	3.55	0.30	-5.286	<0.001**
Integrity	4.38	0.36	4.49	0.40	-4.068	<0.001**
Personal Gratification	3.94	0.77	4.13	0.60	-3.676	<0.001**
Novelty Seeking	3.08	1.03	3.22	0.95	-1.897	0.058^{NS}

Source: Primary Data
*** denotes significant at 1% level*
^{NS} denotes not significant

Since P value with respect to the factors of affective drivers of purchasing counterfeit products such as risk averseness, integrity and personal gratification is < 0.01, the null hypothesis stands rejected at 1% significance level for male and female customers. As a result, there is a significant difference between the male and female customers with respect to the factors of affective drivers of purchasing counterfeit products such as risk averseness, integrity and personal gratification. In other words, in terms of risk averseness, integrity and personal gratification of affective drivers of purchasing counterfeit products, the male and female customers shows difference.

In the case of novelty seeking, the P value is > 0.05 leading to the acceptance of the null hypothesis. This indicates that there is no significant difference between the male and female customers with respect to the factors of affective drivers of purchasing counterfeit products in terms of novelty seeking. Male and female customers are clearly equal in terms of novelty seeking factor of affective drivers of purchasing counterfeit products.

According to the mean score, the female customers in Kerala who intent to purchase counterfeit products demonstrate higher levels of risk aversion, integrity, and personal gratification than male customers do in this regard.

H0 5.11: There is no significant difference between the graduate and postgraduate customers in terms of affective drivers towards counterfeit products in Kerala

Table 5.14

T- Test for Significant Difference Between the Graduate and Postgraduate Customers in Terms of Affective Drivers Towards Counterfeit Products

Factors of Affective Drivers	Educational Qualification				T Value	P Value
	Graduates		Post Graduates			
	Mean	SD	Mean	SD		
Risk Averseness	3.46	0.26	3.56	0.30	-4.800	<0.001**
Integrity	4.44	0.39	4.43	0.37	0.352	0.725^{NS}
Personal Gratification	4.10	0.55	3.90	0.90	3.862	<0.001**
Novelty Seeking	3.16	0.81	3.13	1.26	0.395	0.693 ^{NS}

Source: Primary Data
*** denotes significant at 1% level*
^{NS} denotes not significant

Since the P value with respect to the factors of affective drivers of purchasing counterfeit products such as risk averseness and personal gratification is less than 0.01, the null hypothesis stands rejected at 1% significance level for graduate and postgraduate customers. As a result, there is a significant difference between the graduate and postgraduate customers with respect to the factors of affective drivers of purchasing counterfeit products such as risk averseness and personal gratification. In short, in terms of risk averseness and personal gratification of affective drivers of purchasing counterfeit products, the graduate and postgraduate customers are not the same.

In the case of integrity and novelty seeking, the P value is greater than 0.05. Therefore, the null hypothesis is accepted. It indicates that there is no significant difference between the graduate and postgraduate customers with respect to the factors of affective drivers of purchasing counterfeit products in terms of integrity and novelty seeking. Graduate and postgraduate customers are clearly equal in terms

of integrity and novelty seeking factors of affective drivers of purchasing counterfeit products. Regarding purchases of counterfeit products, postgraduate customers exhibit more risk averseness than graduate customers whereas, graduates exhibit more personal gratification than postgraduate customers in the case of counterfeit products.

H0 5.12: There is no significant difference between the distinguishing abilities of the customers in terms of affective drivers towards counterfeit products in Kerala

Table 5.15

T- Test for Significant Difference Between the Distinguishing Abilities of the Customers in Terms of Affective Drivers Towards Counterfeit Products

Factors of Affective Drivers	Distinguishing Ability				T Value	P Value
	Yes		No			
	Mean	SD	Mean	SD		
Risk Averseness	3.50	0.28	3.32	0.27	3.389	<0.001**
Integrity	4.44	0.39	4.17	0.18	3.608	<0.001**
Personal Gratification	4.03	0.71	4.00	0.27	0.269	0.788^{NS}
Novelty Seeking	3.19	0.99	2.03	0.09	6.025	<0.001**

Source: Primary Data
*** denotes significant at 1% level*
^{NS} denotes not significant

As the P value is less than 0.01, so the null hypothesis is rejected at 1% significance level for customers who are able to distinguish a counterfeit product from the original products and those who are unable to distinguish a counterfeit product from the originals with respect to factors of affective drivers of purchasing counterfeit products such as risk averseness, integrity and novelty seeking. As a result, there is a significant difference between the customers who are able to distinguish a counterfeit product from original products and those who are unable to distinguish a counterfeit product from an original product with respect to factors of affective drivers of purchasing counterfeit products such as risk averseness, integrity and novelty seeking.

In the case of personal gratification, the P value is greater than 0.05 leading to the acceptance of the null hypothesis. It indicates that there is no significant difference between the customers who are able to distinguish a counterfeit product from original products and those who are unable to distinguish a counterfeit product from an original product with respect to personal gratification factor of affective drivers of purchasing counterfeit products. Customers who have the distinguishing ability and who do not have the same are clearly equal in terms of personal gratification factor of affective drivers of purchasing counterfeit products.

Based on the mean score, customers who are able to distinguish a counterfeit product from a genuine one tends to have a higher level of risk aversion, integrity, and a desire for novelty compared to those who are unable to differentiate between the two when purchasing counterfeit products.

H_0 5.13: There is no significant difference among the age categories of the customers in terms of affective drivers towards counterfeit products in Kerala

Table 5.16

ANOVA for Significant Difference Among the Age Categories of Customers in Terms of Affective Drivers Towards Counterfeit Products

Factors of Affective Drivers	Age Categories of the Customers			F Value	P Value
	< 25	26 - 35	> 36		
	Mean and SD	Mean and SD	Mean and SD		
Risk Averseness	3.51 (0.31)	3.42 (0.25)	3.53 (0.25)	6.916	<0.001**
Integrity	4.45 (0.42)	4.32 (0.33)	4.48 (0.35)	9.310	<0.001**
Personal Gratification	4.07 (0.59)	3.78 (1.13)	4.13 (0.43)	12.451	<0.001**
Novelty Seeking	3.12 (1.00)	2.79 (1.18)	3.39 (0.78)	18.413	<0.001**

Source: Primary Data
*** denotes significant at 1% level*
Values within ( ) indicates Standard Deviation

The P value in terms of all factors of affective drivers stands less than 0.01 leading to a rejection of the null hypothesis at 1% level. It indicates that there is a significant difference among the age categories of the customers with respect to factors of affective drivers of purchasing counterfeit products. This shows that customers of different age categories differ in their risk averseness, integrity, personal gratification and novelty seeking when it comes to purchasing counterfeit products.

5.4.2.1 Post-hoc Test of ANOVA – Age Categories

The post-hoc test was carried out to know if there are any significant differences between the age groups of the customers on account of affective drivers towards counterfeit products.

Table 5.17

Post-hoc Test for Significant Difference in Terms of Affective Drivers Among the Age Categories of Customers Towards Counterfeit Products

Factors of Affective Drivers	Age (I)	Age (J)	Mean Difference (I-J)	Std. Error	P Value
Risk Averseness	< 25	26 - 35	0.086	0.027	0.005**
		> 36	-0.017	0.023	0.742^{NS}
	26 - 35	> 36	-0.103	0.028	<0.001**
Integrity	< 25	26 - 35	0.137	0.037	<0.001**
		> 36	-0.025	0.031	0.691^{NS}
	26 - 35	> 36	-0.163	0.039	<0.001**
Personal Gratification	< 25	26 - 35	0.284	0.068	<0.001**
		> 36	-0.058	0.057	0.561^{NS}
	26 - 35	> 36	-0.343	0.071	<0.001**
Novelty Seeking	< 25	26 - 35	0.328	0.095	0.002**
		> 36	-0.275	0.080	0.002**
	26 - 35	> 36	-0.604	0.100	<0.001**

Source: Primary Data
***denotes 1% level of significance*
^{NS} refers to not significant

With respect to the factors of affective drivers of purchasing counterfeit products, the following significant difference was found among the age categories of the customers according to the Tukey HSD Post-hoc test. In terms of risk averseness, customers under the age of 25 differ drastically from those aged 26 to 35 whiles, customers in the age group of 26 to 35 are different greatly from those in the ages of 36 and above. In the case of integrity, customers in the ages of below 25 are significantly different from those in the age category of 26 to 35. Whereas, customers in the age groups of 26 to 35 are significantly different from those in the ages of 36 and above. When it comes to personal gratification, customers in the ages of below 25 are significantly different from those in the age category of 26 to 35. Customers in the age category of 26 to 35 differed greatly from those in the ages of 36 and above. In terms of novelty seeking, consumers under the age of 25 differed considerably from those between the ages of 26 to 35 and 36 and above, however customers between the ages of 26 and 35 differed significantly from those between the ages of 36 and above.

Based on the mean score, customers under the age of 25 have more risk averseness of purchasing counterfeit products than those between the ages of 26 and 35. Customers aged 36 and more are also be more risk averse than those in the ages of 26 to 35. Customers under the age of 25 have stronger integrity than those between the ages of 26 to 35, and those aged 36 and up have better integrity than those aged 26 to 35. In the event of customers procuring counterfeit merchandise, individuals aged below 25 years are likely to experience a higher degree of personal gratification compared to those aged between 26 and 35 years. Individuals who are 36 years of age or older experienced a greater degree of personal gratification when acquiring counterfeit merchandise in comparison to those who are between the ages of 26 and 35.

The proclivity for novelty seeking among customers purchasing counterfeit products varies across different age groups. Specifically, customers under the age of 25 exhibit a greater inclination towards novelty seeking compared to those aged between 26 and 35. Conversely, customers aged 36 and above showed a greater propensity towards novelty seeking than their younger counterparts aged under 25 and those between 26 and 35.

H0 5.14: There is no significant difference among the annual income of the customers in terms of affective drivers towards counterfeit products in Kerala

Table 5.18

ANOVA for Significant Difference Among the Annual Income of Customers in Terms of Affective Drivers Towards Counterfeit Products

Factors of Affective Drivers	Annual Income				F Value	P value
	< 2,00,000	2,00,001 - 4,00,000	4,00,001 - 6,00,000	6,00,001 - 8,00,000		
	Mean and SD	Mean and SD	Mean and SD	Mean and SD		
Risk Averseness	3.49 (0.31)	3.49 (0.28)	3.55 (0.21)	3.41 (0.21)	3.306	0.020*
Integrity	4.47 (0.41)	4.40 (0.37)	4.51 (0.34)	4.13 (0.22)	12.854	<0.001**
Personal Gratification	4.07 (0.62)	4.13 (0.48)	3.67 (1.07)	4.31 (0.47)	16.895	<0.001**
Novelty Seeking	3.12 (0.98)	3.13 (0.83)	2.97 (1.18)	3.90 (0.97)	10.714	<0.001**

Source: Primary Data *** denotes significant at 1% level*
** denotes significant at 5% level* *Values within ( ) indicates Standard Deviation*

The P value in the case of integrity, personal gratification and novelty-seeking nature of the customers stands less than 0.01, hence the null hypothesis is rejected at 1% level. It indicates that there exists a significant difference among the annual income of the customers with respect to factors of affective drivers of purchasing counterfeit products such as integrity, personal gratification and novelty seeking. It contends that when it comes to purchasing counterfeit products, customers with varying annual incomes differ in their integrity, personal gratification, and novelty seeking behaviour.

In the case of risk averseness, the P value is < 0.05 leading to rejection of the null hypothesis at 5% level of significance. It claims that there exists a significant difference among the annual income of the customers with respect to risk averseness factor of affective drivers of purchasing counterfeit products. It explains that

customers with varying annual incomes are different when it comes to purchasing counterfeit products on the basis of risk averse nature.

5.4.2.2 Post-hoc Test of ANOVA - Annual Income

The post-hoc test was carried out to know if there are any significant differences between the annual income categories of the customers on account of affective drivers towards counterfeit products.

Table 5.19

Post-hoc Test for Significant Difference Among the Annual Income of Customers in Terms of Affective Drivers Towards Counterfeit Products

Factors of Affective Drivers	Annual Income (I)	Annual Income (J)	Mean Difference (I-J)	Std. Error	P Value
Risk Averseness	< 2,00,000	2,00,001 - 4,00,000	0.001	0.024	1.000[NS]
		4,00,001 - 6,00,000	-0.058	0.028	0.174 [NS]
		6,00,001 - 8,00,000	0.085	0.044	0.209 [NS]
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	-0.060	0.030	0.204 [NS]
		6,00,001 - 8,00,000	0.084	0.045	0.247 [NS]
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	0.144	0.047	0.014*
Integrity	< 2,00,000	2,00,001 - 4,00,000	0.061	0.032	0.229 [NS]
		4,00,001 - 6,00,000	-0.044	0.038	0.665 [NS]
		6,00,001 - 8,00,000	0.332	0.059	<0.001**
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	-0.105	0.041	0.052 [NS]
		6,00,001 - 8,00,000	0.270	0.060	<0.001**
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	0.376	0.064	<0.001**
Personal Gratification	< 2,00,000	2,00,001 - 4,00,000	-0.058	0.058	0.747 [NS]
		4,00,001 - 6,00,000	0.397	0.069	<0.001**

Factors of Affective Drivers	Annual Income (I)	Annual Income (J)	Mean Difference (I-J)	Std. Error	P Value
		6,00,001 - 8,00,000	-0.245	0.106	0.098 NS
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.456	0.074	<0.001**
		6,00,001 - 8,00,000	-0.186	0.109	0.323 NS
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	-0.643	0.116	<0.001**
Novelty Seeking	< 2,00,000	2,00,001 - 4,00,000	-0.013	0.083	0.998 NS
		4,00,001 - 6,00,000	0.142	0.100	0.483 NS
		6,00,001 - 8,00,000	-0.782	0.152	<0.001**
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.156	0.106	0.459 NS
		6,00,001 - 8,00,000	-0.768	0.157	<0.001**
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	-0.924	0.166	<0.001**

Source: Primary Data
***denotes 1% level of significance*
** denotes 5% level of significance*
NS refers to not significant

The following significant differences were found among the annual income of the customers with respect to factors of affective drivers such as risk averseness, integrity, personal gratification and novelty-seeking natures towards purchasing counterfeit products depending on Tukey HSD Post-hoc test. In terms of risk averseness, customers with an annual income of 4,00,001 to 6,00,000 differ drastically from those with an annual income of 6,00,001 to 8,00,000.

In the case of integrity, customers with an annual income below 2,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000. At the same time, customers with an annual income of 2,00,001 to 4,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000. Customers with an annual income of 4,00,001 to 6,00,000 are greatly different from those with an annual income of 6,00,001 to 8,00,000.

When it comes to personal gratification, customers with an annual income below 2,00,000 are significantly different from those with an annual income of 4,00,001 to 6,00,000. Customers with an annual income of 2,00,001 to 4,00,000 are differed greatly from those with an annual income of 4,00,001 to 6,00,000. Customers with an annual income of 4,00,001 to 6,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000.

Considering novelty-seeking nature, customers with an annual income below 2,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000. Customers with an annual income of 2,00,001 to 4,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000. Customers with an annual income of 4,00,001 to 6,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000.

Customers with yearly incomes ranging from 400,001 to 600,000 are more risk averse, according to the mean score, than those with other annual income groups. Customers with an annual income of less than 200,000 have greater integrity than those with annual incomes ranging from 600,001 to 800,000. At the same time, customers with an annual income of 2,00,001 to 4,00,000 have more integrity of purchasing counterfeit products than those with an annual income of 6,00,001 to 8,00,000. Customers who earn an annual income between 4,00,001 and 6,00,000 have a higher level of integrity compared to those who earn between 6,00,001 and 8,00,000. Customers with an annual income below 2,00,000 have more personal gratification than those with an annual income of 4,00,001 to 6,00,000 when it comes to purchasing counterfeit products.

Customers with an annual income of 2,00,001 to 4,00,000 have more personal gratification of counterfeit products than those with an annual income of 4,00,001 to 6,00,000. Individuals earning an annual income between 6,00,001 to 8,00,000 experience a higher level of personal gratification compared to those earning between 4,00,001 to 6,00,000 annually. Customers with an annual income of 6,00,001 to 8,00,000 are more interested in the novelty of purchasing counterfeit products than those with an annual income below 2,00,000, 2,00,001 to 4,00,000 and 4,00,001 to 6,00,000.

H0 5.15: There is no significant difference among the types of counterfeit products intended to purchase in terms of affective drivers

Table 5.20

ANOVA for Significant Difference Among the Types of Counterfeit Products Intended to Purchase in Terms of Affective Drivers

Factors of Affective Drivers	Types of Counterfeit Products Intended to Purchase			F Value	P Value
	Automobile Components	Electronic Devices and Equipment	Clothing and Accessories		
	Mean and SD	Mean and SD	Mean and SD		
Risk Averseness	3.45 (0.37)	3.46 (0.25)	3.56 (0.27)	10.738	<0.001**
Integrity	4.45 (0.41)	4.41 (0.37)	4.46 (0.40)	1.102	0.333^{NS}
Personal Gratification	4.10 (0.50)	3.94 (0.87)	4.12 (0.49)	5.594	0.004**
Novelty Seeking	3.07 (1.11)	3.22 (1.09)	3.07 (0.82)	2.164	0.116^{NS}

Source: Primary Data *** denotes significant at 1% level*
^{NS} denotes not significant *Values within ( ) indicates Standard Deviation*

The null hypothesis is rejected at the 1% level since the P value is less than 0.01. It indicates that there is a considerable difference among the types of counterfeit items that people intend to purchase in terms of affective drivers of acquiring counterfeit products such risk averseness and personal gratification. It explains that buyers who aim to purchase various types of counterfeit items differ in terms of risk averseness and personal gratification of acquiring counterfeit products. This indicates that customers who intend to purchase different types of counterfeit products are not equal in terms of the above-mentioned affective drivers of acquiring counterfeit products.

In terms of integrity and novelty seeking the P value is higher than 0.05. Hence it is clear that there exists no significant difference among the types of

counterfeit products intended to purchase with respect to factors of affective drivers of purchasing counterfeit products such as integrity and novelty seeking.

5.4.2.3 Post-hoc Test of ANOVA - Types of Counterfeit Products Intended to Purchase

Table 5.21

Post-hoc Test for Significant Difference Among the Types of Counterfeit Products Intended to Purchase in Terms of Affective Drivers

Factors of Affective Drivers	Counterfeit Products Intended to Purchase More (I)	Counterfeit Products Intended to Purchase More (J)	Mean Difference (I-J)	Std. Error	P Value
Risk Averseness	Automobile Components	Electronic Devices and Equipment	-0.012	0.031	0.922[NS]
		Clothing and Accessories	-0.106	0.032	0.003**
	Electronic Devices and Equipment	Clothing and Accessories	-0.094	0.022	<0.001**
Personal Gratification	Automobile Components	Electronic Devices and Equipment	0.154	0.078	0.119 [NS]
		Clothing and Accessories	-0.021	0.080	0.961 [NS]
	Electronic Devices and Equipment	Clothing and Accessories	-0.176	0.055	0.004**

Source: Primary Data
*** denotes significant at 1% level*
[NS] denotes not significant

Based on Tukey HSD Post-hoc test, the following significant difference was found among the types of counterfeits intended to purchase with respect to factors of affective drivers of purchasing counterfeit products. Customers who prefer to purchase automobile components differ significantly from those who prefer to purchase clothing and accessories, and customers who prefer to purchase electronic devices and equipment differ significantly from those who prefer to purchase clothing and accessories. Customers who intend to acquire electronic items and

equipment differ greatly from customers who intend to purchase clothing and accessories in terms of personal gratification.

According to the mean score, respondents who expect to purchase clothing and accessories are more risk averse than those who intend to acquire automobile components or electronic devices and equipment. Those respondents who express an interest in buying clothing and accessories experience a higher level of personal gratification than those respondents who express an interest in buying electronic devices and equipment.

5.4.3 Social Drivers Towards Counterfeit Products Across Socio-Demographic, Economic and Counterfeit Purchase Factors

Social driving forces consist of the sub-variables such as information and normative susceptibility, status consumption and social influence. The assessments of differences across socio-demographic, economic and counterfeit purchase factors in terms of social drivers are analysed on the basis of independent t-test, ANOVA, and if the test finds significance in the results of ANOVA, Tukey's HSD post-hoc analysis is used further.

H0 5.16: There is no significant difference in terms of social drivers between the male and female customers towards counterfeit products in Kerala

Table 5.22

T-Test for Significant Difference in Terms of Social Drivers Between Male and Female Customers Towards Counterfeit Products

Factors of Social Drivers	Gender				T Value	P Value
	Male		Female			
	Mean	SD	Mean	SD		
Information Susceptibility	3.87	0.99	4.27	0.38	-7.119	<0.001**
Normative Susceptibility	3.20	1.00	3.35	1.00	-2.120	0.034*
Status Consumption	3.06	0.79	3.15	0.77	-1.665	0.096^{NS}
Social Influence	2.53	1.19	2.10	0.95	5.475	<0.001**

Source: Primary Data
*** denotes significant at1% level*
** denotes significant at5% level*
^{NS} denotes not significant

The P value with respect to the factors of social drivers of purchasing counterfeit products such as information susceptibility and social influence shows less than 0.01, the null hypothesis is rejected at 1% significance level on the basis of gender of the customers. As a result, there is a significant difference between the male and female customers with respect to the factors of social drivers of purchasing counterfeit products such as information susceptibility and social influence. In other words, in terms of information susceptibility and social influence of social drivers of purchasing counterfeit products, the male and female customers are not the same.

Considering normative susceptibility, the P value is < 0.05. Therefore, the null hypothesis is rejected at 5 percent level. It indicates that there is a significant difference between the male and female customers with respect to the normative susceptibility factor of social drivers of purchasing counterfeit products.

In the case of status consumption, the P value is greater than 0.05 directing to the acceptance of the null hypothesis. It indicates that there is no significant difference between the male and female customers with respect to the factors of social drivers of purchasing counterfeit products in terms of status consumption. Male and female customers are clearly equal in terms of status consumption factor of social drivers of purchasing counterfeit products.

The mean scores of female customers are 4.27 for information susceptibility, 3.35 for normative susceptibility and 2.10 for social influence constructs whereas the mean scores of male customers are 3.87 for information susceptibility, 3.20 for normative susceptibility and 2.53 for social influence constructs. The scores for information susceptibility and normative susceptibility are above the average whereas it falls below the average regarding the construct of social influence.

Thus, based on the mean score, female customers are more likely susceptible to information and normative influence when considering the purchase of counterfeit products compared to male customers. Male customers tend to have more social influence than female customers when it comes to purchasing counterfeit products.

H0 5.17: There is no significant difference between the graduate and postgraduate customers in terms of social drivers towards counterfeit products in Kerala

Table 5.23

T- Test for Significant Difference Between the Graduate and Postgraduate Customers in Terms of Social Drivers Towards Counterfeit Products

Factors of Social Drivers	Educational Qualification				T Value	P Value
	Graduates		Post Graduates			
	Mean	SD	Mean	SD		
Information Susceptibility	4.23	0.45	3.76	1.11	8.149	<0.001**
Normative Susceptibility	3.24	0.99	3.32	1.03	-0.927	0.354^{NS}
Status Consumption	3.11	0.74	3.09	0.85	0.361	0.718 ^{NS}
Social Influence	2.34	1.09	2.30	1.12	0.455	0.649 ^{NS}

Source: Primary Data *** denotes significant at 1% level*

^{NS} denotes not significant

On account of the information susceptibility factor among social drivers of purchasing counterfeit products, the P value is less than 0.01 leading to rejection of the null hypothesis at 1% significance level for graduate and postgraduate customers. As a result, there is a significant difference between the graduate and postgraduate customers with respect to the information susceptibility factor of social drivers of purchasing counterfeit products. It means, in terms of information susceptibility of social drivers of purchasing counterfeit products the graduate and postgraduate customers expressed different perceptions and opinions.

Considering normative susceptibility, status consumption and social influence, the P value is greater than 0.05. Therefore, the null hypothesis is accepted. It indicates that there exists no significant difference between the graduate and postgraduate customers with respect to the factors of social drivers of purchasing counterfeit products in terms of normative susceptibility, status consumption and social influence. Graduate and postgraduate customers are clearly equal in terms of factors of social drivers of purchasing counterfeit products such as normative susceptibility, status consumption and social influence.

With regard to the purchase of counterfeit products, graduates have higher information susceptibility than postgraduate customers, as per the mean score.

H0 5.18: There is no significant difference between the distinguishing abilities of the customers in terms of social drivers towards counterfeit products in Kerala

Table 5.24

T- Test for Significant Difference Between the Distinguishing Abilities of the Customers in Terms of Social Drivers Towards Counterfeit Products

Factors of Social Drivers	Distinguishing Ability				T Value	P Value
	Yes		No			
	Mean	SD	Mean	SD		
Information Susceptibility	4.08	0.78	3.35	0.72	4.819	<0.001**
Normative Susceptibility	3.32	0.99	2.06	0.17	6.541	<0.001**
Status Consumption	3.14	0.77	2.08	0.10	7.074	<0.001**
Social Influence	2.33	1.10	2.33	1.26	-0.006	0.995^{NS}

Source: Primary Data
*** denotes significant at 1% level*
^{NS} denotes not significant

The P value with respect to the factors of social drivers of purchasing counterfeit products such as information susceptibility, normative susceptibility and status consumption stands less than 0.01 leading to a rejection of the null hypothesis at 1% significance level for customers who are able to distinguish counterfeit products from the original products and those who are unable to distinguish counterfeit products from originals. As a result, there is a significant difference between the customers who possess the distinguishing ability and who do not have the same with respect to factors of social drivers of purchasing counterfeit products such as information susceptibility, normative susceptibility and status consumption.

In the case of social influence, the P value is greater than 0.05. So, the null hypothesis is accepted for customers who are able to distinguish a counterfeit product from an original product and those who are unable to distinguish a counterfeit product from an original product with respect to factors of social drivers

of purchasing counterfeit products such as social influence. It indicates that there is no significant difference between the customers who have the distinguishing ability and those who do not have the same with respect to social influence factors of social drivers of purchasing counterfeit products.

According to the mean score, customers who are able to distinguish a counterfeit product from an original product are likely to have higher levels of information susceptibility, normative susceptibility, and status consumption compared to those who cannot distinguish a counterfeit product when considering purchasing such products.

H0 5.19: There is no significant difference among the age categories of the customers in terms of social drivers towards counterfeit products in Kerala

Table 5.25

ANOVA for Significant Difference Among the Age Categories of Customers in Terms of Social Drivers Towards Counterfeit Products

Factors of Social Drivers	Age Categories of the Customers			F Value	P Value
	< 25	26-35	> 36		
	Mean and SD	Mean and SD	Mean and SD		
Information Susceptibility	4.21 (0.51)	3.74 (1.29)	4.05 (0.64)	18.782	<0.001**
Normative Susceptibility	3.48 (0.91)	3.00 (0.94)	3.15 (1.10)	15.248	<0.001**
Status Consumption	3.09 (0.83)	2.97 (0.92)	3.20 (0.61)	4.229	0.015*
Social Influence	2.30 (1.11)	2.20 (1.09)	2.43 (1.09)	2.060	0.128^{NS}

Source: Primary Data
** denotes significant at51% level*
Values within ( ) indicates Standard Deviation
*** denotes significant at 1% level*
^{NS} denotes not significant

The factors of social drivers of purchasing counterfeit products such as information susceptibility and normative susceptibility shows the P value which is less than 0.01, leads to the rejection of the null hypothesis at 1% level indicating that

there is a significant difference among the different age categories of the customers. It states that customers of different ages differ in their information susceptibility and normative susceptibility when it comes to purchasing counterfeit products.

In the case of status consumption, the P value is < 0.05. Thus, the null hypothesis is rejected at 5% level. It states that there is a significant difference among the age of the customers with respect to the status consumption factor of social drivers of purchasing counterfeit products. It claims that, in terms of purchasing counterfeit products, the customers with various age groups are different based on status consumption. Regarding social influence, the P value is greater than 0.05. So, the null hypothesis is accepted. Thus, there is no significant difference among the age categories of the customers with respect to social influence factor of social drivers of purchasing counterfeit products.

5.4.3.1 Post-hoc Test of ANOVA - Age Categories

Table 5.26

Post-hoc Test for Significant Difference in Terms of Social Drivers Among the Age Categories of Customers Towards Counterfeit Products

Factors of Social Drivers	Age (I)	Age (J)	Mean Difference (I-J)	Std. Error	P Value
Information Susceptibility	< 25	26 - 35	0.463	0.075	<0.001**
		> 36	0.160	0.063	0.032*
	26 - 35	> 36	-0.303	0.079	<0.001**
Normative Susceptibility	< 25	26 to 35	0.479	0.096	<0.001**
		> 36	0.330	0.081	<0.001**
	26 - 35	> 36	-0.149	0.101	0.304^{NS}
Status Consumption	< 25	26 to 35	0.124	0.076	0.237 ^{NS}
		> 36	-0.107	0.064	0.220 ^{NS}
	26 - 35	> 36	-0.231	0.080	0.011*

Source: Primary Data ***denotes 1% level of significance*
** denotes 5% level of significance* *^{NS} refers to not significant*

The following significant differences were found among the age categories of the customers with respect to factors of social drivers of purchasing counterfeit

products depending on Tukey HSD Post-hoc test. In terms of informative susceptibility, customers under the age of 25 differ drastically from those aged 26 to 35 and 36 and above. Customers in the ages of 26 to 35 are greatly different from those in the ages of 36 and above. In the case of normative susceptibility, customers in the ages of below 25 are significantly different from those in the age category of 26 to 35 and 36 and above. When it comes to status consumption, customers in the age category of 26 to 35 different greatly from those in the ages of 36 and above

According to the mean score, customers aged below 25 experienced more information susceptibility than those in the age category of 26 to 35 and 36 and above when thinking of purchasing counterfeit products. Customers aged 36 and up experienced more information susceptibility than those aged between 26 to 35. Customers under the age of 25 experienced higher normative susceptibility than those between the ages of 26 and 35 and 36 and up. Individuals who are 36 years old or older are more likely to experience a sense of status consumption when considering the purchase of counterfeit products, compared to those who are between the ages of 26 and 35.

H0 5.20: There is no significant difference among the annual income of the customers in terms of social drivers towards counterfeit products in Kerala

Table 5.27

ANOVA for Significant Difference Among the Annual Income of Customers in Terms of Social Drivers Towards Counterfeit Products

Factors of Social Drivers	Annual Income				F Value	P Value
	< 2,00,000	2,00,001 - 4,00,000	4,00,001 - 6,00,000	6,00,001 - 8,00,000		
	Mean and SD	Mean and SD	Mean and SD	Mean and SD		
Information Susceptibility	4.25 (0.48)	4.06 (0.75)	3.58 (1.25)	4.05 (0.32)	25.233	<0.001**
Normative Susceptibility	3.26 (0.98)	3.24 (0.98)	3.06 (1.14)	4.07 (0.11)	12.561	<0.001**
Status Consumption	2.98 (0.80)	3.09 (0.65)	3.14 (0.75)	3.94 (0.84)	22.411	<0.001**
Social Influence	2.45 (1.03)	2.50 (1.24)	1.86 (0.98)	1.92 (0.76)	13.805	<0.001**

Source: Primary Data *** denotes significant at 1% level*
Values within ( ) indicates Standard Deviation

The null hypothesis is rejected at 1% level, since the P value with respect to factors of social drivers of purchasing counterfeit products such as information susceptibility, normative susceptibility, status consumption and social influence stands less than 0.01. This indicates that there is a significant difference among the annual income of the customers. It contends that when it comes to purchasing counterfeit products, customers with varying annual incomes differs in their information susceptibility, normative susceptibility, status consumption and social influence.

5.4.3.2 Post-hoc Test of ANOVA - Annual Income

The post-hoc test was carried out to know if there are any significant differences between the annual income categories of the customers on account of social drivers towards counterfeit products.

Table 5.28

Post-hoc Test for Significant Difference Among the Annual Income of Customers in Terms of Social Drivers Towards Counterfeit Products

Factors of Social Drivers	Annual Income (I)	Annual Income (J)	Mean Difference (I-J)	Std. Error	P Value
Information Susceptibility	< 2,00,000	2,00,001 - 4,00,000	0.186	0.064	0.021*
		4,00,001 - 6,00,000	0.670	0.077	<0.001**
		6,00,001 - 8,00,000	0.192	0.117	0.360^{NS}
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.484	0.082	<0.001**
		6,00,001 - 8,00,000	0.006	0.121	1.000^{NS}
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	-0.478	0.128	<0.001**
Normative Susceptibility	< 2,00,000	2,00,001 - 4,00,000	0.017	0.084	0.997^{NS}
		4,00,001 - 6,00,000	0.197	0.100	0.200^{NS}
		6,00,001 - 8,00,000	-0.815	0.153	<0.001**
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.179	0.107	0.336^{NS}
		6,00,001 - 8,00,000	-0.833	0.157	<0.001**

Factors of Social Drivers	Annual Income (I)	Annual Income (J)	Mean Difference (I-J)	Std. Error	P Value
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	-1.012	0.166	<0.001**
Status Consumption	< 2,00,000	2,00,001 - 4,00,000	-0.104	0.064	0.368 NS
		4,00,001 - 6,00,000	-0.159	0.077	0.164 NS
		6,00,001 - 8,00,000	-0.960	0.117	<0.001**
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	-0.054	0.082	0.910 NS
		6,00,001 - 8,00,000	-0.855	0.121	<0.001**
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	-0.801	0.128	<0.001**
Social Influence	< 2,00,000	2,00,001 - 4,00,000	-0.057	0.092	0.925 NS
		4,00,001 - 6,00,000	0.583	0.110	<0.001**
		6,00,001 - 8,00,000	0.522	0.168	0.011*
	2,00,001 - 4,00,000	4,00,001 - 6,00,000	0.640	0.117	<0.001**
		6,00,001 - 8,00,000	0.579	0.173	0.005**
	4,00,001 - 6,00,000	6,00,001 - 8,00,000	-0.060	0.183	0.987 NS

Source: Primary Data
***denotes 1% level of significance*
** denotes 5% level of significance*
NS refers to not significant

The following significant differences were found among the annual income of the customers with respect to factors of social drivers of purchasing counterfeit products on the basis of Tukey HSD Post-hoc test. In terms of information susceptibility, Customers with annual income below 2,00,000 differ drastically from those with an annual income of 2,00,001 to 4,00,000 and 4,00,001 to 6,00,000. In the case of customers with an annual income of 2,00,001 to 4,00,000 are significantly different from those with an annual income of 4,00,001 to 6,00,000. Customers with an annual income of 4,00,001 to 6,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000.

In the case of normative susceptibility, customers with an annual income below 2,00,000 are significantly different from those with an annual income of

6,00,001 to 8,00,000. At the same time, customers with an annual income of 2,00,001 to 4,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000. Customers with an annual income of 4,00,001 to 6,00,000 are greatly different from those with an annual income of 6,00,001 to 8,00,000.

When it comes to status consumption, customers with an annual income below 2,00,000 are significantly different from those with an annual income of 6,00,001 to 8,00,000. Customers with an annual income of 2,00,001 to 4,00,000 are different greatly from those with an annual income of 6,00,001 to 8,00,000. Customers with an annual income of 4,00,001 to 6,00,000 are different from those with an annual income of 6,00,001 to 8,00,000. Considering social influence, customers with an annual income below 2,00,000 are significantly different from those with an annual income of 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000. Customers with an annual income of 2,00,001 to 4,00,000 are different from those with an annual income of 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000.

Based on the mean score, customers who have an annual income below 200,000 are more susceptible to information than those who earn between 200,001 to 400,000 and 400,001 to 600,000 annually. Customers with an annual income of 2,00,001 to 4,00,000 experienced more information susceptibility than those with an annual income of 4,00,001 to 6,00,000. At the same time customers with an annual income of 6,00,001 to 8,00,000 have greater information susceptibility than those with an annual income of 4,00,001 to 6,00,000. Customers with an annual income of 6,00,001 to 8,00,000 have a higher normative susceptibility than those with the annual income below 2,00,000, 2,00,001 to 4,00,000 and 4,00,001 to 6,00,000.

Customers with an annual income of 6,00,001 to 8,00,000 have more status consumption than those with an annual income below 2,00,000, 2,00,001 to 4,00,000 and 4,00,001 to 6,00,000, when it comes to purchasing counterfeit products. Customers who earn less than 2,00,000 annually are more susceptible to the social influence of counterfeit products compared to those who earn between 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000 annually. Customers who have an annual income between 2,00,001 to 4,00,000 are likely to have a greater social influence compared to those with an annual income of 4,00,001 to 6,00,000 and 6,00,001 to 8,00,000.

H0 5.21: There is no significant difference among the types of counterfeit products intended to purchase in terms of social drivers

Table 5.29

ANOVA for Significant Difference Among the Types of Counterfeit Products Intended to Purchase in Terms of Social Drivers

Factors of Social Drivers	Types of Counterfeit Products Intended to Purchase			F Value	P Value
	Automobile Components	Electronic Devices and Equipment	Clothing and Accessories		
	Mean and SD	Mean and SD	Mean and SD		
Information Susceptibility	4.25 (0.46)	3.87 (1.00)	4.21 (0.48)	18.924	<0.001**
Normative Susceptibility	3.67 (1.01)	3.27 (0.99)	3.13 (0.97)	11.464	<0.001**
Status Consumption	2.86 (0.65)	3.21 (0.93)	3.06 (0.58)	9.060	<0.001**
Social Influence	2.30 (0.88)	2.32 (1.18)	2.35 (1.08)	0.126	0.881 NS

Source: Primary Data
*** denotes significant at 1% level*
NS denotes not significant
Values within ( ) indicates Standard Deviation

The null hypothesis is rejected at the 1% level since the P value is less than 0.01. It indicates that there exists a significant difference among the types of counterfeit items that people intend to purchase in terms of social drivers of acquiring counterfeit products such information susceptibility, normative susceptibility and status consumption. It explains that buyers who aim to purchase various types of counterfeit items differ in terms of information susceptibility, normative susceptibility and status consumption of acquiring counterfeit products. It indicates that customers who intend to purchase different types of counterfeit products are not equal in terms of the above-mentioned social drivers of acquiring counterfeit products.

The P value for social influence is more than 0.05. As a result, there is no discernible difference between the various types of counterfeit products intended to

be purchased in terms of the social influence factor of social drivers of purchasing counterfeit products.

5.4.3.3 Post-hoc Test of ANOVA - Types of Counterfeit Products Intended to Purchase

Table 5.30

Post-hoc Test for Significant Difference Among the Types of Counterfeit Products Intended to Purchase in Terms of Social Drivers

Factors of Social Drivers	Counterfeit Products Intended to Purchase More (I)	Counterfeit Products Intended to Purchase More (J)	Mean Difference (I-J)	Std. Error	P Value
Information Susceptibility	Automobile Components	Electronic Devices and Equipment	0.370	0.086	<0.001**
		Clothing and Accessories	0.030	0.088	0.936 NS
	Electronic Devices and Equipment	Clothing and Accessories	-0.339	0.061	<0.001**
Normative Susceptibility	Automobile Components	Electronic Devices and Equipment	0.401	0.111	<0.001**
		Clothing and Accessories	0.544	0.113	<0.001**
	Electronic Devices and Equipment	Clothing and Accessories	0.142	0.078	0.164 NS
Status Consumption	Automobile Components	Electronic Devices and Equipment	-0.353	0.087	<0.001**
		Clothing and Accessories	-0.198	0.089	0.068 NS
	Electronic Devices and Equipment	Clothing and Accessories	0.155	0.061	0.032*

Source: Primary Data
*** denotes significant at 1% level*
** denotes significant 5% level*
NS denotes not significant

According to the Tukey HSD Post-hoc test, the following significant difference was discovered across the types of CF intending to purchase in terms of social drivers of acquiring counterfeit products. In terms of information

susceptibility, customers who intend to purchase automobile components differ significantly from those who are hoping to purchase electronic devices and equipment, and those who hope to purchase electronic devices and equipment differ significantly from those who intend to purchase clothing and accessories. In terms of normative susceptibility, customers who intend to purchase automobile components are significantly different from customers who intend to purchase electronic devices and equipment and clothing and accessories. When it comes to status consumption, customers who want to buy automobile components are vastly different from those who want to buy electronic items and equipment. At the same time, customers who want to buy electronic items and equipment differ significantly from those who want to buy clothing and accessories.

According to the mean score, respondents who want to buy automobile components are more susceptible to information than those who want to buy electronic gadgets and equipment. Similarly, those who want to buy clothing and accessories would be more susceptible to information than those who want to acquire electronic items and equipment. Customers who prefer to purchase automobile components have a higher normative susceptibility than customers who want to buy electronic devices and equipment as well as clothing and accessories. Customers who like to buy electronic devices and equipment have higher status consumption than those who prefer to buy automobile components and electronic devices and equipment.

5.5 Conclusion

This chapter examined the cognitive, affective, and social drivers of the customers in Kerala that influence them to buy counterfeit products and its socio-demographic differences among the customers. Cognitive, Affective and Social drivers of purchasing counterfeit products are considered as broad dimensions of the study. Gender, age, educational qualification, annual income, ability to distinguish counterfeit products from the originals and types of counterfeit product intended to purchase are taken as socio-demographic, economic and counterfeit purchase factors for the data analysis. The potential customers were found to be more price and value conscious on the examination of cognitive motives of customers. The factors of

integrity and personal gratification proved to be the most influential affective drivers and the factors of information and normative susceptibility exhibited higher levels of influence on the analysis of social drivers. Different customer motives revealed differences in customer perceptions towards the counterfeit products in Kerala depending on the socio-demographic and economic characteristics as well as counterfeit purchase factors. The manufacturers of original branded products need to focus on the most influential factors that prompt customers towards counterfeits so that such tendencies can be demotivated to curb the problem of counterfeiting practices from the economy.

Chapter 6

Level of Perceived Value, Positive Attitude and Purchase Intentions of Counterfeit Products

Contents

6.1 Introduction

The present chapter entails an investigation into the level of perceived value, positive attitude, and purchase intentions of counterfeit products among customers in Kerala. Additionally, it aims to examine the socio-demographic disparities that prevail in these factors among prospective customers. The constructs assessed in this chapter include perceived value, customers' favourable attitude towards counterfeit products, and purchase intentions. Socio-demographic and categorical factors, including gender, age, education, annual income, type of counterfeit product intended for purchase, ability to distinguish counterfeit products from the original products, and nearby availability, are subjected to cross-analysis.

6.2 Objective of the Chapter

Objective II: *To examine the level of perceived value, positive attitude and purchase intentions of counterfeit products among the customers in Kerala*

In order to attain the stated goal, statistical methods such as Quartile, Percentage Analysis, and Chi-Square tests for goodness of fit, as well as Chi-Square test for association, are utilised. Quartiles are a statistical tool used to partition a dataset into three equal parts, commonly referred to as Q1, Q2, and Q3. The technique of percentage analysis is employed to calculate the proportion of response

present in each quarter. The Chi-Square test for goodness of fit and association is employed to assess the statistical significance of data distribution within each quartile and to assess the association between constructs and categorical factors.

Section – A

6.3 Level of Perceived Value, Positive Attitude and Purchase Intentions of Counterfeit Products Among Customers in Kerala

The study utilised descriptive statistics, specifically quartiles and percentage analysis, as well as inferential analysis, specifically the chi-square test for goodness of fit, to investigate the perceived value, positive attitude, and purchase intentions of counterfeit products among customers in Kerala. The hypothesis statements followed by the analysis has been plotted in the following part of the chapter.

The following three constructs are used to make the analysis:

(1) Perceived value

(2) Positive attitude towards counterfeit products

(3) Purchase intentions

H0 6.1: There is no significant difference among the levels of perceived value of customers with regard to counterfeit products in Kerala

Table 6.1

Customers' Perceived Value Regarding Counterfeit Products in Kerala

Attribute	Low	Moderate	High	Total	Chi-Square Value	P value
Perceived Value	322 (42.9%)	46 (6.1%)	383 (51%)	751 (100%)	257.61	<0.001**

Source: Primary Data
*** denotes 1% level of significance*
Values within ( ) refers to row percentage

The null hypothesis is rejected at 1% level of significance since the P value is less than 0.01. This states that, there exists a significant difference among the levels of perceived value of customers with regard to counterfeit products. 42.9 percent of respondents feel a low level of perceived value in terms of counterfeit

products. 6.1 percent of them believe a moderate level of perceived value with regard to counterfeit products. At the same time, 51 percent of customers consider a high level of perceived value with regard to counterfeit products.

The findings clearly indicated that the majority of the respondents perceive high level value towards counterfeit products. This may be due to the expensive nature of the authentic brands which are not affordable by many people in the economy and the counterfeits offering almost similar quality items at comparatively lesser rates.

H_0 6.2: There is no significant difference among the levels of positive attitude of customers with regard to counterfeit products in Kerala

Table 6.2

Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Attribute	Low	Moderate	High	Total	Chi-Square Value	P value
Positive Attitude Towards Counterfeit Products	200 (26.6%)	313 (41.7%)	238 (31.7%)	751 (100%)	26.41	<0.001**

Source: Primary Data
*** denotes 1% level of significance*
Values within ( ) refers to row percentage

Because the P value is less than 0.01 at the 1% level of significance, the null hypothesis is rejected. It implies that there is a significant difference among the levels of positive attitude of customers with regard to counterfeit products. 26.6 percent of customers feel a low level of positive attitude in terms of counterfeit products. 41.7 percent of them have a moderate level of positive attitude with regard to counterfeit products. 31.7 percent of customers have a high level of positive attitude with regard to counterfeit products.

According to the findings, the majority of the respondents have a moderately favourable opinion towards counterfeit products. Customers take it as a good opportunity to have counterfeits of genuine brands to enjoy the facilities offered almost equal to that of the authentic products.

H0 6.3: There is no significant difference among the levels of purchase intentions of customers with regard to counterfeit products in Kerala

Table 6.3

Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Attribute	Low	Moderate	High	Total	Chi-Square Value	P value
Purchase Intentions	223 (29.7%)	211 (28.1%)	317 (42.2%)	751 (100%)	26.91	<0.001**

Source: Primary Data
*** denotes 1% level of significance*
Values within ( ) refers to row percentage

Since the P value is less than 0.01, thus the null hypothesis is rejected. It implies that there exists a significant difference among the levels of purchase intention of customers with regard to counterfeit products. In terms of counterfeit products, 29.7% of customers have a low level of purchase intention. 28.1 percent of them have a moderate level of purchase intention with regard to counterfeit products. 42.2% of customers have a high level of purchase intention for counterfeit products. According to the data, the majority of the respondents show a high level of purchase intention towards counterfeit products.

Section – B

6.4 Socio-Demographic, Economic and Categorical Factor Comparison on Account of Perceived Value, Positive Attitude and Purchase Intentions

Descriptive and inferential statistical analyses were employed to examine customers' perceived value, positive attitude, and purchase intentions towards counterfeit products across various categorical factors of the customers and counterfeit products. Descriptive statistics, including quartiles (Q1, Q2, and Q3) and percentage analysis, were used. Additionally, the chi-square test for association was utilised as an inferential analysis technique.

The following socio-demographic and categorical factors are considered for the analysis:

1. *Gender*
2. *Age*

3. *Educational Qualifications*
4. *Annual Income*
5. *Type of counterfeit product intended to purchase*
6. *Distinguishing Ability*
7. *Nearby availability*

6.4.1 Level of Perceived Value, Positive Attitude and Purchase Intentions Across Gender of the Customers

Chi-square test for association was employed for the assessment of association between gender and the levels of customers' perceived value, positive attitude and purchase intentions regarding counterfeit products in Kerala.

H_0 6.4: There is no significant association between gender and the level of perceived value of customers with regard to counterfeit products in Kerala

Table 6.4

Association Between Gender and Customers' Perceived Value Regarding Counterfeit Products in Kerala

Gender	Perceived Value			Total	Chi-square Value	P value
	Low	Moderate	High			
Male	135 (34.2%) [41.9%]	18 (4.6%) [39.1%]	242 (61.3%) [63.2%]	**395 [52.6%]**	35.276	**<0.001****
Female	187 (52.5%) [58.1%]	28 (7.9%) [60.9%]	141 (39.6%) [36.8%]	**356 [47.4%]**		
Total	**322 (42.9%)**	**46 (6.1%)**	**383 (51%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, the null hypothesis is rejected at 1% level of significance, which considers that there exists a significant association between gender and level of perceived value of customers with regard to counterfeit products. In the case of male respondents, 34.2 percent of them felt a low level of perceived value towards counterfeit products. 4.6 percent responded that counterfeit products

have a moderate amount of perceived value, while 61.3 percent believe counterfeit products have a high level of perceived value. In the case of female respondents, 52.5 percent of them felt a low level of perceived value with regard to counterfeit products. 7.9 percent of respondents have a moderate level of perceived value whereas 39.6 percent of customers feel a high level of perceived value towards counterfeit products. It can be stated that low perceived value is more prevalent among female customers while high perceived value is more prevalent among male responders. It denotes that male perceive higher value in counterfeit products than females.

H0 6.5: There is no significant association between gender and the level of positive attitude of customers with regard to counterfeit products in Kerala

Table 6.5

Association Between Gender and Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Gender	Positive Attitude Towards Counterfeit Products			Total	Chi-square Value	P value
	Low	Moderate	High			
Male	74 (18.7%) [37%]	179 (45.3%) [57.2%]	142 (36%) [59.7%]	**395 [52.6%]**	26.928	<0.001**
Female	126 (35.4%) [63%]	134 (37.6%) [42.8%]	96 (27%) [40.3%]	**356 [47.4%]**		
Total	**200 (26.6%)**	**313 (41.7%)**	**238 (31.7%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, the null hypothesis is rejected at 1% significance, which denotes that there is a significant association between gender and level of positive attitude of customers with regard to counterfeit products. In the case of male respondents, 18.7 percent of them have a low level of positive attitude towards counterfeit products. 45.3 percent of respondents had a moderately positive attitude towards counterfeit products, however 36 percent of them have a highly positive attitude towards counterfeit products. In the case of female respondents, 35.4 percent of them feel a low level of positive attitude with regard to counterfeit

products. 37.6 percent of respondents have a moderate level of positive attitude whereas 27 percent of customers have a high level of positive attitude related with counterfeit products. With relation to counterfeit products, it can be said low level of positive attitude is more prominent among female customers while high level of positive attitude is more prominent among male responders. Customers of a male gender are more likely to have a favorable attitude towards counterfeit goods than customers of a female gender.

H0 6.6: There is no significant association between gender and the level of purchase intention of customers with regard to counterfeit products in Kerala

Table 6.6

Association Between Gender and Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Gender	Purchase Intentions			Total	Chi-square Value	P value
	Low	Moderate	High			
Male	96 (24.3%) [43.1%]	126 (31.9%) [59.7%]	173 (43.8%) [54.6%]	**395 [52.6%]**	12.939	0.002**
Female	127 (35.7%) [56.9%]	85 (23.9%) [40.3%]	144 (40.4%) [45.4%]	**356 [47.4%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is rejected at 1% significance since the P value is less than 0.01. It indicates that there is a significant association between gender and the level of purchase intentions of customers with regard to counterfeit products. When it comes to the male respondents, 24.3% of them have a poor level of purchase intentions towards counterfeit products. While 43.8% of respondents had a high level of purchase intentions towards counterfeit products, 31.9 percent of respondents had a moderate level of purchase intention towards counterfeit products. 35.7% of the respondents who are female said they have a low level of intention to purchase fake goods. 40.4 percent of buyers have a high level of interest in

purchasing counterfeit products, compared to 23.9 percent of respondents who have a moderate level of purchase intentions. In relation to counterfeit products, it can be stated that low levels of purchase intentions are more prevalent among female customers while high level of intention to purchase are more prevalent among male responders. The male customers exhibit higher purchase intentions compared to their female counterparts in relation to the counterfeit products.

6.4.2 Level of Perceived Value, Positive Attitude and Purchase Intentions Across Various Age Groups of the Customers

Chi-square test for association was employed for the assessment of association between age groups and the levels of customers' perceived value, positive attitude and purchase intentions regarding counterfeit products in Kerala.

H0 6.7: There is no significant association between age categories and the level of perceived value of customers with regard to counterfeit products in Kerala

Table 6.7

Association Between Age Categories and Customers' Perceived Value Regarding Counterfeit Products in Kerala

Age	Perceived Value			Total	Chi-square Value	P value
	Low	Moderate	High			
< 25	170 (49.7%) [52.8%]	20 (5.9%) [43.5%]	152 (44.4%) [39.7%]	**342 [45.5%]**	15.352	0.004**
26 - 35	53 (35.3%) [16.5%]	6 (4%) [13%]	91 (60.7%) [23.8%]	**150 [20%]**		
> 36	99 (38.2%) [30.7%]	20 (7.7%) [43.5%]	140 (54.1%) [36.5%]	**259 [34.5%]**		
Total	**322 (42.9%)**	**46 (6.1%)**	**383 (51%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the p value is less than 0.01, the null hypothesis is rejected at 1% level. The study posits that a notable association exists between age and the degree of perceived value attributed by customers to counterfeit products. In the case of respondents with an age group of below 25, 49.7 percent of them feel a low level of

perceived value with regard to counterfeit products. 5.9 percent of respondents declare counterfeit products have a moderate degree of perceived value, while 44.4 percent believe counterfeit products have a high level of perceived value.

In the case of respondents in the ages of 26 to 35, 35.3 percent felt a low level of perceived value towards counterfeit products. 4 percent of respondents realize a moderate level of perceived value, whereas 60.7 percent of customers believe a high level of perceived value towards counterfeit products. While considering the respondents in the age category of 36 and above, 38.2 percent of them feel a low level of perceived value with regard to counterfeit products. 7.7 percent of customers realize a moderate level of perceived value, meanwhile 54.1 percent of respondents claim a high level of perceived value in terms of counterfeit products. In terms of counterfeit items, it can be said that low perceived value is more common among buyers under the age of 25, but high perceived value is more prominent among respondents aged 26 to 35.

H0 6.8: There is no significant association between age categories and the level of positive attitude of customers with regard to counterfeit products in Kerala

Table 6.8

Association Between Age Categories and Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Age	Positive Attitude Towards Counterfeit Products			Total	Chi-square Value	P value
	Low	Moderate	High			
< 25	101 (29.5%) [50.5%]	138 (40.4%) [44.1%]	103 (30.1%) [43.3%]	**342 [45.5%]**	6.504	0.165^{NS}
26 - 35	31 (20.7%) [15.5%]	61 (40.7%) [19.5%]	58 (38.6%) [24.4%]	**150 [20%]**		
> 36	68 (26.3%) [34%]	114 (44%) [36.4%]	77 (29.7%) [32.3%]	**259 [34.5%]**		
Total	**200 (26.6%)**	**313 (41.7%)**	**238 (31.7%)**	**751 (100%)**		

Source: Primary Data *^{NS} indicates Not Significant*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The chi-square test of association between the various age categories and the level of positive attitude of customers regarding counterfeit items in Kerala has been depicted in the above table. The null hypothesis is accepted since the P value is greater than 0.05. It states that there exists no significant relationship between age categories and respondents' level of positive attitude towards counterfeit products in Kerala.

H0 6.9: There is no significant association between age categories and the level of purchase intentions of customers with regard to counterfeit products in Kerala

Table 6.9

Association Between Age Categories and Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Age	Purchase Intentions			Total	Chi-square Value	P value
	Low	Moderate	High			
< 25	110 (32.2%) [49.3%]	74 (21.6%) [35.1%]	158 (46.2%) [49.8%]	**342 [45.5%]**	45.345	<0.001**
26 - 35	17 (11.3%) [7.6%]	66 (44%) [31.3%]	67 (44.7%) [21.2%]	**150 [20%]**		
> 36	96 (37.1%) [43.1%]	71 (27.4%) [33.6%]	92 (35.5%) [29%]	**259 [34.5%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Because the P value is less than 0.01, the null hypothesis is rejected at 1% level. It indicates that there is a substantial relationship between age and level of purchase intention of customers towards counterfeit products. In the case of respondents with an age group of below 25, 32.2 percent of them feel a low level of purchase intention with regard to counterfeit products. 21.6 percent of respondents have a moderate level of purchase intention, whereas 46.2 percent have a high level of intention to purchase. In the case of respondents in the ages of 26 to 35, 11.3 percent of them felt a low level of purchase intention towards counterfeit products. 44 percent of respondents realize a moderate level of purchase intention, whereas

44.7 percent of customers have a high level of purchase intention towards counterfeit products. In terms of the respondents in the age category of 36 and above, 37.1 percent of them have a low level of intention to purchase with regard to counterfeit products. In terms of counterfeit products, 27.4 percent of customers have a moderate level of purchase intentions, although 35.5 percent of respondents have a high level of purchase intentions. In the case of counterfeit items, it can be stated that customers aged 36 and up have a lower degree of purchase intention, whereas respondents aged under 25 have a higher level of purchase intentions.

6.4.3 Level of Perceived Value, Positive Attitude and Purchase Intentions Across Educational Qualifications of the Customers

Chi-square test for association was employed for the assessment of association between educational status and the levels of customers' perceived value, positive attitude and purchase intentions regarding counterfeit products in Kerala.

H0 6.10: There is no significant association between educational qualifications and the level of perceived value of customers with regard to counterfeit products in Kerala

Table 6.10

Association Between Educational Qualifications and Customers' Perceived Value Regarding Counterfeit Products in Kerala

Educational Qualifications	Perceived Value			Total	Chi-square Value	P value
	Low	Moderate	High			
Graduates	225 (46.8%) [69.9%]	36 (7.5%) [78.3%]	220 (45.7%) [57.4%]	**481 [64.1%]**	16.045	<0.001**
Post Graduates	97 (35.9%) [30.1%]	10 (3.7%) [21.7%]	163 (60.4%) [42.6%]	**270 [35.9%]**		
Total	**322 (42.9%)**	**46 (6.1%)**	**383 (51%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, the null hypothesis is rejected at 1% level of significance which considers that there exists a significant association between educational qualification and level of perceived value of customers with regard to counterfeit products. In the case of respondents who are graduates, 46.8

percent of them feel a low level of perceived value in terms of counterfeit products. 7.5 percent responded that counterfeit products have a moderate amount of perceived value, while 45.7 percent believe counterfeit products have a high level of perceived value. In the case of respondents who are postgraduates, 35.9 percent of them feel a low level of perceived value with regard to counterfeit products. 3.7 percent of respondents have a moderate level of perceived value whereas, 60.4 percent of customers believe a high level of perceived value in terms of counterfeit products. It can be stated that low perceived value is more prevalent among respondents who are graduates while high perceived value is more prevalent among respondents who are postgraduates.

H0 6.11: There is no significant association between the educational qualifications and the level of positive attitude of customers

Table 6.11

Association Between Educational Qualifications and Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Educational Qualifications	Positive Attitude Towards Counterfeit Products			Total	Chi-square Value	P value
	Low	Moderate	High			
Graduates	130 (27%) [65%]	215 (44.7%) [68.6%]	136 (28.3%) [57.1%]	**481 [64.1%]**	7.936	0.019*
Post Graduates	70 (25.9%) [35%]	98 (36.3%) [31.4%]	102 (37.8%) [42.9%]	**270 [35.9%]**		
Total	**200 (26.6%)**	**313 (41.7%)**	**238 (31.7%)**	**751 (100%)**		

Source: Primary Data ** denotes 5% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Due to the fact that the P value is less than 0.05, the null hypothesis is rejected at 5% significance which considers that there exists a significant association between educational qualification and level of positive attitude of customers with regard to counterfeit products. In the case of graduate respondents, 27 percent of them have a low level of positive attitude in terms of counterfeit products. 44.7 percent of respondents have a moderately positive attitude towards counterfeit products,

however 28.3 percent of them have a highly positive attitude towards counterfeit products. In the case of postgraduate respondents, 25.9 percent of them have a low level of positive attitude with regard to counterfeit products. 36.3 percent of respondents have a moderate level of positive attitude whereas 37.8 percent of customers have a high level of positive attitude in terms of counterfeit products. With relation to counterfeit products, it can be said low level of positive attitude is more prominent among graduate customers while high level of positive attitude is more prominent among postgraduate responders.

H0 6.12: There is no significant association between the educational qualifications and the level of purchase intentions of customers

Table 6.12

Association Between Educational Qualifications and Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Educational Qualifications	Purchase Intentions			Total	Chi-square Value	P value
	Low	Moderate	High			
Graduates	126 (26.2%) [68.5%]	153 (31.8%) [61.2%]	202 (42%) [63.7%]	**481 [64.1%]**	12.093	0.002**
Post Graduates	58 (21.5%) [31.5%]	97 (35.9%) [38.8%]	115 (42.6%) [36.3%]	**270 [35.9%]**		
Total	**184 (24.5%)**	**250 (33.3%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is rejected at 1% significance since the P value is less than 0.01. It means that there exists a significant association between educational qualification and level of purchase intention of customers with regard to counterfeit products. In the case of graduate respondents, 26.2 percent of them have a low level of purchase intention in terms of counterfeit products. 31.8 percent of respondents have a moderate level of purchase intention towards counterfeit products, while 42 percent have a high level of purchase intention towards counterfeit products. In the case of postgraduate respondents, 21.5 percent of them have a low level of intention

to purchase counterfeit products. 35.9 percent of respondents have a moderate level of purchase intent, whereas 42.6 percent of customers have a high level of interest in purchasing counterfeit products. In relation to counterfeit products, it can be concluded that low level of purchase intention is more prevalent among graduate customers while high level of intention to purchase is more prevalent among postgraduate respondents.

6.4.4 Level of Perceived Value, Positive Attitude and Purchase Intentions Across Annual Income Categories of the Customers

Chi-square test for association was employed for the assessment of association between annual income categories and the levels of customers' perceived value, positive attitude and purchase intentions regarding the counterfeit products in Kerala.

H0 6.13: There is no significant association between annual income and the level of perceived value of customers with regard to counterfeit products in Kerala

Table 6.13

Association Between Annual Income and Customers' Perceived Value Regarding Counterfeit Products in Kerala

Annual Income	Perceived Value			Total	Chi-square Value	P value
	Low	Moderate	High			
< 2,00,000	172 (50.3%) [53.4%]	28 (8.2%) [50%]	142 (41.5%) [38.1%]	**342 [45.5%]**	76.565	<0.001**
2,00,001 - 4,00,000	104 (45.6%) [32.3%]	18 (7.9%) [32.2%]	106 (46.5%) [28.4%]	**228 [30.4%]**		
4,00,001 - 6,00,000	41 (30.6%) [12.7%]	5 (3.7%) [8.9%]	88 (65.7%) [23.6%]	**134 [17.8%]**		
6,00,001 - 8,00,000	5 (10.6%) [1.6%]	5 (10.6%) [8.9%]	37 (78.8%) [9.9%]	**47 [6.3%]**		
Total	**322 (42.9%)**	**56 (7.5%)**	**373 (49.6%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The above table shows the association between annual income of the customers in relation to their levels of perception regarding the value of the counterfeit products. The null hypothesis is rejected at the 1% level since the P value is less than 0.01. It contends that there exists a significant relationship between annual income and perceived value of customers in the context of counterfeit products.

In the case of respondents with an annual income below 2,00,000, 50.3 percent of them have a low level of perceived value with regard to counterfeit products. 8.2 percent of respondents realize a moderate level of perceived value, whereas 41.5 percent of them have a high level of perceived value with regard to counterfeit products. In the case of respondents with an annual income of 2,00,001 to 4,00,000, 45.6 percent of them felt a low level of perceived value towards counterfeit products. 7.9 percent of respondents realize a moderate level of perceived value, while 46.5 percent of customers declare a high level of perceived value regarding counterfeit products.

In terms of the respondents with an annual income of 4,00,001 to 6,00,000, 30.6 percent of them have a low level of perceived value with regard to counterfeit products. Regarding counterfeit products, 3.7 percent of customers have a moderate level of perceived value, although 65.7 percent of respondents realize a high level of perceived value.

While considering the respondents with an annual income of 6,00,001 to 8,00,000, 10.6 percent of them realize only a low level of perceived value with respect to the counterfeit products. 10.6 percent of the customers have a moderate level of perceived value. At the same time, 78.8 percent of respondents felt a high level of perceived value towards counterfeit products.

In terms of counterfeit items, it can be stated that low level of perceived value is more frequent among respondents with an annual income below 2,00,000 and high level of perceived value is more common among respondents who have an annual income of 6,00,001 to 8,00,000. The analysis suggests that individuals belonging to higher income categories tend to place a greater value on counterfeit products compared to those in lower income groups within the society.

H0 6.14: There is no significant association between annual income and the level of positive attitude of customers with regard to counterfeit products in Kerala

Table 6.14

Association Between Annual Income and Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Annual Income	Positive Attitude Towards Counterfeit Products			Total	Chi-square Value	P value
	Low	Moderate	High			
< 2,00,000	99 (28.9%) [48.3%]	150 (43.9%) [48.7%]	93 (27.2%) [39%]	**342 [45.5%]**	34.157	<0.001**
2,00,001 - 4,00,000	61 (26.8%) [29.8%]	85 (37.2%) [27.6%]	82 (36%) [34.5%]	**228 [30.4%]**		
4,00,001 - 6,00,000	40 (29.9%) [19.5%]	60 (44.8%) [19.5%]	34 (25.3%) [14.3%]	**134 [17.8%]**		
6,00,001 - 8,00,000	5 (10.6%) [2.4%]	13 (27.7%) [4.2%]	29 (61.7%) [12.2%]	**47 [6.3%]**		
Total	**205 (27.3%)**	**308 (41%)**	**238 (31.7%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is rejected at the 1% level since the P value is less than 0.01. It contends that there exists a significant relationship between annual income and positive attitude of customers with regard to counterfeit products. In the case of respondents with an annual income below 2,00,000, 28.9 percent of them have a low level of positive attitude with regard to counterfeit products. 43.9 percent of respondents declare a moderate level of positive attitude, while 27.2 percent of them have a high level of positive attitude with regard to counterfeit products. In the case of respondents with an annual income of 2,00,001 to 4,00,000, 26.8 percent of them have a low level of positive attitude towards counterfeit products. 37.2 percent of respondents express a moderate level of positive attitude, while 36 percent of customers declare a high level of positive attitude in terms of counterfeit products. In terms of the respondents with an annual income of 4,00,001 to 6,00,000, 29.9 percent of them have a low level of positive attitude with regard to counterfeit products. Regarding counterfeit products, 44.8 percent of customers have a moderate

level of positive attitude, whereas 25.3 percent of respondents realize a high level of positive attitude. While considering the respondents with an annual income of 6,00,001 to 8,00,000, 10.6 percent of them have only a low level of positive attitude with respect to the counterfeit products. 27.7 percent of the customers have a moderate level of positive attitude. At the same time, 61.7 percent of respondents have a high level of positive attitude towards counterfeit products.

In the case of counterfeit products, it is possible to state that a low level of positive attitude is more prevalent among respondents whose annual income falls between 4,000,001 and 6,00,000, while a high level of positive attitude is more common among respondents whose annual income falls between 6,00,001 and 800,000. It would also indicate that higher income groups have a more positive attitude towards the counterfeit products than lower income groups.

H0 6.15: There is no significant association between annual income and the level of purchase intentions of customers with regard to counterfeit products in Kerala

Table 6.15

Association Between Annual Income and Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Annual Income	Purchase Intentions			Total	Chi-square Value	P value
	Low	Moderate	High			
< 2,00,000	107 (31.3%) [46.9%]	81 (23.7%) [39.3%]	154 (45%) [48.6%]	**342 [45.5%]**	29.641	<0.001**
2,00,001 - 4,00,000	72 (31.6%) [31.6%]	64 (28.1%) [31.1%]	92 (40.3%) [29%]	**228 [30.4%]**		
4,00,001 - 6,00,000	44 (32.8%) [19.3%]	47 (35.1%) [22.8%]	43 (32.1%) [13.6%]	**134 [17.8%]**		
6,00,001 - 8,00,000	5 (10.6%) [2.2%]	14 (29.8%) [6.8%]	28 (59.6%) [8.8%]	**47 [6.3%]**		
Total	**228 (30.4%)**	**206 (27.4%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

As the P value is less than 0.01 at the 1% level, the null hypothesis is rejected. It asserts that there exists a significant relationship between annual income and purchase intentions of customers with regard to counterfeit products. In the case of respondents with an annual income below 2,00,000, 31.3 percent of them have a low level of purchase intention for counterfeit products. 23.7 percent of respondents show a moderate level of purchase intent, while 45 percent express a high level of purchase intent with regard to counterfeit products.

In the case of respondents with an annual income of 2,00,001 to 4,00,000, 31.6 percent of them have a low level of purchase intention towards counterfeit products. 28.1 percent of respondents show a moderate level of purchase intentions, while 40.3 percent of respondents declare a high level of purchase intentions in terms of counterfeit products.

While considering the respondents with an annual income of 4,00,001 to 6,00,000, 32.8 percent of them have a low level of intention to purchase with regard to counterfeit products. Regarding counterfeit products, 35.1 percent of customers have a moderate level of purchase intentions, while 32.1 percent of respondents realize a high level of purchase intentions.

While considering the respondents with an annual income of 6,00,001 to 8,00,000, 10.6 percent of them have only a low level of intention to purchase with respect to the counterfeit products. 29.8 percent of the customers have a moderate level of purchase intention. At the same time, 59.6 percent of respondents have a high level of intention to purchase counterfeit products.

Regarding counterfeit products, it can be stated that low level of purchase intention is more frequent among respondents with annual incomes ranging from 4,00,001 to 6,00,000 and high level of purchase intention is more common among respondents who have an annual income of 6,00,001 to 8,00,000.

This finding is also associated with the two findings discussed above, which state that people in the highest income categories in the society have a greater intention to make a purchase of the counterfeit products than individuals in lower socio-economic groups.

6.4.5 Level of Perceived Value, Positive Attitude and Purchase Intentions Across Type of Counterfeit Products Intended to Purchase by the Customers

Chi-square test for association was employed for the assessment of association between the type of counterfeit products customers intend to purchase and the levels of customers' perceived value, positive attitude and purchase intentions regarding counterfeit products in Kerala.

H0 6.16: There is no significant association between the type of counterfeit product intended to purchase and the level of perceived value of the customers

Table 6.16
Association Between Type of Counterfeit Product Intended to Purchase and Customers' Perceived Value Regarding Counterfeit Products in Kerala

Type of Counterfeit Product Intended to Purchase	Perceived Value			Total	Chi-square Value	P value
	Low	Moderate	High			
Automobile Components	32 (31.1%) [10%]	21 (20.4%) [45.7%]	50 (48.5%) [13.1%]	**103 [13.7%]**	52.057	<0.001**
Electronic Devices and Equipment	145 (40.7%) [45%]	10 (2.8%) [21.7%]	201 (56.5%) [52.5%]	**356 [47.4%]**		
Clothing and Accessories	145 (49.7%) [45%]	15 (5.1%) [32.6%]	132 (45.2%) [34.4%]	**292 [38.9%]**		
Total	**322 (42.9%)**	**46 (6.1%)**	**383 (51%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, thus the null hypothesis is rejected at 1% significance level. It explains that there exists a significant association between the type of counterfeit products intend to purchase and the customer's perceived value of counterfeit products. In the case of respondents who intend to purchase automobile components, 31.1 percent believe counterfeit products have a low level of perceived value. 20.4 percent of customers have a moderate level of perceived value, while 48.5 percent believes a high level of perceived value with regard to counterfeit

products. In the case of respondents who have the desire to purchase electronic devices and equipment, 40.7 percent of them have a low level of perceived value towards counterfeit products. 2.8 percent of respondents have a moderate level of perceived value, whereas 56.5 percent of respondents declare a high level of perceived value regarding counterfeit products. While considering the respondents who prefer to purchase clothing and accessories, 49.7 percent of them express a low level of perceived value with regard to counterfeit products. Regarding counterfeit products, 5.1 percent of customers believes a moderate level of perceived value, while 45.2 percent of respondents realize a high level of perceived value.

According to the data, it can be expected that poor perceived value is more common among respondents who want to purchase clothing and accessories. At the same time, high levels of perceived value are more prevalent among customers who intend to purchase electronic gadgets and equipment. This would indicate that individuals place a larger value on the purchase of counterfeit goods in the category of electronic gadgets and equipment as opposed to apparel and automobile components.

H0 6.17: There is no significant association between the type of counterfeit product intended to purchase and the level of positive attitude of the customers

Table 6.17

Association Between Type of Counterfeit Product Intended to Purchase and Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Type of Counterfeit Product Intended to Purchase	Positive Attitude Towards Counterfeit Products			Total	Chi-square Value	P value
	Low	Moderate	High			
Automobile Components	17 (16.5%) [8.5%]	23 (22.3%) [7.4%]	63 (61.2%) [26.5%]	**103 [13.7%]**	107.108	<0.001**
Electronic Devices and Equipment	112 (31.5%) [56%]	113 (31.7%) [36.1%]	131 (36.8%) [55%]	**356 [47.4%]**		
Clothing and Accessories	71 (24.3%) [35.5%]	177 (60.6%) [56.5%]	44 (15.1%) [18.5%]	**292 [38.9%]**		
Total	**200 (26.6%)**	**313 (41.7%)**	**238 (31.7%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The above table shows the association between the type of counterfeit versions of original branded products customers intended to procure if they get an opportunity in relation to their levels of favourable attitude regarding the counterfeit products. The null hypothesis is rejected at the 1% significance level since the P value is less than 0.01. It indicates that there exists a significant relationship between the type of counterfeit products that customers want to acquire and their positive attitude regarding counterfeit products.

Considering the respondents who intend to purchase automobile components, 16.5 percent have a low level of positive attitude about counterfeit products. 22.3 percent of customers show a moderate level of positive attitude, and 61.2 percent express a high level of positive attitude with regard to counterfeit products.

In the case of respondents who want to purchase electronic devices and equipment, 31.5 percent of them have a low level of positive attitude towards counterfeit products. 31.7 percent of respondents show a moderate level of positive attitude, whereas 36.8 percent of respondents declare a high level of positive attitude in terms of counterfeit products.

While considering the respondents who prefer to purchase clothing and accessories, 24.3 percent of them express a low level of positive attitude with regard to counterfeit products. Regarding counterfeit products, 60.6 percent of customers have a moderate level of positive attitude, while 15.1 percent of respondents have a high level of positive attitude.

According to the research, individuals who want to purchase electronic goods and equipment are more likely to have a low level of positive attitude. At the same time, respondents who want to acquire automobile components are more likely to have a high positive attitude. The level of favourable attitude exhibited by the consumers towards counterfeit products is comparatively greater in the automobile component sector when compared to the industries of clothing and accessories as well as electronic goods.

H0 6.18: There is no significant association between the type of counterfeit product intended to purchase and the level of purchase intentions of customers

Table 6.18

Association Between Type of Counterfeit Product Intended to Purchase and Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Type of Counterfeit Product Intended to Purchase	Purchase Intentions			Total	Chi-square Value	P value
	Low	Moderate	High			
Automobile Components	55 (53.4%) [24.7%]	6 (5.8%) [2.9%]	42 (40.8%) [13.3%]	**103 [13.7%]**	72.323	<0.001**
Electronic Devices and Equipment	98 (27.5%) [44%]	83 (23.3%) [39.3%]	175 (49.2%) [55.2%]	**356 [47.4%]**		
Clothing and Accessories	70 (24%) [31.3%]	122 (41.8%) [57.8%]	100 (34.2%) [31.5%]	**292 [38.9%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is rejected at the 1% significance level since the P value is less than 0.01. It indicates that there exists a significant relationship between the type of counterfeit products that customers want to acquire and their purchase intentions regarding counterfeit products. Considering the respondents who intend to purchase automobile components, 53.4 percent have a low level of purchase intention about counterfeit products. 5.8 percent of customers show a moderate level of purchase intention, and 40.8 percent express a high level of intention to purchase with regard to counterfeit products. In the case of respondents who intend to purchase electronic devices and equipment, 27.5 percent of them have a low level of purchase intention towards counterfeit products. 23.3 percent of respondents express a moderate level of intention to purchase, whereas 49.2 percent of respondents declare a high level of purchase intention towards counterfeit products. While considering the respondents who intend to purchase clothing and accessories, 24 percent of them express a low level of purchase intention with regard to counterfeit products. Regarding counterfeit products, 41.8 percent of customers have a moderate

level of purchase intention, while 34.2 percent of respondents have a high level of purchase intention.

Individuals who desire to purchase automobile components are more likely to have a low level of purchase intent, according to the study. At the same time, respondents who desire to purchase electronic gadgets and equipment are more likely to have a high purchase intention. This denotes that consumers are more inclined to buy counterfeit electronics products compared to clothing and automotive items.

6.4.6 Level of Perceived Value, Positive Attitude and Purchase Intentions Across Customers' Ability to Distinguish Counterfeit Products from Genuine Products

Chi-square test for association was employed for the assessment of association between customers' distinguishing abilities and the levels of perceived value, positive attitude and purchase intentions regarding counterfeit products in Kerala.

H_0 6.19: There is no significant association between customers' distinguishing ability and the level of perceived value with regard to counterfeit products in Kerala

Table 6.19

Association Between Distinguishing Ability and Customers' Perceived Value Regarding Counterfeit Products in Kerala

Distinguishing Ability	Perceived Value			Total	Chi-square Value	P value
	Low	Moderate	High			
Yes	306 (42.2%) [95%]	46 (6.4%) [100%]	372 (51.4%) [97.1%]	**724 [96.4%]**	4.047	0.132^{NS}
No	16 (59.3%) [5%]	0 (0%) [0%]	11 (40.7%) [2.9%]	**27 [3.6%]**		
Total	**322 (42.9%)**	**46 (6.1%)**	**383 (51%)**	**751 (100%)**		

Source: Primary Data *^{NS} indicates Not Significant*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The chi-square test of association between the customers' ability to distinguish counterfeits from the authentic or original products and the level of perceived value of customers regarding counterfeit items in Kerala has been depicted in the above table. The table clearly shows that the P value is greater than 0.05, implying that the null hypothesis is accepted. As a result, it reveals that there exists no significant relationship between the ability to recognize a counterfeit product from others and customers' perceived value of counterfeit products.

H0 6.20: There is no significant association between customers' distinguishing ability and the level of positive attitude with regard to counterfeit products in Kerala

Table 6.20

Association Between Distinguishing Ability and Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Distinguishing Ability	Positive Attitude Towards Counterfeit Products			Total	Chi-square Value	P value
	Low	Moderate	High			
Yes	184 (25.4%) [97.4%]	313 (43.2%) [96.6%]	227 (31.4%) [95.4%]	**724 [96.4%]**	23.592	<0.001**
No	5 (18.6%) [2.6%]	11 (40.7%) [3.4%]	11 (40.7%) [4.6%]	**27 [3.6%]**		
Total	**189 (25.2%)**	**324 (43.1%)**	**238 (31.7%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Because the P value is less than 0.01 at the 1% significance level, the null hypothesis is rejected. It indicates that there exists a significant relationship between the ability to distinguish a counterfeit product from others and the level of positive attitude of customers with regard to counterfeit products. Considering the respondents who are able to distinguish the counterfeit products, 25.4 percent have a low level of positive attitude about counterfeit products. 43.2 percent of customers show a moderate level of positive attitude, and 31.4 percent express a high level of positive attitude with regard to counterfeit products. In the case of respondents who are unable to distinguish counterfeit products, 18.6 percent of them have a low level of positive attitude towards counterfeit products. 40.7 percent of respondents express

a moderate level of positive attitude, whereas 40.7 percent of respondents declare a high level of positive attitude in terms of counterfeit products.

Individuals who have the ability to recognize counterfeit products are more likely to have a low level of positive attitude, according to the study. At the same time, respondents who are unable to distinguish counterfeit products from others are more likely to have a high positive attitude. The findings show that customers who possess the ability to differentiate between counterfeit and authentic products exhibit a low level of positive attitude towards counterfeit products in comparison to those who lack the ability to distinguish between the two.

H0 6.21: There is no significant association between customers' distinguishing ability and the level of purchase intentions with regard to counterfeit products in Kerala

Table 6.21

Association Between Distinguishing Ability and Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Distinguishing Ability	Purchase Intentions			Total	Chi-square Value	P value
	Low	Moderate	High			
Yes	219 (30.3%) [98.2%]	211 (29.1%) [100%]	294 (40.6%) [92.7%]	**724 [96.4%]**	22.211	<0.001**
No	4 (14.8%) [1.8%]	0 (0%) [0%]	23 (85.2%) [7.3%]	**27 [3.6%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is rejected since the P value is less than 0.01 at the 1% significance level. It indicates that there exists a significant relationship between the ability to distinguish a counterfeit product from others and the level of purchase intention of customers with regard to counterfeit products. Considering the respondents who are able to distinguish the counterfeit products, 30.3 percent have a low level of purchase intention about counterfeit products. 29.1 percent of customers show a moderate level of intention to purchase, and 40.6 percent express a high level of purchase intention with regard to counterfeit products. In the case of respondents who are unable to distinguish the counterfeit products, 14.8 percent of

them have a low level of purchase intention towards counterfeit products whereas the remaining 85.2 percent of respondents declare a high level of purchase intention.

According to the study, people who can identify counterfeit products are more likely to have a low level of purchase intentions. Respondents who are unable to distinguish counterfeit products from original products, on the other hand, are more likely to have a high purchase intention. It highlights the fact that those who purchase counterfeit products are unable to distinguish the difference between the imitated or fake products and the genuine products.

6.4.7 Level of Perceived Value, Positive Attitude and Purchase Intentions Across Nearby Availability of the Counterfeit Products

Chi-square test for association was employed for the assessment of association between nearby availability and the levels of customers' perceived value, positive attitude and purchase intentions regarding counterfeit products in Kerala.

H0 6.22: There is no significant association between nearby availability and the level of perceived value of customers with regard to counterfeit products in Kerala

Table 6.22

Association Between Nearby Availability and Customers' Perceived Value Regarding Counterfeit Products in Kerala

Nearby Availability	Perceived Value			Total	Chi-square Value	P value
	Low	Moderate	High			
Easy availability	121 (42.2%) [37.6%]	5 (1.7%) [8.9%]	161 (56.1%) [43.2%]	**287 [38.2%]**	110.21	<0.001**
Available	175 (54%) [54.3%]	28 (8.6%) [50%]	121 (37.4%) [32.4%]	**324 [43.1%]**		
Not much available	6 (10.7%) [1.9%]	8 (14.3%) [14.3%]	42 (75%) [11.3%]	**56 [7.5%]**		
Difficult to get	3 (7%) [0.9%]	10 (23.2%) [17.9%]	30 (69.8%) [8%]	**43 [5.7%]**		
Not available	17 (41.5%) [5.3%]	5 (12.2%) [8.9%]	19 (46.3%) [5.1%]	**41 [5.5%]**		
Total	**322 (42.9%)**	**56 (7.4%)**	**373 (49.7%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, therefore the null hypothesis is rejected at 1% level of significance. It asserts that there exists a significant association between nearby availability and the level of perceived value of customers with regard to counterfeit products. In the case of respondents to whom the counterfeit products are easily available, 42.2 percent of them have that counterfeit products have only a low-level of perceived value. 1.7 percent of respondents have a moderate level of perceived value, while 56.1 percent of them have a high- level perceived value towards counterfeit products.

In the case of respondents to whom the counterfeit products are available, 54 percent of them declare that the counterfeit products have only a low level of perceived value. 8.6 percent of customers believe that a moderate level of perceived value for counterfeit products and at the same time, 37.4 percent of them have a high level of perceived value with regard to counterfeit products.

Considering the respondents who claimed the counterfeit products are not much available, 10.7 percent of them think that counterfeit products have only a low level of perceived value. 14.3 percent of them have a moderate level of perceived value, whereas 75 percent of respondents have counterfeit products have a high level of perceived value.

Regarding the respondents to whom counterfeit products are difficult to get, 7 percent of them have only a low level of perceived value with respect to counterfeit products. 23.2 percent of respondents think that counterfeit products have a moderate level of perceived value and 69.8 percent of respondents feels that counterfeit products have a high level of perceived value.

In the case of respondents to whom the counterfeit products are not available, 41.5 percent of them think that counterfeit products have a low level of perceived value, 12.2 percent of them have a moderate level of perceived value and 46.3 percent of respondents have a high level of perceived value towards counterfeit products.

From the data provided, it is clear that low level of perceived value is greater among the respondents to whom the counterfeit products are available and high level of perceived value would be greater among the respondents who claimed to have not

much availability regarding the counterfeit products. It means that individuals who have access to counterfeit products are aware of their inferior quality, while those who do not have much accessibility may mistakenly believe that these products are valuable.

H0 6.23: There is no significant association between nearby availability and the level of positive attitude of customers with regard to counterfeit products in Kerala

Table 6.23

Association Between Nearby Availability and Customers' Positive Attitude Regarding Counterfeit Products in Kerala

Nearby Availability	Positive Attitude Towards Counterfeit Products			Total	Chi-square Value	P value
	Low	Moderate	High			
Easy availability	78 (27.2%) [37.1%]	134 (46.7%) [44.2%]	75 (26.1%) [31.5%]	**287 [38.2%]**	111.010	<0.001**
Available	119 (36.7%) [56.7%]	96 (29.7%) [31.7%]	109 (33.6%) [45.8%]	**324 [43.1%]**		
Not much available	5 (8.9%) [2.4%]	14 (25%) [4.6%]	37 (66.1%) [15.6%]	**56 [7.5%]**		
Difficult to get	3 (7%) [1.4%]	30 (69.8%) [9.9%]	10 (23.2%) [4.2%]	**43 [5.7%]**		
Not available	5 (12.2%) [2.4%]	29 (70.7%) [9.6%]	7 (17.1%) [2.9%]	**41 [5.5%]**		
Total	**210 (28%)**	**303 (40.3%)**	**238 (31.7%)**	**751 (100%)**		

Source: Primary Data
*** denotes 1% level of significance*
Values within ( ) refers to row percentage
Values within [ ] refers to column percentage

The data depicted in the above table shows the association between the nearby availability of counterfeit products and the favourable attitude of the customers towards the same. Since the P value is less than 0.01, therefore the null

hypothesis is rejected at 1% level of significance. It asserts that there is a significant association between nearby availability and the level of positive attitude of customers with regard to counterfeit products. In the case of respondents to whom the counterfeit products are easily available, 27.2 percent of them have a low-level of positive attitude about counterfeit products. 46.7 percent of respondents have a moderate level of positive attitude, while 26.1 percent of them have a high- level positive attitude towards counterfeit products.

In terms of respondents to whom the counterfeit products are available, 36.7 percent of them have only a low level of positive attitude, 29.7 percent of customers express a moderate level of positive attitude and at the same time, 33.6 percent of them have a high level of positive attitude with regard to counterfeit products.

Considering the respondents who claimed that the CPs are not much available, 8.9 percent of them have only a low level of positive attitude. 25 percent of them declare a moderate level of positive attitude, whereas 66.1 percent of respondents show a high level of positive attitude towards counterfeit products. Regarding the respondents to whom counterfeit products are difficult to get, 7 percent of them have only a low level of positive attitude with respect to counterfeit products. 69.8 percent of respondents have a moderate level of positive attitude and 23.2 percent of respondents feels that a high level of positive attitude with respect to counterfeit products.

In the case of respondents to whom counterfeit products are not available, 12.2 percent of them show a low level of positive attitude, 70.7 percent of them have a moderate level of positive attitude and 17.1 percent of respondents have a high level of positive attitude towards counterfeit products.

From the data provided, it is clear that the low level of positive attitude is greater among the respondents to whom the counterfeit products are available and the high level of positive attitude is greater among the respondents who claimed to have not much availability regarding the counterfeit products. It denotes that the individuals with access to counterfeit products are having a low level of attitude towards it, whereas others without much access may mistakenly feel a positive attitude towards it.

H0 6.24: There is no significant association between nearby availability and the level of purchase intentions of customers with regard to counterfeit products in Kerala

Table 6.24

Association Between Nearby Availability and Customers' Purchase Intentions Regarding Counterfeit Products in Kerala

Nearby Availability	Purchase Intentions			Total	Chi-square Value	P value
	Low	Moderate	High			
Easy availability	85 (29.6%) [38.1%]	83 (28.9%) [38.4%]	119 (41.5%) [38.1%]	**287 [38.2%]**	50.355	<0.001**
Available	101 (31.2%) [45.3%]	105 (32.4%) [48.6%]	118 (36.4%) [37.8%]	**324 [43.1%]**		
Not much available	9 (16.1%) [4.1%]	6 (10.7%) [2.8%]	41 (73.2%) [13.1%]	**56 [7.5%]**		
Difficult to get	21 (48.9%) [9.4%]	5 (11.6%) [2.3%]	17 (39.5%) [5.5%]	**43 [5.7%]**		
Not available	7 (17%) [3.1%]	17 (41.5%) [7.9%]	17 (41.5%) [5.5%]	**41 [5.5%]**		
Total	**223 (29.7%)**	**216 (28.8%)**	**312 (41.5%)**	**751 (100%)**		

Source: Primary Data *** denotes 1% level of significance*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is rejected at the 1% level of significance since the P value is less than 0.01. It claims that there exists a significant relationship between nearby availability and the purchase intention of customers intent for counterfeit products. In the case of respondents to whom the counterfeit products are easily available, 29.6 percent of them have a low-level of purchase intention about counterfeit products. 28.9 percent of respondents have a moderate level of intention to purchase, while 41.5 percent of them have a high- level purchase intention towards counterfeit products. In terms of respondents to whom the counterfeit products are available, 31.2 percent of them have only a low level of purchase intention, 32.4 percent of customers express a moderate level of purchase intention and at the same time, 36.4 percent of them have a high level of purchase intention with regard to counterfeit products. Considering the respondents who claimed that

the CPs are not much available, 16.1 percent of them have only a low level of intention to purchase. 10.7 percent of them declare a moderate level of purchase intention, whereas 73.2 percent of respondents show a high level of purchase intention towards counterfeit products. Regarding the respondents to whom counterfeit products are difficult to get, 48.9 percent of them have only a low level of purchase intention with respect to counterfeit products. 11.6 percent of respondents have a moderate level of purchase intention and 39.5 percent of respondents feels that a high level of purchase intention with respect to counterfeit products. In the case of respondents to whom the counterfeit products are not available, 17 percent of them show a low level of purchase intention 41.5 percent of them have a moderate level of purchase intention and 41.5 percent of respondents have a high level of purchase intention towards counterfeit products.

From the data provided, it is clear that low level of purchase intention is greater among the respondents to whom the counterfeit products are difficult to get and high level of purchase intention is greater among the respondents who claimed to have not much availability of counterfeit products. It would mean that individuals with difficulties in accessing counterfeit products end up in low intent to purchase the same whereas others who do not have much availability exhibit more inclination to purchase such counterfeits.

6.5 Conclusion

The purpose of this chapter was to conduct an inquiry on the level to which customers in Kerala perceive the value of counterfeit items, have a positive attitude towards them, and want to buy them. In addition, the purpose of this research is to investigate the socio-demographic differences that exist in these aspects among potential customers. This chapter examined three dependent constructs, including buyers' perceptions of the value of a product, their positive attitudes towards counterfeit goods, and their intentions to make a purchase of counterfeit products. Cross-analysis is performed on socio-demographic and categorical parameters such as gender, age, educational qualification, yearly income, kind of counterfeit goods intended to buy, ability to distinguish counterfeit products, and the nearby availability of counterfeit merchandise. The customers exhibited a high level of perceived value regarding the counterfeit products, a moderately favourable opinion

and attitude and a high level of purchase intention towards counterfeit products. The results demonstrated that the annual income of the respondents is not significantly associated with their attitude towards counterfeits as well as the distinguishing ability of the customers is not significantly related with the perceived value in the context of counterfeits. All other socio-demographic and categorical parameters are shown to have a significant relationship with the elements of perceived value, customers attitude and purchase intentions regarding counterfeit products.

Chapter 7

The Effects of Customer Motives on Attitude Formation and Purchase Intentions Regarding Counterfeit Products

Contents

7.1 Introduction

This chapter focuses on the third objective of the research, which is to investigate how different factors that drive or motivate counterfeit purchases affect customers' attitudes and intentions using a model development. The purpose of the model is to create a connection between the factors that drive counterfeit purchases and their impact on attitude formation and purchase intentions. This objective attained by using Covariance Based Confirmatory Factor Analysis (CB-CFA) and Structural Equation Modeling (SEM) techniques. The current chapter consists of two distinct sections. The first section discusses the use of CB-CFA, while the second section focuses on the application of SEM techniques. This chapter presents an overview of the techniques used in SEM. The conclusion of the chapter involves presenting a summary of the process of hypotheses testing.

7.2 Research Objective of the Chapter

Objective III: *To explore the effects of customer motives on attitude formation and purchase intentions towards counterfeit products in Kerala.*

To achieve the intended objective, the researcher utilized CB-CFA and SEM techniques with the aid of IBM SPSS AMOS Graphics 21 software package. Further, chi-square test for association has been employed in order to trace the effects of each

sub-variable that belong to the major customer motives or driving forces under study.

SECTION – A

7.3 Validity and Reliability Assessment by CB-CFA - Data Validation

Confirmatory factor analysis (CFA) is a specific type of factor analysis that is commonly used in statistical research within the social sciences. This method is used to assess how well measurements of a specific concept match the researcher's understanding of the fundamental nature of that concept. CFA is a statistical technique used to assess how well the observed variables reflect the underlying constructs. The multivariate approach allows researchers to evaluate the effectiveness of their measurement models. CFA and EFA are two statistical methods that exhibit similarities. In the case of EFA, the data is analyzed in a way that offers insights into the minimum number of factors required to effectively represent the data. Exploratory factor analysis assumes that every observed variable is linked to each underlying latent variable. Confirmatory factor analysis (CFA) enables researchers to identify the appropriate number of factors in the data and establish the connection between observed variables and underlying variables. Confirmatory Factor Analysis (CFA), the statistical technique is used to assess the validity of a measurement model by either supporting or refuting the same.

7.3.1 Assessment Criteria for CB-CFA Models - Final Reliability and Validity

Establishing both construct validity (including convergent and discriminant validity) and reliability (specifically composite reliability) is imperative to ensure the robustness of CFA. Confirmatory Factor Analysis (CFA) is used to verify the factor structure of a specific set of observed variables. The use of CFA allows researchers to investigate the hypothesis that a relationship exists between observable variables and their underlying latent constructs (Suhr, 2009). The factors must exhibit sufficient validity and reliability. The measurement model is assessed using the following tools:

Composite Reliability (CR), the statistical measure is used to assess the internal consistency of a set of items or variables in a research study. Construct validity refers to the extent to which a measurement tool accurately measures the

theoretical construct or concept it is intended to measure. (a) Convergent validity and (b) Discriminant validity are two types of validity that are commonly used in research.

7.3.1.1 Composite Reliability (CR)

Composite Reliability ***(CR)*** is used to assess the overall reliability of a construct. The values range from 0 to 1. Hair et al. (2010) state that composite reliability values above 0.7 are considered satisfactory. Internal consistency is considered inadequate when values fall below 0.6.

7.3.1.2 Construct Validity

There are two ways to assess construct validity and they are convergent validity and discriminant validity which are explained below:

- **Convergent Validity**

Convergent validity pertains to the level of similarity or shared variance among the observed variables or indicators of a specific construct. It measures how much these variables converge with each other. According to Hair et al. (2010), if there are concerns about convergent validity during the validity assessment, it indicates that the observed variables do not adequately explain the latent factor. Malhotra and Peterson (2001) found that AVE is a more rigorous measure of convergent validity than even the conservative CR. In the current investigation, the researcher has utilized the Average Variance Extracted (AVE) to evaluate convergent validity. The AVE calculation is obtained by using standardized factor loadings. Hair et al. (2010) state that the AVE threshold value should be higher than 0.5. Additionally, factor loadings of items can be used to determine convergent validity. In this study, the criterion for determining item validity through standardized factor loading is set at a value greater than 0.5. Convergence can be considered adequate if the standardized factor loadings and AVE values are both above 0.5.

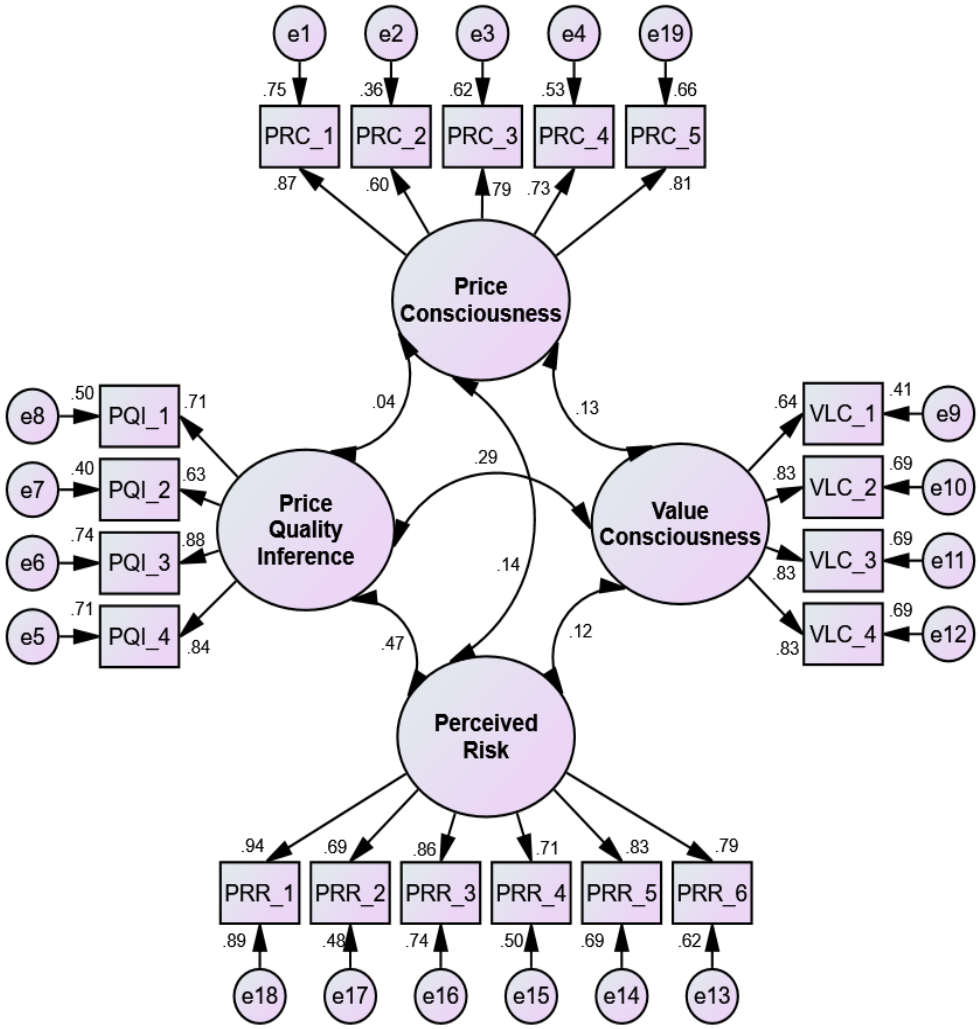
- **Discriminant Validity**

Discriminant validity refers to the extent to which a particular concept is truly distinct from the others. A construct that demonstrates high discriminant validity is considered outstanding because it includes phenomena that are not covered by other

constructs. If the examination of discriminant validity does not produce the expected results, it indicates that the variables are strongly associated with variables from other constructs. This suggests that the latent variable can be better explained by certain variables other than its own observed variables. The researcher utilized the Fornell and Larcker (1981) criterion as a rigorous method to assess discriminant validity. The analysis entails comparing the correlations of the latent variables with the square root of AVE. It is advisable that the square root of the Average Variance Extracted (AVE) for each construct should be greater than its correlation with the latent variables of any other constructs. By utilizing this approach, it is feasible to establish discriminant validity.

Figure 7.1

Confirmatory Factor Analysis (CFA) for the Factors of Cognitive Drivers Towards Counterfeit Products in Kerala



Source: Primary Data

Table 7.1

Model Fit Indices for Cognitive Drivers Towards Counterfeit Products

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	3.432	0.000	0.981	0.964	0.991	0.045
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

The table above displays the CFA model fit indices used to evaluate the overall fit of the model. For a model to be considered acceptable, the ratio of Chi-Square to degrees of freedom should be less than 5. The value in this case is 3.432, which falls comfortably within the suggested maximum value. The RMSEA score of 0.045 is significantly lower than the commonly accepted threshold score of 0.08. In addition, it is noteworthy that the GFI and AGFI values are both above 0.9, while the CFI is also above 0.9. A CFI value of 1.0 indicates an exact fit. Therefore, the model is a suitable match and can be taken into consideration for additional analysis.

Table 7.2

Cognitive Drivers Towards Counterfeit Products in Kerala - Final Reliability and Validity of CFA Model

Factors of Cognitive Drivers	Item Code	Factor Loading	P Value	Cronbach's Alpha Final	AVE	Composite Reliability
Price Consciousness (PRC)	PRC 1	0.87	<0.001**	0.88	0.58	0.88
	PRC 2	0.60	<0.001**			
	PRC 3	0.79	<0.001**			
	PRC 4	0.73	<0.001**			
	PRC 5	0.81	<0.001**			
Price-Quality Inference (PQI)	PQI 1	0.71	<0.001**	0.84	0.59	0.85
	PQI 2	0.63	<0.001**			
	PQI 3	0.88	<0.001**			
	PQI 4	0.84	<0.001**			
Perceived Risk (PRR)	PRR 1	0.94	<0.001**	0.91	0.65	0.92
	PRR 2	0.69	<0.001**			
	PRR 3	0.86	<0.001**			

Factors of Cognitive Drivers	Item Code	Factor Loading	P Value	Cronbach's Alpha Final	AVE	Composite Reliability
	PRR 4	0.71	<0.001**			
	PRR 5	0.83	<0.001**			
	PRR 6	0.79	<0.001**			
Value Consciousness (VLC)	VLC 1	0.64	<0.001**	0.85	0.62	0.86
	VLC 2	0.83	<0.001**			
	VLC 3	0.83	<0.001**			
	VLC 4	0.83	<0.001**			

Source: Primary Data
*** indicates 1% level of significance*

Based on the information provided in the table above, it can be inferred that the factor loadings are higher than the minimum threshold of 0.5. This suggests that the constructs being measured have satisfactory item validity. After collecting all the data, the researcher used the Cronbach's Alpha reliability test. The Cronbach's Alpha values obtained, which exceed 0.8, indicate that the variables used for measuring the construct are reliable. According to the study, all of the constructs demonstrate a significant level of internal consistency reliability, as evidenced by Composite Reliability values that exceed 0.8. According to the study, the AVE values exceed the recommended threshold of >0.5. Thus, we can conclude that all of the constructs demonstrate a significant level of convergence. As all parameters are within the recommended values, then the data can be considered suitable for further analysis and model building.

Table 7.3

Discriminant Validity Among the Constructs of Cognitive Drivers Towards Counterfeit Products in Kerala

Constructs	PRC	PQI	PRR	VLC
PRC	**(0.76)**			
PQI	0.04	**(0.77)**		
PRR	0.14	0.47	**(0.81)**	
VLC	0.13	0.29	0.12	**(0.79)**

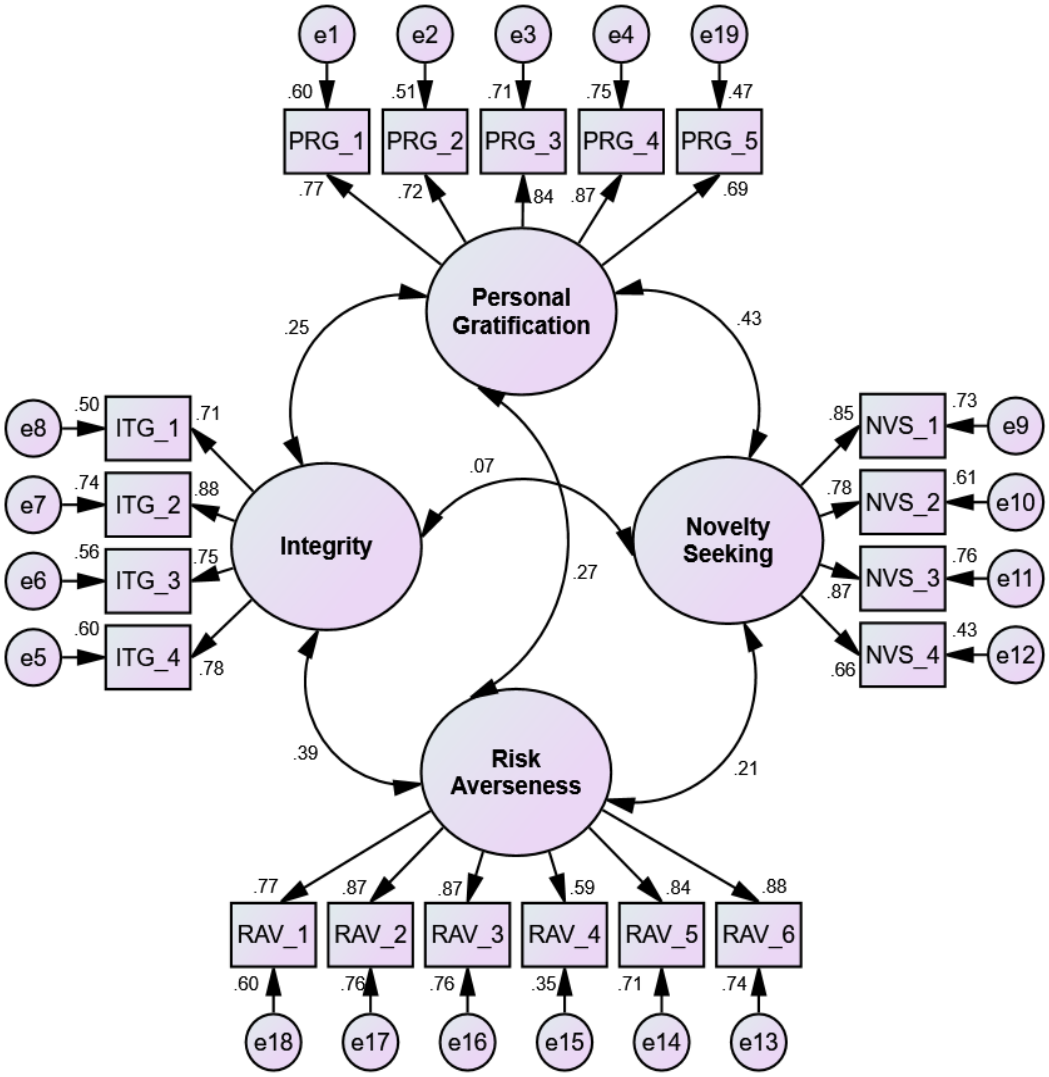
Source: Primary Data

The table above displays the square root of AVE values and the correlations between inter-construct latent variables. To confirm the absence of any relationship,

it is essential that the inter-construct latent variable correlation values are exceeded by the square root of AVE scores, which are enclosed in brackets. The square root of AVE scores regarding the constructs of price consciousness, price-quality inference, perceived risk and value consciousness of the customers are greater than the inter-construct latent variable correlation values. Based on the table above, it appears that there exists no significant correlation between the constructs. Additionally, it seems that the cognitive drivers' constructs have successfully demonstrated discriminant validity.

Figure 7.2

Confirmatory Factor Analysis (CFA) for the Factors of Affective Drivers Towards Counterfeit Products in Kerala



Source: Primary Data

Table 7.4
Model Fit Indices for Affective Drivers Towards Counterfeit Products

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	3.123	0.000	0.983	0.961	0.990	0.049
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

The CFA model fit indices to evaluate the overall model fit are shown in the above table. For a model to be considered valid, the Chi-Square to degrees of freedom ratio must be smaller than 5. The value in this instance is 3.123, which is well within the recommended maximum value. The RMSEA score is 0.049, that falls much below the 0.08 criterion which is generally acceptable. Additionally, the GFI is 0.983, AGFI is 0.961, and CFI is 0.990 indicating that all values are greater than 0.9, with 1.0 denoting an exact fit. As a result, the model fits well and can be used for further analysis.

Table 7.5
Affective Drivers Towards Counterfeit Products in Kerala - Final Reliability and Validity of CFA Model

Factors of Affective Drivers	Item Code	Factor Loading	P Value	Cronbach's Alpha Final	AVE	Composite Reliability
Personal Gratification (PRG)	PRG 1	0.77	<0.001**	0.89	0.61	0.89
	PRG 2	0.72	<0.001**			
	PRG 3	0.84	<0.001**			
	PRG 4	0.87	<0.001**			
	PRG 5	0.69	<0.001**			
Integrity (ITG)	ITG 1	0.71	<0.001**	0.85	0.60	0.86
	ITG 2	0.88	<0.001**			
	ITG 3	0.75	<0.001**			
	ITG 4	0.78	<0.001**			
Risk Averseness (RAV)	RAV 1	0.77	<0.001**	0.91	0.65	0.92
	RAV 2	0.87	<0.001**			
	RAV 3	0.87	<0.001**			
	RAV 4	0.59	<0.001**			
	RAV 5	0.84	<0.001**			
	RAV 6	0.88	<0.001**			
	NVS 1	0.85	<0.001**	0.87	0.63	0.87

Factors of Affective Drivers	Item Code	Factor Loading	P Value	Cronbach's Alpha Final	AVE	Composite Reliability
Novelty Seeking (NVS)	NVS 2	0.78	<0.001**			
	NVS 3	0.87	<0.001**			
	NVS 4	0.66	<0.001**			

Source: Primary Data *** indicates 1% level of significance*

According to the data in the preceding table, the factor loadings of all the constructs under affective drivers such as personal gratification, integrity, risk averseness and novelty seeking behaviour of the customers falls above the minimum threshold of 0.5, indicating that the constructs have sufficient item validity. Following the conclusion of all data gathered, the researcher used the Cronbach's Alpha reliability test. Cronbach's Alpha values of all the constructs under affective drivers such as personal gratification (0.89), integrity (0.85), risk averseness (0.91) and novelty seeking behaviour (0.87) of the customers are greater than 0.8 reflecting the reliability of the variables used for construct measurement.

According to the findings of the study, the composite reliability values exceed 0.8, showing a substantial level of internal consistency reliability for all constructs. The composite reliability values are 0.89 for personal gratification, 0.86 for integrity, 0.92 for risk averseness and 0.87 for novelty seeking behaviour of the customers. The AVE values are 0.61 for personal gratification, 0.60 for integrity, 0.65 for risk averseness and 0.63 for novelty seeking behaviour of the customers. According to the findings, the AVE values exceed the suggested threshold of >0.5. As a result, it is concluded that all of the structures demonstrate a high degree of convergence. Given that all parameters are within the specified ranges, the data is deemed suitable for further analysis and model construction.

Table 7.6
Discriminant Validity Among the Constructs of Affective Drivers Towards Counterfeit Products in Kerala

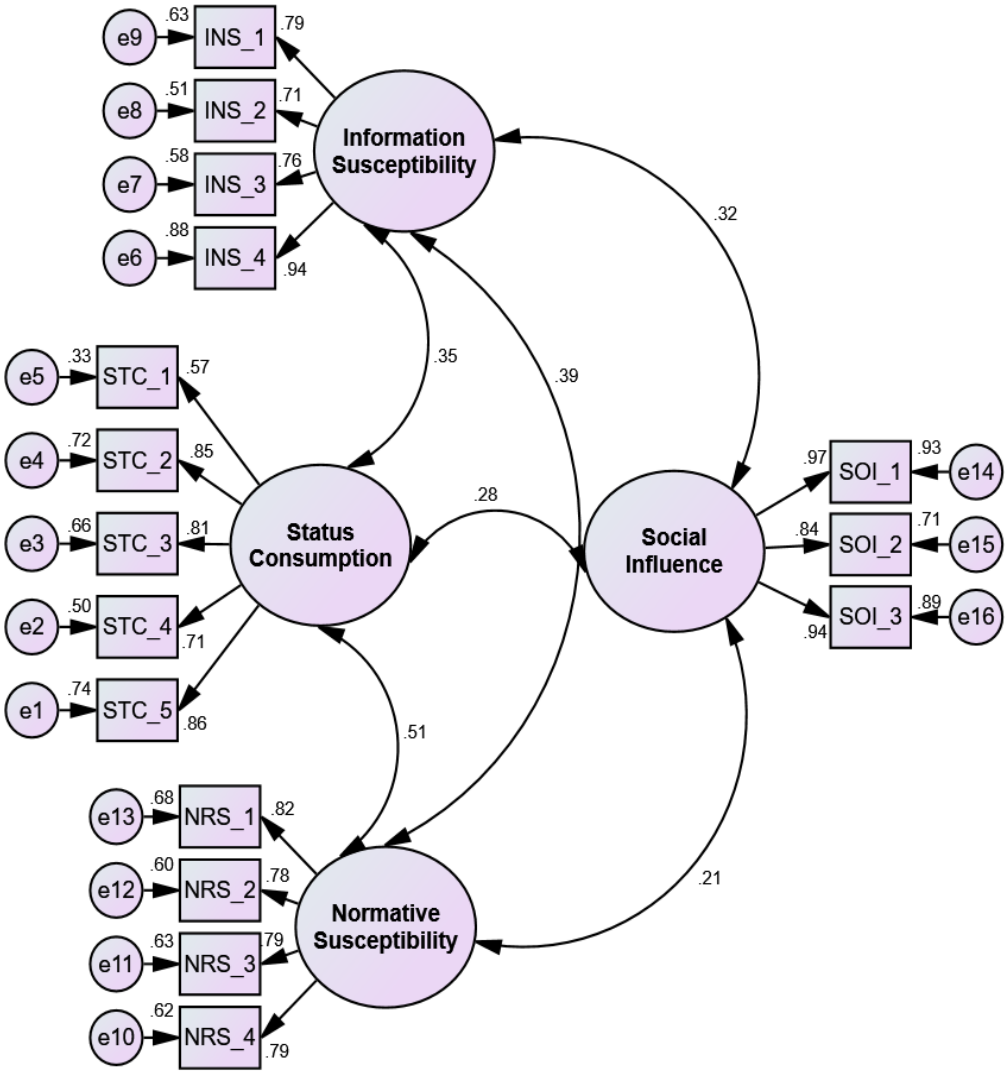
Constructs	PRG	ITG	RAV	NVS
PRG	**(0.78)**			
ITG	0.25	**(0.77)**		
RAV	0.27	0.39	**(0.81)**	
NVS	0.43	0.07	0.21	**(0.79)**

Source: Primary Data

The square root of AVE values and correlations between inter-construct latent variables are shown in the table above. To determine the lack of any association, the square root of AVE scores, displayed in brackets, must be greater than the inter-construct latent variable correlation values. The square root of AVE scores regarding the constructs of personal gratification, integrity, risk averseness and novelty seeking behaviour of the customers are greater than the inter-construct latent variable correlation values. The preceding table shows that there exists no significant relationship between the dimensions under study indicates that the constructs of affective drivers have discriminant validity.

Figure 7.3

Confirmatory Factor Analysis (CFA) for the Factors of Social Drivers Towards Counterfeit Products in Kerala



Source: Primary Data

Table 7.7

Model Fit Indices for Social Drivers Towards Counterfeit Products

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	3.598	0.000	0.977	0.960	0.989	0.051
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

CFA model fit indices are shown above. An acceptable model has a Chi-Square to degrees of freedom ratio less than 5. 3.598 is significantly within the specified maximum value. RMSEA is 0.051, far below the cutoff level of 0.08. GFI, AGFI, and CFI are above 0.9, which implies exact fit. Thus, the model is suitable for further analysis.

Table 7.8

Social Drivers - Final Reliability and Validity of CFA Model

Factors of Social Drivers	Item Code	Factor Loading	P Value	Cronbach's Alpha Final	AVE	Composite Reliability
Information Susceptibility (INS)	INS 1	0.79	<0.001**	0.89	0.65	0.90
	INS 2	0.71	<0.001**			
	INS 3	0.76	<0.001**			
	INS 4	0.94	<0.001**			
Status Consumption (STC)	STC 1	0.57	<0.001**	0.87	0.59	0.87
	STC 2	0.85	<0.001**			
	STC 3	0.81	<0.001**			
	STC 4	0.71	<0.001**			
	STC 5	0.86	<0.001**			
Normative Susceptibility (NRS)	NRS 1	0.82	<0.001**	0.86	0.63	0.87
	NRS 2	0.78	<0.001**			
	NRS 3	0.79	<0.001**			
	NRS 4	0.79	<0.001**			
Social Influence (SOI)	SOI 1	0.97	<0.001**	0.93	0.84	0.94
	SOI 2	0.84	<0.001**			
	SOI 3	0.94	<0.001**			

Source: Primary Data *** indicates 1% level of significance*

The above table shows that the factor loadings surpass 0.5, indicating strong item validity. Cronbach's Alpha scores are above 0.8 indicating that the constructs have a good level of reliability. The Composite Reliability scores for all constructions surpass 0.8, suggesting high internal consistency reliability. The investigation found values of Average Variance Extracted as greater than 0.5. All constructs under the social driving forces such as information susceptibility, status consumption, normative susceptibility, and social influence shows significant convergence and thus the data is suitable for modelling and analysis as the all parameters are within the specified range.

Table 7.9

Discriminant Validity - Social Drivers Towards Counterfeit Products

Constructs	INS	STC	NRS	SOI
INS	**(0.81)**			
STC	0.35	**(0.77)**		
NRS	0.39	0.51	**(0.79)**	
SOI	0.32	0.28	0.21	**(0.92)**

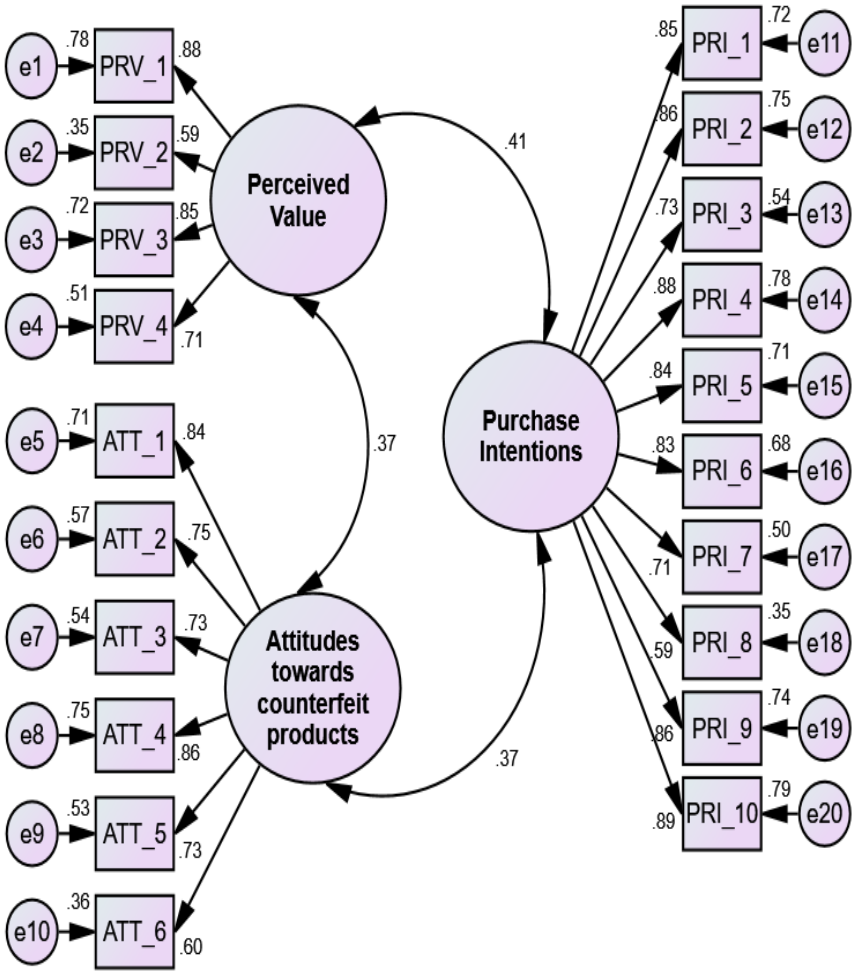
Source: Primary Data

The above table shows AVE square roots and inter-construct latent construct relationships. The square root of AVE scores must exceed inter-construct latent variable correlation values to rule out an association. The above table shows that the social constructs have discriminant validity and there is no significant relationship between the constructs of information susceptibility, status consumption, normative susceptibility, and social influence which falls under the category of social drivers or motives regarding the counterfeit products.

The robustness and validity of the results are revealed by constructs with high discriminant validity indicating that all the constructs are different from one another.

Figure 7.4

Confirmatory Factor Analysis (CFA) for the Factors of Perceived Value, Positive Attitude, and Purchase Intentions



Source: Primary Data

Table 7.10

Model Fit Indices for Perceived Value, Positive Attitude, and Purchase Intentions

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	2.987	0.000	0.988	0.967	0.992	0.040
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

In this case, the number is 2.987, which is very close to the maximum value that was suggested. The RMSEA score is 0.040, which is much lower than the accepted minimum number of 0.08. Also, both GFI and AGFI are above 0.9, and CFI is also above 0.9. A number of 1.0 means an exact fit. So, the model fits well and can be used as a basis for further analysis.

Table 7.11

Perceived Value, Positive Attitude, and Purchase Intentions - Final Reliability and Validity of CFA Model

Outcome Factors of Counterfeit Products	Item Code	Factor Loading	P Value	Cronbach's Alpha Final	AVE	Composite Reliability
Perceived Value (PRV)	PRV 1	0.88	<0.001**	0.84	0.59	0.85
	PRV 2	0.59	<0.001**			
	PRV 3	0.85	<0.001**			
	PRV 4	0.71	<0.001**			
Attitude Towards Counterfeit Products (ATT)	ATT 1	0.84	<0.001**	0.88	0.58	0.89
	ATT 2	0.75	<0.001**			
	ATT 3	0.73	<0.001**			
	ATT 4	0.86	<0.001**			
	ATT 5	0.73	<0.001**			
	ATT 6	0.60	<0.001**			
Purchase Intentions (PRI)	PRI 1	0.85	<0.001**	0.95	0.66	0.95
	PRI 2	0.86	<0.001**			
	PRI 3	0.73	<0.001**			
	PRI 4	0.88	<0.001**			
	PRI 5	0.84	<0.001**			
	PRI 6	0.83	<0.001**			
	PRI 7	0.71	<0.001**			
	PRI 8	0.59	<0.001**			
	PRI 9	0.86	<0.001**			
	PRI 10	0.89	<0.001**			

Source: Primary Data
*** indicates 1% level of significance*

The above table shows that the factor loadings are higher than the minimum level of 0.5, which means that the constructs have good item validity. Cronbach's Alpha numbers that are greater than 0.8 show that the variables used to measure the construct are reliable. The study shows that the Composite Reliability values are higher than 0.8, which means that all the models have a high level of internal consistency reliability.

According to the study, the AVE values are higher than the proposed limit of >0.5. So, we can say that there is a large degree of convergence between all of the constructs. Since all of the parameters are within the recommended range, the data can be used to build models and do further analysis.

Table 7.12

Discriminant Validity Among the Constructs of Perceived Value, Positive Attitude, and Purchase Intentions Towards Counterfeit Products in Kerala

Constructs	PRV	ATT	PRI
PRV	**(0.77)**		
ATT	0.37	**(0.76)**	
PRI	0.41	0.37	**(0.81)**

Source: Primary Data

For there not to be a connection, the square root of the AVE scores (shown in brackets) must be higher than the inter-construct latent variable correlation values. The square root of AVE scores regarding the constructs of perceived value, positive attitude and purchase intentions of the customers about counterfeit products are greater than the inter-construct latent variable correlation values.

The above table shows that there is no significant link between the constructs plotted in the table and thus the perceived value, positive attitude, and purchase desires of counterfeit products indicates that the constructs have achieved discriminant validity.

SECTION – B

7.4 Co-Variance Based Structural Equation Modeling for Counterfeit Product Segments in Kerala

7.4.1 Co-Variance Based Structural Equation Modeling Techniques

Structural Equation Modeling (SEM) is a statistical analysis technique that is used to investigate structural relationships among variables. This approach integrates both factor analysis and multiple regression analysis. This method has been favoured by many researchers because it allows for the estimation of multiple interconnected dependencies in a single analysis. This approach mainly utilizes two types of variables: endogenous variables, which are dependent variables, and exogenous variables, which are independent variables. Covariance-Based Structural Equation Modeling (CB-SEM) is a confirmatory approach commonly used for hypothesis testing and examining a structural theory related to a particular phenomenon. The investigation's SEM was conducted using the IBM SPSS AMOS 21 software package.

This section focuses on the creation of a SEM (Structural Equation Model) for counterfeit product marketing segments in Kerala. The model establishes a connection between the different factors that drive the purchase of counterfeit products and the development of a positive attitude towards the counterfeits and the intention to buy them. Seven hypotheses are to be tested for the same.

7.4.2 Hypotheses Formulation for the Research Model

The various customer motives under the categories of cognitive, affective and social driving forces played a significant role in the formulation of attitude and intention to buy the counterfeits. The relationship between the sub-variables under each category was found to be proved from the literature. Price advantage has a significant impact on customers' attitudes and intentions towards counterfeits since people buy counterfeits in order to have a benefit without having to pay a high price for it (De Matos et al., 2007). Value consciousness was discovered to measure favourable internal individual traits for attitude and purchase intention (Phau & Ng, 2010). Another significant contribution to the research was the finding that customers' perceptions regarding the financial advantages of buying counterfeits are

directly and favourably influenced by the price-quality inference of such items (Chuchu et al., 2016). Hanzaee and Jalalian (2012) found that perceived risk had a bigger influence on attitudes towards fake goods than it did on purchase intention.

Affective drivers or personality characteristics of the individual augment the tendency to occupy counterfeits of branded products. Integrity and self-gratification were discovered to be major human attributes that influenced attitudes towards counterfeits and purchasing intentions (Phau & Ng, 2010). According to a study by Ali and Farhat (2017), risk aversion has a significant impact on how attitudes towards counterfeits evolve. Novelty seeking is positively connected with attitudes towards premium goods counterfeits (N. M. Ha & Tam, 2015).

Social factors including societal norms and values have an impact on purchasing decisions (Khare et al., 2011). Social variables are a group of people with the ability to influence how other people act and deviate from behavioural trends. Consumers may be more informationally susceptible than normatively susceptible when making choices when they are uninformed of the product category, such as when they are more concerned about seeming sophisticated to others than when making decisions based on information (De Matos et al., 2007). Status consumption also had a favourable impact on attitude (Rahpeima et al., 2014a) and a favourable correlation was found between the social impact component and consumers' perceptions of counterfeit items (Bhatia, 2018). Similar findings were made by Bagozzi et al. (2002) who noted a favourable correlation between social influence and attitude as well as intention in relation to counterfeits.

The most important factor influencing people's willingness to purchase counterfeit items was their perception of such things. According to Phau and Teah (2009), attitude is also revealed to be a highly significant predictor of intentions to acquire luxury products that are fake. Customers that have a favourable tendency towards buying counterfeit items are more likely to do so (Chiu et al., 2014). According to multiple studies, attitude towards counterfeit items and purchase intentions are found to be positively correlated (Carpenter & Lear, 2011; De Matos et al., 2007; Phau & Teah, 2009).

Seven hypotheses were developed on the basis of the literature analysis, and a model was developed to examine the relationships between cognitive drivers, affective drivers, social drivers, consumer attitude, and purchase intention in the context of counterfeit products. These hypotheses facilitated the development of a hypothesized conceptual model for testing the relationships. The following table exhibits the seven hypotheses for the research model development indicating the effect of cognitive, affective and social drivers on positive attitude formation as well as the effect of customer motives along with positive attitude on purchase intentions of the customers towards counterfeit products in the context of Kerala state.

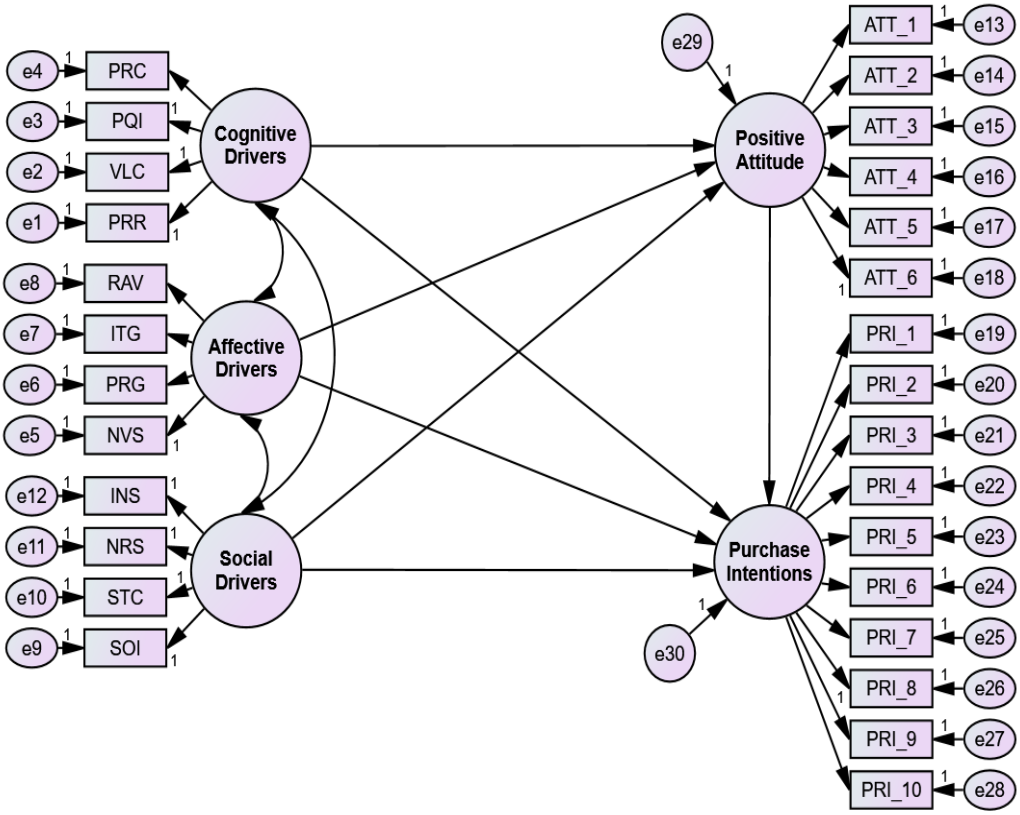
Table 7.13

Hypotheses for the Research Model Development

SI. No.	Hypotheses Statements for the Research Model
SM.H1	*Cognitive drivers have a positive effect on positive attitude towards counterfeit products*
SM.H2	*Affective drivers have a positive effect on positive attitude towards counterfeit products*
SM.H3	*Social drivers have a positive effect on positive attitude towards counterfeit products*
SM.H4	*Cognitive drivers have a positive effect on intention to purchase counterfeit products*
SM.H5	*Affective drivers have a positive effect on intention to purchase counterfeit products*
SM.H6	*Social drivers have a positive effect on intention to purchase counterfeit products*
SM.H7	*Positive attitude towards counterfeit product has a positive effect on intention to purchase counterfeit products*

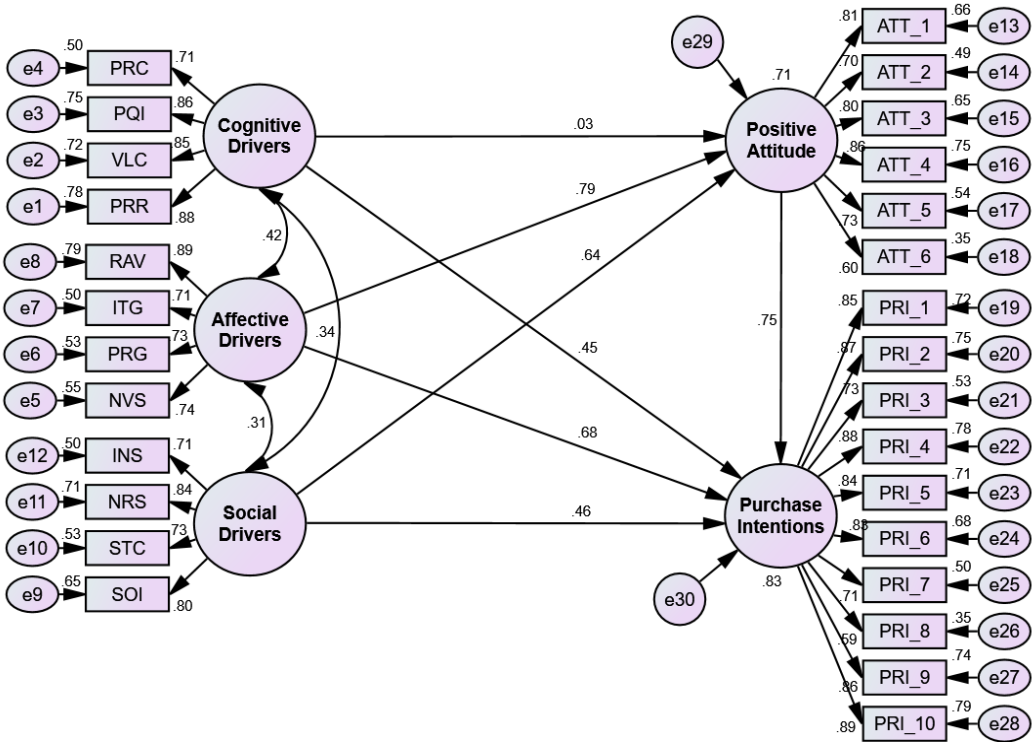
The abbreviations SM.H1 to SM.H7 represent the Structural Model Hypotheses.

Figure 7.5
Hypothesized Conceptual Model for Counterfeit Product Segments in Kerala



Source: Primary Data

Figure 7.6
Structural Equation Model for Counterfeit Product Segments in Kerala



Source: Primary Data

Table 7.14

Model Fit Indices for Structural Equation Model

MODEL	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	4.178	0.000	0.930	0.909	0.950	0.069
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

The fit indices determine whether the model is generally considered to be acceptable in structural equation modeling. According to the table above, a model can be considered acceptable if its Chi-Square to degrees of freedom ratio is less than 5. The value of 4.178 is within the prescribed threshold. The Root Mean Square Error of Approximation (RMSEA) has been calculated to be 0.069, which is lower than the accepted threshold of 0.08. The values of Goodness of Fit Index (GFI) which is at 0.930, Adjusted Goodness of Fit Index (AGFI) which is at 0.909, and Comparative Fit Index (CFI) which is at 0.069 indicate a precise fit as they exceed 0.9. Thus, employing SEM seems to be a good fit for the study.

7.5 Path Analysis

Path analysis refers to a statistical method employed in research in social sciences to examine how variables are related to one another and to elucidate the direct and indirect impacts of variables on outcome metrics. The intricate interactions between the variables are examined using a series of successive regression analysis applications, which would help to validate theoretical models and gives them information about the factors influencing the results. Nodes and arrows in a path analysis demonstrate the direction of the relationship between the parameters.

The present study employs path analysis that relates the driving forces, positive attitude and purchase intentions regarding counterfeit products.

Table 7.15

Values of Path Analysis and R^2 of the SEM that Relates the Driving Factors Towards Counterfeit Products, Formation of Positive Attitude and Intention to Purchase Counterfeit Products

Constructs Path Index			Standardized Co-efficient (Beta)	R^2 Value	Critical Ratio	P Value
Positive Attitude Towards Counterfeit Products	←	Cognitive Drivers	0.03		1.054	0.197^{NS}
Positive Attitude Towards Counterfeit Products	←	Affective Drivers	0.79	0.71	15.08	<0.001**
Positive Attitude Towards Counterfeit Products	←	Social Drivers	0.64		9.76	<0.001**
Purchase Intentions	←	Cognitive Drivers	0.45		7.23	<0.001**
Purchase Intentions	←	Affective Drivers	0.68		10.72	<0.001**
Purchase Intentions	←	Social Drivers	0.46	0.83	7.54	<0.001**
Purchase Intentions	←	Positive Attitude Towards Counterfeit Products	0.75		13.86	<0.001**

Source: Primary Data
*** indicates significant at 1% level*

7.5.1 Results of Path Analysis and Hypotheses Testing

The results of testing the hypotheses in the model indicate that all hypotheses are statistically significant, with the exception of the hypothesis that cognitive

drivers have a positive effect on a positive attitude towards counterfeit products. The following lines depict the results of hypothesis testing. The cognitive drivers do not have a positive impact on the attitude towards counterfeit products, as indicated by the beta value of 0.03 and p-value of 0.197. The study found that affective drivers have a significant positive effect on attitudes towards counterfeit products, with a beta value of 0.79 and a p-value of 0.001. It means that customers' positive attitude towards counterfeits rise by 0.79 for every unit of standard deviation enhanced by the affective drivers. Further, the study found that social drivers have a significant positive impact on attitudes towards counterfeit products, with a beta value of 0.64 and a p-value of 0.001. It means that customers' positive attitude towards counterfeits rise by 0.64 for every unit of standard deviation enhanced by the social drivers.

The cognitive drivers exhibit a positive effect on the inclination to procure counterfeit products, as evidenced by a beta value of 0.45 and a p-value of 0.001 which implies that for every unit of increase in cognitive drivers, the purchase intentions towards counterfeit products rise by 0.45. The study also found that affective drivers have a statistically significant positive effect on the intention to purchase counterfeit products, with a beta value of 0.68 and a p-value of 0.001 which indicates that for every unit of increase in affective drivers, the purchase intentions towards counterfeit products would rise by 0.68.

Further, it was found that there is a statistically significant positive relationship between social drivers and the intention to purchase counterfeit products, with a beta value of 0.46 and a p-value of 0.001. It implies that for every unit of increase in social drivers, the purchase intentions towards counterfeit products would rise by 0.46. A favourable attitude towards counterfeit products is associated with an increased likelihood of intending to purchase counterfeit products, as evidenced by a beta value of 0.75 and a statistically significant p-value of 0.001 which implies that for every unit of increase in favourable attitude, the purchase intentions towards counterfeit products would rise by 0.75. The subsequent section provides an overview of the additional particulars pertaining to hypothesis testing.

Table 7.16

Outline of Hypotheses Testing and its Key Findings

Hypothesized Relationships			Tenability of Hypotheses	Key Results from Hypothesis Testing
Dependent Factor	**PD**	**Independent Factor**		
Positive attitude towards counterfeit products	←	Cognitive drivers	***Not Supported***	The study indicates that the cognitive factors that influence customers' decision to purchase counterfeit products do not result in a positive attitude among customers in Kerala. Instead, affective and social factors play a significant role in shaping their positive attitudes towards such products. It indicates that if customers think logically and intelligently, they can understand the problems associated with counterfeit products. This is the reason why they are not holding a positive attitude towards this product. whereas, the customers' emotional and social motivations can lead to the development of a positive attitude towards counterfeit products. This suggests that customers' emotions and social conditioning influence their decision to purchase this
Positive attitude towards counterfeit products	←	Affective drivers	***Supported***	
Positive attitude towards counterfeit products	←	Social drivers	***Supported***	

Hypothesized Relationships			Tenability of Hypotheses	Key Results from Hypothesis Testing
Dependent Factor	**PD**	**Independent Factor**		
				product, which is why they have a positive attitude towards it.
Purchase intentions	←	Cognitive drivers	***Supported***	The findings of the study suggest that cognitive, affective, and social factors have positive effects on customers' tendency to buy counterfeit products. This suggests that consumers may still be willing to buy counterfeit products despite not holding a positive attitude towards the counterfeit product. The rationale behind consumers' perception of this product is that, despite its potential drawbacks and associated risks, it offers a price-quality ratio benefit compared to other products. Besides this, by purchasing this product, consumers derive personal satisfaction from owning a novel item and may also use it to enhance their social status.
Purchase intentions	←	Affective drivers	***Supported***	
Purchase intentions	←	Social drivers	***Supported***	
Purchase intentions	←	Positive attitude towards counterfeit products	***Supported***	

PD denotes Path Direction

7.5.2 Explanations of R^2 Values

The R^2 values of the variables under assessment are used to gauge the structural equation model's capacity to explain observations. The amount of total variance that can be explained by the model developed and tested by the researcher

is calculated using the R-squared coefficient. R^2 in the present study represents the coefficient of determination for a positive attitude as well as purchase intentions towards counterfeit products in Kerala.

R^2 value for positive attitude is 0.71 which suggests that approximately 71 percent of the variation in positive attitude towards counterfeit products can be explained by cognitive, affective, and social driving factors of the consumers that result in the purchase of counterfeit products. This value leads to the conclusion that additional independent variables, in addition to cognitive, affective, and social driving factors, are required to predict positive attitudes towards counterfeit products. These independent constructs do not account for the remaining 29% of the variance in positive attitude towards counterfeit products. In other words, the additional independent factors that are not explored in the research can predict the remaining 29 percent of the variance in the formation of a positive attitude towards counterfeit products.

Similarly, the R^2 value for purchase intention is 0.83, which suggests that approximately 83 percent of the variation in purchase intentions can be explained by a positive attitude towards counterfeit products and cognitive, affective, and social driving factors. This value leads to the conclusion that additional independent variables, in addition to cognitive, affective, and social driving factors, as well as positive attitude are required to predict customers' purchase intentions towards counterfeit products. These independent constructs do not account for the remaining 17 percent of the variance in purchase intentions towards counterfeit products. In other words, the additional independent factors that are not explored in the research can predict the remaining 17 percent of the variance in the purchase intentions towards counterfeit products.

Compared to a positive attitude towards counterfeit products, the purchase intention variable has the highest predictive power in this model.

7.6 Discussion of the Model

The inter-relations among the customer motives, especially cognitive drivers, affective drivers, social drivers and the positive attitude formation as well as purchase intentions towards counterfeit products in the context of Kerala were

examined in the chapter's first half with the help of Structural equation Modeling. The model was developed on the basis of seven hypotheses highlighting the relationships of various driving forces with the positive attitude formation and inclinations to buy counterfeits.

The findings revealed that the cognitive drivers failed to establish a significant effect on the formation of positive attitude towards counterfeit products as indicated by the beta value of 0.03 and p-value of 0.197 (Ali & Farhat, 2017; Chaudary et al., 2014; Hanzaee & Jalalian, 2012; Phau et al., 2009). This is in contrast to the findings of other research works (N. Ahmad et al., 2014; Bhatia, 2018; Chuchu et al., 2016; De Matos et al., 2007; Phau & Ng, 2010) that clearly showcased a relation of cognitive elements towards the favourable attitude. The affective drivers found to have a significant positive relation towards the formation of favourable attitude regarding counterfeit products (Bloch et al., 1993; Kim et al., 2009; Mustafa & Salindo, 2021).

It was found that the customers' positive attitude towards counterfeits would shoot up by 0.79 for every unit of standard deviation enhanced by the affective drivers. The constructs under social drivers are information and normative susceptibility along with status consumption and social influence. The results clearly highlighted the significant relation of social drivers to that of the favourable attitude towards counterfeits (Eastman et al., 1997; Khare et al., 2011; Kim & Karpova, 2010; Nunes et al., 2011; O'Cass & McEwen, 2004; Yaqub et al., 2015). It was found that the customers' positive attitude towards counterfeits would rise by 0.64 for every unit of standard deviation enhanced by the social drivers. The society, the people customers value as significant in their lives, the peer groups all had an influence in their attitude formation about the counterfeits.

The positive attitude's R^2 value is 0.71, which indicates that the cognitive, affective, and social elements that lead customers to acquire counterfeit goods account for around 71 percent of the variation in positive attitude towards such things. This value suggests that in order to predict favourable attitudes towards counterfeit goods, more independent variables are needed in addition to cognitive, emotional, and social driving factors. The remaining 29 percent of the variance in

favourable attitude towards counterfeit items are not explainable by these independent factors.

The cognitive driving forces established a positive relation with the purchase intentions concerning counterfeits as evidenced by a beta value of 0.45 and a p-value of 0.001. The presence of cognitive forces boosts the inclination to buy counterfeit products (Alsaid & Saleh, 2019; Bedi & Chopra, 2021; Gallarza & Saura, 2006; Kei et al., 2017; Lichtenstein & Burton, 1989). The findings showed a significant relationship of affective drivers with the purchase intentions (Ozer & Benet-Martínez, 2006; Rahpeima et al., 2014a; Wee et al., 1995). The results indicated that for every unit of increase in affective drivers, the purchase intentions towards counterfeit products would rise by 0.68.

The findings further revealed that the constructs under social driving forces boosts the inclination to purchase the counterfeit version of branded original products (Amjad & Mahmood, 2018; Eastman et al., 1997; Hamelin et al., 2013; Jaiyeoba et al., 2015; Kasuma et al., 2020; Sahin & Nasir, 2021). The results highlighted that for every unit of increase in social drivers, the purchase intentions towards counterfeit products would rise by 0.46. The customers under study give much significance to the people in the society they belong to.

Finally, the model also revealed that the customers' attitude also exhibits a significant positive effect on the intentions to purchase counterfeit products (Ang et al., 2001; Bupalan et al., 2019; Carpenter & Lear, 2011; Cordell et al., 1996; De Matos et al., 2007; Huang et al., 2004; Pham & Nasir, 2016). The results indicated that for every unit of increase in favourable attitude, the purchase intentions towards counterfeit products would rise by 0.75. Increase in favourable attitude would lead to increase in favourable purchase decisions about counterfeits.

The R^2 value of purchase intention is 0.83, which indicates that around 83 percent of the variance in purchasing intentions can be explained by cognitive, affective, and social driving variables. This result suggests that in order to predict buyers' purchase intentions for counterfeit goods, more independent variables are needed in addition to positive attitude and cognitive, emotional, and social driving

factors. The remaining 17 percent of the variation in purchase intentions towards counterfeit goods are not explainable by these separate constructs.

Table 7.17

Result Summary of Structural Model Hypotheses Testing

Hypotheses No.	Hypotheses of the Model Developed	Result of Hypotheses Testing
SM.H1	*Cognitive drivers have a positive effect on positive attitude towards counterfeit products*	***Not Supported***
SM.H2	*Affective drivers have a positive effect on positive attitude towards counterfeit products*	***Supported***
SM.H3	*Social drivers have a positive effect on positive attitude towards counterfeit products*	***Supported***
SM.H4	*Cognitive drivers have a positive effect on intention to purchase counterfeit products*	***Supported***
SM.H5	*Affective drivers have a positive effect on intention to purchase counterfeit products*	***Supported***
SM.H6	*Social drivers have a positive effect on intention to purchase counterfeit products*	***Supported***
SM.H7	*Positive attitude towards counterfeit products has a positive effect on intention to purchase counterfeit products*	***Supported***

SM.H1 to SM.H7 indicates Structural Model Hypotheses

SECTION – C

7.7 The Degree of Driving Factors and the Levels of Positive Attitude and Purchase Intentions Towards Counterfeit Products

This section of the chapter examines the association between consumers having high and low levels of driving factors which influence their purchases of counterfeit products, as well as their level of positive attitude towards counterfeit products and their intentions to make a purchase in the future in the context of Kerala.

H0 7.1: There is no significant association between customers' price consciousness and the level of positive attitude towards counterfeit products

Table 7.18

Chi-Square Test for Association Between Customers' Price Consciousness and the Level of Positive Attitude Towards Counterfeit Products

Price Consciousness	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	98 (29.3%) [59.4%]	174 (52.1%) [49.4%]	62 (18.6%) [26.5%]	**334 [44.5%]**	49.005	<0.001**
High Level	67 (16.1%) [40.6%]	178 (42.7%) [50.6%]	172 (41.2%) [73.5%]	**417 [55.5%]**		
Total	**165 (22%)**	**352 (46.9%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data
*** indicates significant at 1% level*
Values within ( ) refers to row percentage
Values within [ ] refers to column percentage

The null hypothesis is rejected at the 1% level of significance since the P value is less than 0.01. It states that there exists a significant difference between the degree of price consciousness and customers' positive attitude towards counterfeit products. According to the row percentage, among the respondents who are low price conscious, 29.3 percent of them have an unfavorable attitude towards counterfeit products. 52.1 percent of respondents had a moderately favorable attitude towards counterfeit products, while 18.6 percent have a very positive attitude towards counterfeit products. In the case of respondents who are high price conscious, 16.1 percent of respondents have a low level of positive attitude, 42.7 percent have a moderate level of positive attitude and 41.2 percent of respondents have a high level of positive attitude.

According to the statistics, respondents with a low degree of positive attitude are more likely to be less price conscious, whereas respondents with a high level of positive attitude are more likely to be highly price conscious. As a result, when it comes to counterfeit products, those who are more price conscious would have a more positive attitude than those who are less price conscious.

H0 7.2: There is no significant association between customers' price consciousness and the level of purchase intentions towards counterfeit products

Table 7.19

Chi-Square Test for Association Between Customers' Price Consciousness and the Level of Purchase Intentions Towards Counterfeit Products

Price Consciousness	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	142 (42.5%) [63.7%]	86 (25.8%) [40.8%]	106 (31.7%) [33.4%]	**334 [44.5%]**	50.113	<0.001**
High Level	81 (19.4%) [36.3%]	125 (30%) [59.2%]	211 (50.6%) [66.6%]	**417 [55.5%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

At the 1% significance level, the null hypothesis is rejected since the P value is less than 0.01. It claims that there exists a significant difference between customer's degree of price consciousness and their level of purchase intentions for counterfeit products. In terms of row percentages, among the respondents who are low conscious of price, 42.5 percent have a low intention of purchasing counterfeit products. 25.8 percent of respondents have a moderate level of purchase intention, while 31.7 percent have a high level of desire to acquire counterfeit products. In the case of respondents who are highly conscious of price, 19.4 percent of respondents have a low level of purchase intention, 30 percent have moderate level of purchase intention and 50.6 percent of respondents have a high level of purchase intention towards counterfeit products.

It is clear from the data that, low level purchase intention is higher in case of respondents who are low conscious to price while high level of purchase intention is higher in case of respondents who are high conscious to price. Consequently, individuals who are more price conscious have a higher intention to acquire counterfeit products than those who are less price conscious.

H0 7.3: There is no significant association between customers' price-quality inference and the level of positive attitude towards counterfeit products

Table 7.20

Chi-Square Test for Association Between Customers' Price-Quality Inference and the Level of Positive Attitude Towards Counterfeit Products

Price-Quality Inference	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	87 (21.5%) [55.4%]	217 (53.6%) [60.3%]	101 (24.9%) [43.2%]	**405 [53.9%]**	19.454	<0.001**
High Level	70 (20.2%) [44.6%]	143 (41.3%) [39.7%]	133 (38.5%) [56.8%]	**346 [46.1%]**		
Total	**157 (20.9%)**	**360 (47.9%)**	**234 (31.2%)**	**751 (100%)**		

Source: Primary Data
*** indicates significant at 1% level*
Values within ( ) refers to row percentage
Values within [ ] refers to column percentage

The null hypothesis is disproved since the P value is less than 0.01 at the 1% level of significance. It claims that there is a fundamental distinction between degree of price-quality inference and positive attitude of the customer towards counterfeit products. In terms of row percentage, among the respondents who have low price-quality inference, 21.5 percent of them have an unfavorable attitude towards counterfeit products. 53.6 percent of respondents had a moderately favorable attitude towards counterfeit products, while 24.9 percent have a very positive attitude towards counterfeit products. In the case of respondents who have high price-quality inference, 20.2 percent of respondents have a low level of positive attitude, 41.3 percent have a moderate level of positive attitude and 38.5 percent of respondents have a high level of positive attitude.

According to the statistics, a low positive attitude is more prevalent among respondents who make fewer inferences about price and quality, and respondents with strong price and quality inferences are more likely to have high levels of positivity. To conclude, individuals who hold stronger price-quality inferences exhibit a more positive attitude towards counterfeit products compared to those with weaker price-quality inferences.

H0 7.4: There is no significant association between customers' price-quality inference and the level of purchase intentions towards counterfeit products

Table 7.21

Chi-Square Test for Association Between Customers' Price-Quality Inference and The Level of Purchase Intentions Towards Counterfeit Products

Price-Quality Inference	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	147 (36.3%) [65.9%]	99 (24.4%) [46.9%]	159 (39.3%) [50.2%]	**405 [53.9%]**	18.891	<0.001**
High Level	76 (22%) [34.1%]	112 (32.3%) [53.1%]	158 (45.7%) [49.8%]	**346 [46.1%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data
*** indicates significant at 1% level*
Values within ( ) refers to row percentage
Values within [ ] refers to column percentage

Because the P value is less than 0.01 at the 1% level of significance, the null hypothesis is refuted. It indicates that there exists a significant difference between degree of price-quality inference and a customer's purchase intention towards counterfeit goods. Regarding row percentage, among the respondents who have low price-quality inference, 36.3 percent have little inclination to buy counterfeit goods. A moderate degree of purchase intention towards counterfeit goods was reported by 24.4 percent of respondents, but a high level of purchase intention towards such goods was reported by 39.3 percent of respondents. In the case of respondents who have high price-quality inference, 45.7 percent of respondents had a high degree of purchase intention towards counterfeit goods, compared to 32.3 percent who have a moderate level and 22 percent who have a low level of intention to buy.

The results show that respondents with lesser inferences about price and quality are more likely to have low levels of purchase intentions, while respondents with strong inferences about price and quality are more likely to have high levels of purchase intentions. To summarize, individuals who drew more robust inferences regarding the relationship between price and quality exhibited a greater inclination to purchase counterfeit goods compared to those who made less definitive inferences about the connection between price and quality.

H0 7.5: There is no significant association between customers' perceived risk and the level of positive attitude towards counterfeit products

Table 7.22

Chi-Square Test for Association Between Customers' Perceived Risk and The Level of Positive Attitude Towards Counterfeit Products

Perceived Risk	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	101 (22.2%) [59.1%]	192 (42.2%) [55.5%]	162 (35.6%) [69.2%]	**455 [60.6%]**	12.729	0.002**
High Level	70 (23.6%) [40.9%]	154 (52.1 %) [44.5%]	72 (24.3%) [30.8%]	**296 [39.4%]**		
Total	**171 (22.8%)**	**346 (46.1%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data
*** indicates significant at 1% level*
Values within ( ) refers to row percentage
Values within [ ] refers to column percentage

Since the P value is below the 1% level of significance, the null hypothesis is invalidated. It implies that there exists a considerable distinction between the degree of perceived risk and customers' positive attitudes towards counterfeit items. Regarding the respondents who have low level of perceived risk, a high degree of favourable attitude towards counterfeit products is shown by 35.6 percent of them, a moderate level of positive attitude by 42.2 percent of them, and a low level of positive attitude by 22.2 percent of them. Considering row percentage, among the respondents who have high perceived risk, a low level of positive attitude towards counterfeit goods is shared by 23.6 percent of people. A moderate level of positive attitude towards counterfeit goods was expressed by 52.1 percent of respondents, and an extremely positive attitude towards such goods was professed by 24.3 percent of respondents.

The results reveals that high levels of positive attitude are more common among respondents who perceive risk as being low, whereas low levels of positivity are more common among those who perceive risk as being high. Respondents with a high perceived risk are more unfavourable about counterfeit products than those with a low perceived risk.

H0 7.6: There is no significant association between customers' perceived risk and the level of purchase intentions towards counterfeit products

Table 7.23

Chi-Square Test for Association Between Customers' Perceived Risk and The Level of Purchase Intentions Towards Counterfeit Products

Perceived Risk	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	118 (25.9%) [52.9%]	85 (18.7%) [40.3%]	252 (55.4%) [79.5%]	**455 [60.6%]**	89.380	<0.001**
High Level	105 (35.4%) [47.1%]	126 (42.6%) [59.7%]	65 (22%) [20.5%]	**296 [39.4%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data
*** indicates significant at 1% level*
Values within ( ) refers to row percentage
Values within [ ] refers to column percentage

The null hypothesis is disregarded at the 1% level of significance since the P value is less than 0.01. It shows that there exists a significant difference between the degree of perceived risk and customers' purchase intentions for counterfeit products. Regarding the respondents who have low perceived risk, 25.9 percent of them shows low level of purchase intention, 18.7 percent of respondents express moderate level of purchase intention whereas 55.4 percent of them shows high level of purchase intention towards counterfeit products. Considering row percentage, among the respondents who have high perceived risk, 35.4 percent of consumers said they have little intention of buying counterfeit goods. 42.6 percent of respondents reported having a moderate degree of buy intention for counterfeit items, while 22 percent of respondents reported having a high level of purchase intention.

The table makes it evident that respondents with low levels of perceived risk are more likely to have high levels of buy intention, whilst respondents with high levels of perceived risk are more likely to have low levels of purchase intention. One can draw the conclusion that respondents who indicated a higher perceived risk have a lower tendency to buy counterfeit items, in comparison to respondents who indicated a lower perceived risk.

H₀ 7.7: There is no significant association between customers' value consciousness and the level of positive attitude towards counterfeit products

Table 7.24

Chi-Square Test for Association Between Customers' Value Consciousness and The Level of Positive Attitude Towards Counterfeit Products

Value Consciousness	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	26 (7.3%) [15.8%]	190 (53.2%) [54%]	141 (39.5%) [60.3%]	**357 [47.5%]**	87.852	<0.001**
High Level	139 (35.3%) [84.2%]	162 (41.1%) [46%]	93 (23.6%) [39.7%]	**394 [52.5%]**		
Total	**165 (22%)**	**352 (46.9%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data
*** indicates significant at 1% level*
Values within ( ) refers to row percentage
Values within [ ] refers to column percentage

The null hypothesis is disproved given that the P value is less than 0.01 at the 1% level of significance. It contends that there exists a considerable distinction between degree of value consciousness and customers' positive attitudes towards counterfeit items. Considering row percentage, among the respondents who are less value conscious 7.3 percent of people have a negative view towards counterfeit items. 53.2 percent of respondents expressed a moderately positive attitude towards counterfeit items, and 39.5 percent of respondents claimed having a highly positive attitude towards such goods.

Regarding the respondents who have high value consciousness, in comparison to 41.1 percent who have a moderate level of positive attitude and 35.3 percent who have a low level of positive attitude, 23.6 percent of respondents expressed a high degree of positive attitude towards counterfeit goods.

The findings demonstrate that respondents with high value consciousness are more likely to have low levels of positive attitude, whereas respondents with low value consciousness are more likely to have high levels of positive attitude.

H0 7.8: There is no significant association between customers' value consciousness and the level of purchase intentions towards counterfeit products

Table 7.25

Chi-Square Test for Association Between Customers' Value Consciousness and The Level of Purchase Intentions Towards Counterfeit Products

Value Consciousness	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	44 (12.3%) [19.7%]	104 (29.1%) [49.3%]	209 (58.6%) [65.9%]	**357 [47.5%]**	112.399	<0.001**
High Level	179 (45.4%) [80.3%]	107 (27.2%) [50.7%]	108 (27.4%) [34.1%]	**394 [52.5%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Given that the P value is less than 0.01 at the 1% level of significance, the null hypothesis is contradicted. It indicates there exists a significant difference between customers' purchasing intentions for counterfeit goods and their degree of value consciousness. Considering row percentage, among the respondents who are less value conscious 12.3 percent of people have little interest in purchasing counterfeit goods. 58.6 percent of respondents reported having a high level of buy intention towards counterfeit goods, compared to 29.1 percent of respondents who exhibited a moderate level of interest.

Regarding the respondents who have high value consciousness, in comparison to 27.2 percent who have a moderate level of purchase intention and 45.4 percent who have a low level of purchase intention, 27.4 percent of respondents expressed a high degree of purchase intention towards counterfeit goods.

According to the results, respondents with high value consciousness are more likely to have low levels of buy intention while respondents with low value consciousness are more likely to have high levels of purchase intention.

H0 7.9: There is no significant association between customers' personal gratification and the level of positive attitude towards counterfeit products

Table 7.26

Chi-Square Test for Association Between Customers' Personal Gratification and The Level of Positive Attitude Towards Counterfeit Products

Personal Gratification	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	105 (23.8%) [60%]	235 (53.3%) [68.7%]	101 (22.9%) [43.2%]	**441 [58.7%]**	40.652	<0.001**
High Level	70 (22.6%) [40%]	107 (34.5%) [31.3%]	133 (42.9%) [56.8%]	**310 [41.3%]**		
Total	**175 (23.3%)**	**342 (45.5%)**	**234 (31.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

At a 1% level of significance, the null hypothesis is invalidated since the P value is less than 0.01. It shows that the positive attitude of customers towards counterfeit goods differs significantly between those with different degrees of personal gratification. According to row percentage, among the respondents who have less personal gratification, 23.8 percent of people have a low level of positive attitude towards counterfeit items. 53.3 percent of respondents have a moderate level of positive attitude and 22.9 percent of respondents have a high positive attitude towards counterfeit goods. Considering the respondents who have high personal gratification, a low level of positive attitude towards counterfeit goods is expressed by 22.6 percent of respondents, a moderate level of positive attitude is demonstrated by 34.5 percent of respondents, and a high level of positive attitude is demonstrated by 42.9 percent of respondents.

It can be analyzed that, low level positive attitude is more frequent among those respondents who have less personal gratification, and high-level positive attitude is more prevalent among those respondents who have high personal gratification in terms of counterfeit products. In short, those respondents are shown a high positive attitude towards counterfeit products who have high personal gratification.

H0 7.10: There is no significant association between customers' personal gratification and the level of purchase intentions towards counterfeit products

Table 7.27

Chi-Square Test for Association Between Customers' Personal Gratification and The Level of Purchase Intentions Towards Counterfeit Products

Personal Gratification	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	124 (28.1%) [55.6%]	121 (27.5%) [57.3%]	196 (44.4%) [61.8%]	**441 [58.7%]**	2.321	0.313^{NS}
High Level	99 (31.9%) [44.4%]	90 (29%) [42.7%]	121 (39.1%) [38.2%]	**310 [41.3%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *^{NS} denotes not significant*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

As a result of the P value being greater than 0.05, the null hypothesis is accepted. Thus, it would suggest that there is no significant relationship between customers' level of purchase intentions for counterfeit goods and their degree of personal gratification or fulfillment.

H0 7.11: There is no significant association between customers' integrity and the level of positive attitude towards counterfeit products

Table 7.28
Chi-Square Test for Association Between Customers' Integrity and The Level of Positive Attitude Towards Counterfeit Products

Integrity	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	55 (17.6%) [33.3%]	120 (38.5%) [34.1%]	137 (43.9%) [58.6%]	**312 [41.5%]**	40.488	<0.001**
High Level	110 (25.1%) [66.7%]	232 (52.8%) [65.9%]	97 (22.1%) [41.4%]	**439 [58.5%]**		
Total	**165 (22%)**	**352 (46.9%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Given that the P value is below the 1% level of significance, the null hypothesis is discarded. It signifies that there is a significant difference between the degree of integrity and customers' positive attitude for counterfeit products. Based on row percentage, among the respondents who have less integrity 17.6 percent of people have a low level of positive attitude towards counterfeit items. A high level of positive attitude towards counterfeit items was professed by 43.9 percent of respondents, while 38.5 percent of respondents had a moderate level of positive attitudes towards them. Regarding the respondents who have high integrity, a low degree of positive attitude is shown by 25.1 percent of respondents, a moderate level of positive attitude is expressed by 52.8 percent of respondents, and a high level of positive attitude is shown by 22.1 percent of respondents towards fake goods.

It is clear from the table that, low level of positive attitude is more common among the respondents who have high level of integrity while, high level of positive attitude is more prevalent among respondents who have low level of integrity with regard to counterfeit products. It is possible to draw the conclusion that respondents whose integrity is poor have a higher level of positive views towards counterfeit items than respondents whose integrity is strong.

H0 7.12: There is no significant association between customers' integrity and the level of purchase intentions towards counterfeit products

Table 7.29

Chi-Square Test for Association Between Customers' Integrity and The Level of Purchase Intentions Towards Counterfeit Products

Integrity	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	79 (25.3%) [35.4%]	75 (24.1%) [35.5%]	158 (50.6%) [49.8%]	**312 [41.5%]**	15.552	<0.001**
High Level	144 (32.8%) [64.6%]	136 (31%) [64.5%]	159 (36.2%) [50.2%]	**439 [58.5%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, the null hypothesis is rejected at 1% level of significance. It shows that the intention of customers to buy counterfeit goods differs significantly between those with the degree of integrity. Based on row percentages, among the respondents who have less integrity, 25.3 percent of people have a low level of purchase intention towards counterfeit items. In contrast to the 24.1 percent of respondents who have a moderate level of purchasing intention, 50.6 percent of respondents have a high intention to purchase counterfeit goods. Regarding the respondents who have high integrity, a low degree of purchasing intention is shown by 32.8 percent of respondents, a moderate level of purchase intention is expressed by 31 percent of respondents, and a high level of purchase intention is shown by 36.2 percent of respondents towards counterfeit products.

When it comes to purchasing counterfeit goods, it is clear from the table that respondents who have high levels of integrity tend to have lower levels of purchase intention, whereas respondents who have low levels of integrity tend to have higher levels of purchase intention.

H0 7.13: There is no significant association between customers' risk averseness and the level of positive attitude towards counterfeit products

Table 7.30

Chi-Square Test for Association Between Customers' Risk Averseness and The Level of Positive Attitude Towards Counterfeit Products

Risk Averseness	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	63 (19.9%) [38.2%]	139 (43.9%) [42.6%]	115 (36.2%) [44.2%]	**317 [42.2%]**	5.911	0.052^{NS}
High Level	102 (23.5%) [61.8%]	187 (43.1%) [57.4%]	145 (33.4%) [55.8%]	**434 [57.8%]**		
Total	**165 (22%)**	**326 (43.4%)**	**260 (34.6%)**	**751 (100%)**		

Source: Primary Data *^{NS} denotes not significant*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The table shows that the null hypothesis holds good as the P value is found greater than 0.05. The extent of customers' positive attitudes towards counterfeit products is found to be unrelated to their degree of risk aversion, according to the analysis.

H0 7.14: There is no significant association between customers' risk averseness and the level of purchase intentions towards counterfeit products

Table 7.31

Chi-Square Test for Association Between Customers' Risk Averseness and The Level of Purchase Intentions Towards Counterfeit Products

Risk Averseness	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	80 (25.2%) [35.9%]	100 (31.6%) [47.4%]	137 (43.2%) [43.2%]	**317 [42.2%]**	6.125	0.047*
High Level	143 (32.9%) [64.1%]	111 (25.6%) [52.6%]	180 (41.5%) [56.8%]	**434 [57.8%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data ** indicates significant at 5% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The P value is less than 0.05 at the 5% level of significance, proving the null hypothesis to be invalid. It suggests there exists a significant difference between customers' purchasing intentions for counterfeit goods and their degree of risk averseness. Regarding the respondents who have less risk averseness, a low degree of buy intention is demonstrated by 25.2 percent of respondents, a moderate level by 31.6 percent of respondents, and a high level by 43.2 percent of respondents when it comes to purchasing counterfeit goods. Considering row percentage, among the respondents who are high risk averse, 32.9 percent of respondents show little interest in buying counterfeit goods. In comparison to 25.6 percent of respondents who showed a moderate degree of interest, 41.5 percent of respondents claimed to have a high level of buy intention towards counterfeit items.

The findings show that respondents with low levels of risk aversion are more likely to have high levels of purchase intention, whereas respondents with high levels of risk aversion are more likely to have low levels of purchase intention. In short, it can be reported that the respondents with low risk aversion reveals a greater intention to purchase counterfeit products than respondents with high risk aversion.

H0 7.15: There is no significant association between customers' novelty seeking behaviour and the level of positive attitude towards counterfeit products

Table 7.32

Chi-Square Test for Association Between Customers' Novelty Seeking Behaviour and The Level of Positive Attitude Towards Counterfeit Products

Novelty Seeking Behaviour	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	74 (22.4%) [44.9%]	195 (58.9%) [55.4%]	62 (18.7%) [26.5%]	**331 [44.1%]**	47.686	<0.001**
High Level	91 (21.7%) [55.1%]	157 (37.3%) [44.6%]	172 (41%) [73.5%]	**420 [55.9%]**		
Total	**165 (22%)**	**352 (46.9%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is disproved given that the P value is less than 0.01 at the 1% level of significance. It signifies that there exists a considerable distinction between degree of novelty seeking and positive attitude of customers towards counterfeit items. Considering row percentage, among the respondents who have less novelty seeking, 22.4 percent of people have a low-level of positive attitude towards counterfeit items. 58.9 percent of respondents expressed a moderately positive attitude towards counterfeit items, and 18.7 percent of respondents claimed having a highly positive attitude towards such goods. Regarding the respondents who have high novelty seeking, 21.7 percent showed a low level of positive attitude, 37.4 percent of respondents expressed a moderate level, and 41 percent have a high level of positive attitude towards counterfeit products.

The results show that respondents who are less interested in novelty are more likely to have a lack of positive attitudes towards counterfeit goods, whereas respondents who are more interested in novelty are more likely to have favourable attitudes towards counterfeit goods. As a result, it can be concluded that the individuals who value novelty exhibit more acceptance regarding counterfeit products.

H_0 7.16: There is no significant association between customers' novelty seeking behaviour and the level of purchase intentions towards counterfeit products

Table 7.33

Chi-Square Test for Association Between Customers' Novelty Seeking Behaviour and The Level of Purchase Intentions

Novelty Seeking Behaviour	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	125 (37.8%) [56.1%]	144 (43.5%) [68.3%]	62 (18.7%) [19.6%]	**331 [44.1%]**	140.296	<0.001**
High Level	98 (23.3%) [43.9%]	67 (16%) [31.7%]	255 (60.7%) [80.4%]	**420 [55.9%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The fact that the P value is less than 0.01 at the 1% level of significance refutes the null hypothesis. It shows that there is a considerable distinction between the degree of novelty seeking and purchase intention of customers towards counterfeit items. Considering row percentage, among the respondents who have less novelty seeking, a low level of purchase intention for counterfeit goods is held by 37.8 percent of consumers. Compared to the 43.5 percent of respondents who showed a moderate level of willingness to purchase, 18.7 percent of respondents opined that they had a high level of intent. When it comes to respondents who have a high level of novelty seeking, 23.3 percent have low level buy intentions, 16 percent have moderate level, and 60.7 percent have high level purchase intentions for counterfeit goods.

The findings reveal that respondents with less interest in novelty are more likely to have less purchase intention towards counterfeit items, whereas respondents with greater interest in novelty are more likely to have greater purchase intention towards counterfeit goods. Thus, it can be claimed that as a result, people who are interested in novelty would be more likely to buy counterfeit goods.

H0 7.17: There is no significant association between customers' information susceptibility and the level of positive attitude towards counterfeit products

Table 7.34

Chi-Square Test for Association Between Customers' Information Susceptibility and The Level of Positive Attitude

Information Susceptibility	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	14 (8.8%) [8.5%]	91 (56.9%) [25.9%]	55 (34.3%) [23.5%]	**160 [21.3%]**	21.191	<0.001**
High Level	151 (25.5%) [91.5%]	261 (44.2%) [74.1%]	179 (30.3%) [76.5%]	**591 [78.7%]**		
Total	**165 (22%)**	**352 (46.9%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, the null hypothesis is rejected at 1% level of significance. It asserts that there exists a significant difference between the degree of information susceptibility and the level of positive attitude of customers with regard to counterfeit products. According to row percentage, among the respondents who have low level of information susceptibility, 8.8 percent of them have a slightly favourable view towards counterfeit goods. 34.3 percent of respondents had a high level of positive attitude towards counterfeit products, compared to 56.9 percent of respondents who have a moderate level of positive attitude. In the case of respondents who have high level of information susceptibility, 30.3 percent of respondents have a high level of positive attitude, compared to 44.2 percent who have a moderate level and 25.5 percent who have a low level of positive attitude towards the counterfeit products.

This would mean that respondents with high information susceptibility are more likely to have low favourable attitudes towards counterfeit goods, whereas respondents with low information susceptibility are more likely to have high positive attitudes. Therefore, it can be concluded that individuals with lower susceptibility to information would be more likely to hold a favourable view of counterfeit products compared to those with higher susceptibility to information. In other words, customers who expressed a high dependence on the expert opinion of the others before making a purchase decision develops a low favourable attitude towards counterfeit products whereas customers who expressed a low dependence on the expert opinion of the others before making a purchase decision would develop a high favourable attitude towards counterfeit products since they are not receiving the information regarding consequences of counterfeits from others.

H₀ 7.18: There is no significant association between customers' information susceptibility and the level of purchase intentions towards counterfeit products

Table 7.35

Chi-Square Test for Association Between Customers' Information Susceptibility and The Level of Purchase Intentions

Information Susceptibility	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	50 (31.3%) [21.6%]	72 (45%) [35.6%]	38 (23.7%) [12%]	**160 [21.3%]**	54.278	<0.001**
High Level	182 (30.8%) [78.4%]	130 (22%) [64.4%]	279 (47.2%) [88%]	**591 [78.7%]**		
Total	**232 (30.9%)**	**202 (26.9%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Considering that the P value is less than 0.01 at 1% significance, the null hypothesis is rejected. It indicates that there exists a significant difference between the degree of information susceptibility and the level of purchase intention of customers with regard to counterfeit products. Considering row percentage, among the respondents who have low level of information susceptibility, 31.3 percent of

them have a low level of intention to purchase towards counterfeit goods. 45 percent of respondents had a moderate level of purchase intention towards counterfeit products, and 23.7 percent of respondents who have a high level of purchase intention. In the case of respondents who have high level of information susceptibility, 30.8 percent of respondents have a low level of purchase intention, 22 percent who have a moderate level and 47.2 percent who have a high level of purchase intention towards the counterfeit products.

This would indicate that respondents with low information susceptibility are more likely to have low intention to purchase towards counterfeit goods, whereas respondents with high information susceptibility are more likely to have high purchase intention. It can be concluded that those individuals with high information susceptibility have a greater willingness to purchase counterfeit products. In short, customers who express a high dependence on the expert opinion of others before making a purchase decision would develop a high purchase intention towards counterfeit products and vice versa.

H0 7.19: There is no significant association between customers' status consumption and the level of positive attitude towards counterfeit products

Table 7.36

Chi-Square Test for Association Between Customers' Status Consumption and The Level of Positive Attitude Towards Counterfeit Products

Status Consumption	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	89 (24.6%) [53.9%]	187 (51.7%) [53.1%]	86 (23.7%) [36.8%]	**362** **[48.2%]**	17.879	<0.001**
High Level	76 (19.5%) [46.1%]	165 (42.4%) [46.9%]	148 (38.1%) [63.2%]	**389** **[51.8%]**		
Total	**165** **(22%)**	**352** **(46.9%)**	**234** **(31.1%)**	**751** **(100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The null hypothesis is disproved by the fact that the P value is less than 0.01 at the 1% level of significance. It indicates that there exists a significant difference

between the degree of status consumption and positive attitude of customers towards counterfeit items. Considering row percentage, among the respondents who have less status consumption, a low level of favourability towards counterfeits goods are shown by 24.6 percent of customers. In contrast to the 51.7 percent of respondents who showed a moderate level of positivity, 23.7 percent of respondents showed a high level of positivity towards fake products. When it comes to respondents who have a high level of status consumption, 38.1 percent have a high level of positive attitude towards counterfeit items, 42.4 percent have a moderate level, and 19.5 percent have a poor level.

The results show that respondents with lower levels of status consumption would be more likely to lack positive attitude towards counterfeit goods, whereas respondents with higher levels of status consumption are more likely to have favourable attitude towards counterfeit goods. Therefore, people who are engaged in status consumption would find counterfeit goods more favourable for them.

H0 7.20: There is no significant association between customers' status consumption and the level of purchase intentions towards counterfeit products

Table 7.37

Chi-Square Test for Association Between Customers' Status Consumption and The Level of Purchase Intentions Towards Counterfeit Products

Status Consumption	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	145 (40.1%) [65%]	122 (33.7%) [57.8%]	95 (26.2%) [30%]	**362 [48.2%]**	75.298	<0.001**
High Level	78 (20%) [35%]	89 (22.9%) [42.2%]	222 (57.1%) [70%]	**389 [51.8%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The P value is less than 0.01 at the 1% level of significance, hence the null hypothesis cannot be accepted. It indicates that there is a significant difference between the degree of status consumption and purchase intention of customers

towards counterfeit items. Considering the row percentage, among the respondents who have less status consumption, a low level of purchasing intent for counterfeit items exists among 40.1 percent of customers. In comparison to the 33.7 percent of respondents who showed a moderate degree of purchase desire, 26.2 percent of respondents expressed a high level of buy intention for counterfeit items. When it comes to respondents who have a high level of status consumption, 20 percent have a low level of purchase intention towards counterfeit items, 22.9 percent have a moderate level, and 57.1 percent have a high level of purchase intention.

According to the findings, respondents with lower levels of status consumption are more likely to have low levels of buy intention towards counterfeit items, whereas respondents with greater levels of status consumption are more likely to have higher levels of purchase intention towards counterfeit goods. Customers with higher status consumption are more likely to acquire counterfeit products.

H0 7.21: There is no significant association between customers' normative susceptibility and the level of positive attitude towards counterfeit products

Table 7.38

Chi-Square Test for Association Between Customers' Normative Susceptibility and The Level of Positive Attitude

Normative Susceptibility	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	114 (33.6%) [69.1%]	136 (40.1%) [38.6%]	89 (26.3%) [38%]	**339 [45.1%]**	49.005	<0.001**
High Level	51 (12.4%) [30.9%]	216 (52.4%) [61.4%]	145 (35.2%) [62%]	**412 [54.9%]**		
Total	**165 (22%)**	**352 (46.9%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

As the P value is less than 0.01, the null hypothesis is rejected at 1% significance level. It implies that there exists a significant difference between the degree of normative susceptibility and the level of positive attitude of customers with regard to counterfeit products. Considering row percentage, among the respondents who have low level of normative susceptibility, 33.6 percent of them have a low level of positive attitude towards counterfeit goods. 40.1 percent of

respondents had a moderate level of positive attitude towards counterfeit products, and 26.3 percent of respondents who had a moderate level of positive attitude towards counterfeit products. In the case of respondents who have high level of normative susceptibility, 12.4 percent of respondents have a low level of positive attitude, 52.4 percent who have a moderate level and 35.2 percent who have a high level of positive attitude towards the counterfeit products.

This reveals that respondents with low normative susceptibility would be more likely to have a low positive attitude towards counterfeit goods, whereas respondents with high normative susceptibility would be more likely to have a high positive attitude. Individuals exhibiting high normative susceptibility tend to hold more favourable attitudes towards counterfeit products compared to their low normative susceptibility counterparts. To sum up, the customers who expressed a low tendency to impress others would lead to a low favourable attitude towards counterfeit products whereas the customers who expressed a high tendency to impress others would lead to a high favourable attitude towards counterfeit products.

H0 7.22: There is no significant association between customers' normative susceptibility and the level of purchase intentions towards counterfeit products

Table 7.39

Chi-Square Test for Association Between Customers' Normative Susceptibility and The Level of Purchase Intentions

Normative Susceptibility	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	113 (33.3%) [50.7%]	132 (38.9%) [62.6%]	94 (27.8%) [29.7%]	**339 [45.1%]**	59.313	<0.001**
High Level	110 (26.7%) [49.3%]	79 (19.2%) [37.4%]	223 (54.1%) [70.3%]	**412 [54.9%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, the null hypothesis is rejected at 1% level significance. It suggests that there exists a significant difference between the

customers with degree of normative susceptibility and the level of purchase intention with regard to counterfeit products. Based on row percentage, among the respondents who have low level of normative susceptibility, 33.3 percent of them have a low level of intention to purchase towards counterfeit goods. 38.9 percent of respondents had a moderate level of purchase intention towards counterfeit products, and 27.8 percent of respondents who have a high level of purchase intention. In the case of respondents who have high level of normative susceptibility, 26.7 percent of respondents have a low level of purchase intention, 19.2 percent who have a moderate level and 54.1 percent who have a high level of purchase intention towards the counterfeit products. The data analysis shows that low level purchase intention is more common among respondents who have low normative susceptibility while high level of purchase intention is more frequent among respondents who have high normative susceptibility. Individuals exhibiting high levels of normative susceptibility are more prone to the acquisition of counterfeit goods compared to those with lower levels of normative susceptibility. In other words, customers who expressed a low tendency to impress others leads to a low purchase intention towards counterfeit products and customers who expressed a high tendency to impress others leads to a high purchase intention towards counterfeit products.

H0 7.23: There is no significant association between customers' social influence and the level of positive attitude towards counterfeit products

Table 7.40

Chi-Square Test for Association Between Customers' Social Influence and The Level of Positive Attitude Towards Counterfeit Products

Social Influence	Level of Positive Attitude			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	122 (26.6%) [73.9%]	222 (48.5%) [63.1%]	114 (24.9%) [48.7%]	**458 [61%]**	27.079	<0.001**
High Level	43 (14.7%) [26.1%]	130 (44.3%) [36.9%]	120 (41%) [51.3%]	**293 [39%]**		
Total	**165 (22%)**	**352 (46.9%)**	**234 (31.1%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

The P value at the 1% level of significance is less than 0.01 and prevents the null hypothesis from being accepted. It indicates that there exists a significant difference between degree of social influence and positive attitude of customers towards counterfeit items. Based on the row percentage, among the respondents who have less social influence, a low level of purchasing intent for counterfeit items exists among 26.6 percent of customers. 48.5 percent of them showed a moderate level of positive attitude, and 24.9 percent of respondents have a high level of positive attitude towards counterfeit items. In the case of respondents who have a high level of social influence, 14.7 percent have a low level of positive attitude towards counterfeit items, 44.3 percent have a moderate level, and 41 percent have a high-level positive attitude towards counterfeit items.

The table clearly states that, low positive attitude is more among respondents who have low social influence, and high positive attitude is greater among respondents who have high social influence about counterfeit products. Respondents with high social influence have comparatively greater positive attitudes than who haven't.

H0 7.24: There is no significant association between customers' social influence and the level of purchase intentions towards counterfeit products

Table 7.41

Chi-Square Test for Association Between Customers' Social Influence and The Level of Purchase Intentions Towards Counterfeit Products

Social Influence	Level of Purchase Intentions			Total	Chi-square Value	P Value
	Low Level	Moderate Level	High Level			
Low Level	152 (33.2%) [68.2%]	137 (29.9%) [64.9%]	169 (36.9%) [53.3%]	**458 [61%]**	14.050	0.001**
High Level	71 (24.2%) [31.8%]	74 (25.3%) [35.1%]	148 (50.5%) [46.7%]	**293 [39%]**		
Total	**223 (29.7%)**	**211 (28.1%)**	**317 (42.2%)**	**751 (100%)**		

Source: Primary Data *** indicates significant at 1% level*
Values within ( ) refers to row percentage *Values within [ ] refers to column percentage*

Since the P value is less than 0.01, the null hypothesis is rejected. It indicates that there exists a significant difference between the degree of social influence and purchase intention of customers towards counterfeit items. Based on the row percentage, among the respondents who have less social influence, a low level of purchasing intent for counterfeit items exists among 33.2 percent of customers. 29.9 percent of them showed a moderate level of purchase intention, and 36.9 percent of respondents have a high level of purchase intention towards counterfeit items. In the case of respondents who have a high level of social influence, 24.2 percent have a low level of purchase intention towards counterfeit items, 25.3 percent have a moderate level, and 50.5 percent have a high-level purchase intention towards counterfeit items. According to the table, respondents with little social influence are less likely to purchase counterfeit products, whereas respondents with high social influence are more likely to acquire counterfeit products. Respondents with high social influence have higher purchase intentions than those with low social influence.

7.8 Conclusion

The present chapter examined the seven hypotheses and developed a model for the counterfeit products' motives and their effect on the formation of positive attitude and purchase intentions in the state of Kerala. The aforementioned hypotheses testing outcomes were utilized to develop the model. The examined model provides validation for all hypotheses with the exception of a single one. The fit indices indicate that the Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) models exhibit a satisfactory level of fit. This chapter also addressed the association between the degree of customers' driving factors or motives that influence their purchases of counterfeit products and their level of positive attitude towards counterfeit products and purchase intentions. The results demonstrated that the degree of all constructs except the factor of risk averseness showed significant differences regarding the formation of positive attitude whereas the degree of all constructs except the factor of personal gratification expressed significant differences regarding purchase intentions of the customers towards counterfeit products in Kerala.

Chapter 8

Drivers of Counterfeit Products and Purchase Intentions: The Parallel Mediating Roles of Positive Attitude and Perceived Value

Contents

8.1 Introduction

This chapter provides an analysis of the fourth objective of the research, which is to examine the role of positive attitude and perceived value as mediators in the relationship between buying motives of counterfeit products and customers' purchase intentions in Kerala. The parallel mediating roles of positive attitude and perceived value in between the customer motives and purchase intention has been explored and the IBM SPSS AMOS Graphics 21 software package was employed to build up the mediation model.

Hence, the direct effect of customer motives on purchase intentions, favourable attitude and perceived value, the direct effect of perceived value and positive attitude on purchase intentions, and the mediating roles of perceived value and attitude in the relationship between customers motives or drivers and purchase intention are explored in the chapter. Since, the study highlights the mediating effect of two variables in the same relationship, it has been treated as the parallel mediation model analysis. To evaluate the significance of the mediation or indirect effects in the model, a bootstrapping approach was used.

8.2 Mediation Analysis: An Overview

A mediation model is a statistical model that uses a mediator variable, which is a third hypothetical variable. The purpose of this model is to identify and explain

the mechanism or process that is responsible for the observed correlation between an independent variable and the dependent variable. A mediation model suggests that the independent variable has an impact on the mediator variable, which in turn affects the dependent variable. The role of the mediator variable is to shed light on the nature of the interaction between the independent and dependent variables. Mediation investigations aim to gain a deeper understanding of an existing connection by examining how one variable affects another variable through the involvement of a mediator variable.

This study examines the driving factors that lead to counterfeit buying which includes the sub-variables of cognitive drivers, affective drivers and social drivers. The independent variable is the driving factors towards counterfeit products, while the dependent variable is the purchase intention. Additionally, the mediating variables are the positive attitude and perceived value.

The analysis of the parallel mediation model has been used since the study emphasises the mediating effects of two variables in the same relationship. The bootstrapping method was employed to evaluate the model and determine if there was any evidence of a mediation effect, which is also referred to as an indirect impact.

8.3 Objective of the Chapter

Objective IV: *To examine the mediating effect of positive attitude and perceived value on the association between drivers of purchasing counterfeits and purchase intentions.*

The IBM SPSS AMOS Graphics 21 software was utilised to create the mediation model. The bootstrapping method was employed to determine whether or not the mediation function or the indirect impact was significant. The study makes use of bootstrapping techniques, particularly 5000 bootstrap samples for the determination of the indirect impact of customer attitude and perceived value in the relation between customer motives or the constructs of cognitive drivers, affective drivers and social drivers; and purchase intentions regarding the counterfeit merchandise in the context of Kerala.

8.4 Hypotheses Formulation for the Mediation Model

The drivers of counterfeit products consist of cognitive, affective and social drivers which have four sub-variables in each category. The variables under the cognitive drivers are price consciousness, value consciousness, price-quality inference and the perceived risk which were proved to have significant effect on perceived value, customers' attitude and purchase intentions (Phau & Teah, 2009).

Risk averseness, integrity, personal gratification and novelty-seeking nature of the customers fall under the category of affective drivers and have been shown to have a considerable impact on perceived value, customers' attitudes, and purchase intentions (Babamiri et al., 2020; De Matos et al., 2007). The social drivers that have been found to have a significant influence on perceived value, customers' attitudes, and purchase intentions include information and normative susceptibility, status consumption and social influence (Bagozzi et al., 2002; Baron & Kenny, 1986; Ting et al., 2016).

The literature essentially held that people are much more likely to consider purchasing counterfeit goods if they have a favourable perception and positive attitudes towards them and vice versa (Ang et al., 2001; De Matos et al., 2007; Huang et al., 2004; F. Wang et al., 2005). A positive relationship between perceived value and propensity to acquire counterfeit goods was shown by Dodds et al. (1991). One of the key predictors of a consumer's intent to purchase counterfeit goods, according to Hien and Trang (2015), is their attitude towards them. This finding is explained by the fact that consumers with positive attitudes towards counterfeit goods have stronger intent to purchase them.

Attitude is thought to mediate consumer mindsets regarding counterfeit items and purchase intention. Bentler and Speckart (1979) investigated the mediation effects by studying models of the link between attitude and conduct. According to De Matos et al. (2007), attitude acts as an intermediary between the many components that impact purchase intent. Thurasamy et al. (2003) found that the attitude towards counterfeit goods served as a partial mediating factor in the relationship between personality characteristics and the willingness to purchase counterfeit goods.

Therefore, the following mediation model hypotheses statements were formulated to assess the mediating roles of customer attitude and value perception in the association between the customer driving forces regarding counterfeits and their intent to purchase the same.

Table 8.1

Hypotheses Statements for the Mediation Model

Sl. No.	Hypotheses Statements for the Mediation Model
MEH.1	*Drivers of counterfeit products have a positive and direct effect on purchase intentions.*
MEH.2	*Drivers of counterfeit products have a positive and direct effect on positive attitude*
MEH.3	*Drivers of counterfeit products have a positive and direct effect on perceived value*
MEH.4	*Positive attitude has a positive and direct effect on purchase intention*
MEH.5	*Perceived value has a positive and direct effect on purchase intention*
MEH.6	*Positive attitude mediates the relationship between drivers of counterfeit product and purchase intention*
MEH.7	*Perceived value mediates the relationship between drivers of counterfeit product and purchase intention*

MEH 1 to 7 denotes mediation hypotheses

8.5 Parallel Mediation Model

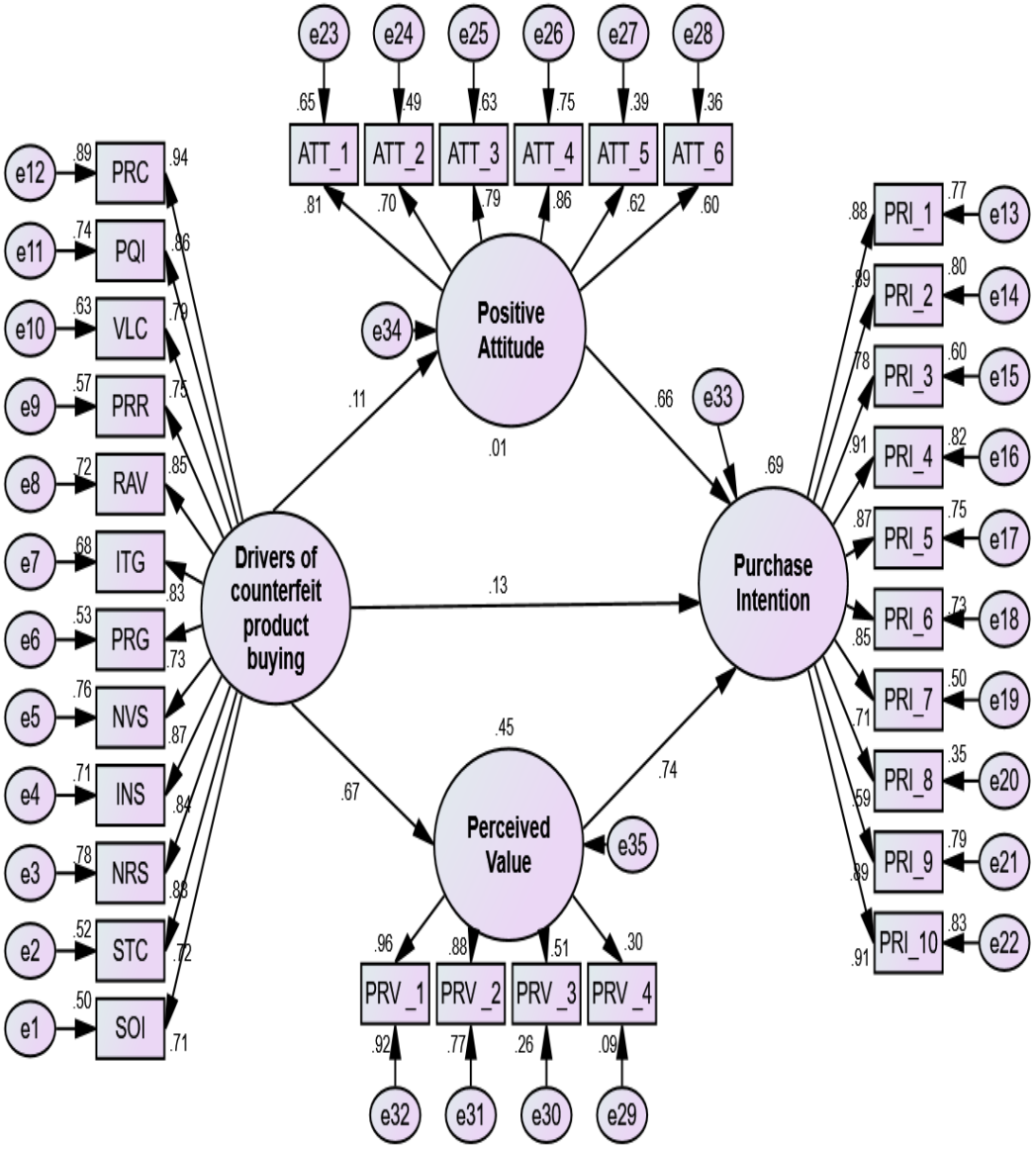
Parallel mediation proposes two or more variables such as M1., M2., etc. to mediate the link between two prominent constructs. The mediator variable's function is to reveal the nature of the interaction between the independent and dependent variables. Mediation studies seek to get a better understanding of an existing relationship by investigating how one variable impacts another variable by means of the participation of a mediator variable.

The figure below exhibits the parallel mediation analysis that examines the indirect relationship between the drivers of counterfeit buying and purchase intention via positive attitude and perceived value. The direct effect as well as the

indirect impact are plotted in the model below which connects the driving forces, perceived value, attitude and purchase intention of the customers towards the counterfeit products.

Figure 8.1

Parallel Mediation Analysis Examining the Indirect Relationship Between the Drivers of Counterfeit Buying and Purchase Intention via Positive Attitude and Perceived Value



Source: Primary Data

Table 8.2
Fit Indices for Testing the Mediation Model

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	3.107	0.000	0.984	0.965	0.991	0.034
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

In the table above, the CFA model fit scores measure how well the model fits the data. The ratio of the Chi-square measure to the number of degrees of freedom should be less than 5. The answer is 3.107, which is a long way below the most that can be given. RMSEA is 0.034, which is much less than the suggested value of 0.08. All of the GFI, AGFI, and CFI numbers are higher than 0.9, which would mean that they are all close fits. So, the mediation is a good fit.

Table 8.3
Values for the Mediation Model of Direct Effects Path

Construct	Path	Construct	Estimate	S.E	C. R	P-Value	Result
Purchase Intentions	←	Drivers of counterfeit product buying	0.13	0.035	2.46	0.022*	**Significant**
Positive attitude	←	Drivers of counterfeit product buying	0.11	0.039	1.86	0.053NS	**Not Significant**
Purchase Intentions	←	Positive attitude	0.66	0.032	9.34	<0.001**	**Significant**
Perceived value	←	Drivers of counterfeit product buying	0.67	0.29	9.67	<0.001**	**Significant**
Purchase Intentions	←	Perceived value	0.74	0.35	11.67	<0.001**	**Significant**

Source: Extracted from the Model
** denotes significant at 1% level
* denotes significant at 5% level
NS denotes Not Significant

The provided figure and table illustrate the positive and direct relation between the purchase motivations for counterfeit products and the intention to purchase, as well as the positive associations between positive attitudes, perceived value, and purchase intention. The results suggest that the purchasing motivations for counterfeit products have a significant and positive effect on the intention to make a purchase. This is supported by a path coefficient of 0.13, which is statistically significant at 5% level with a p-value of 0.022. In the structural equation modelling technique, path coefficients are standardized versions of regression model weights that may be used to investigate the potential causal relationship between data from statistical analyses.

Furthermore, the purchasing motivations associated with counterfeit products exhibit a noteworthy and constructive effect on individuals' positive attitudes. This is evidenced by a path coefficient of 0.11, with a statistically not significant p-value of 0.053. Moreover, it can be observed that a positive attitude would exert a substantial and favourable effect on the intention to make purchases. This is evidenced by a path coefficient of 0.66, which is statistically significant at the $p < 0.001$ level.

The driving factors of counterfeit products have been found to have a significant positive effect on perceived value, as indicated by a beta value of 0.67 and a p-value of 0.001. The variable of perceived value demonstrates a significant positive impact on purchase intentions, as indicated by a beta coefficient of 0.74 ($p < 0.001$). The standardised regression coefficients are associated with the paths and indicate the magnitude of change in the dependent variable resulting from a one standard deviation unit change in the independent variable.

Table 8.4

Summary of Mediation Model Hypotheses Testing (Direct Effects)

Construct	Path	Construct	Hypotheses	Result
Purchase Intentions	←	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on purchase intentions.	**Supported**

Positive attitude	←	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on positive attitude	**Not Supported**
Perceived value	←	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on perceived value	**Supported**
Purchase Intentions	←	Positive attitude	Positive attitude has a positive and direct effect on purchase intention	**Supported**
Purchase Intentions	←	Perceived value	Perceived value has a positive and direct effect on purchase intention	**Supported**

Source: Extracted from the Model

The summary of the mediation model makes it very clear that drivers of counterfeit consumption are significantly related to the purchase intentions and perceived value but not with the customer attitude. The effect of drivers on customer attitude seems to be insignificant due to the presence of any of the sub-variables inside the driving forces of either cognitive, affective or social. It may occur due to the effect of any of the sub-variables' non-significance on the attitude formation of the customers towards counterfeits. Further, the constructs of customer attitude and perceived value proved to have a significant positive effect on the dependent variable of purchase intentions regarding the counterfeit products.

Table 8.5

Bootstrapping for Mediation Model Testing (Direct and Indirect Effects Routes)

Independent Construct	Mediation Construct	Dependent Construct	Direct Effect	Indirect Effect (Mediation Effect)	Result of Hypothesis Testing
Purchase Intentions	Positive attitude	Drivers of counterfeit product buying	0.13**	0.07^{NS}	***Not Supported (No mediation)***
Purchase Intentions	Perceived value	Drivers of counterfeit product buying		0.50**	***Supported (Partial Mediation)***

*** represents a significant level of 1%* *NS indicates not significant*
Indirect effect values were obtained using a bootstrapping method and 5,000 samples from the bootstrap.

The given table provides evident support for a direct and positive association between the influential factors that drive the purchase of counterfeit products and the intention of buying such goods. Moreover, the table additionally illustrates the presence of an indirect influence, referred to as a mediating effect, of driving factors on the intention to make a purchase. The effect of this phenomenon is contingent upon the consumers' perception of value in relation to counterfeit products. This suggests that customers would be motivated to obtain counterfeit products because they would believe that these products offer good value for money and are worthy of being purchased. As a direct consequence of this, buyers need to have a greater propensity to buy products of this kind.

Conversely, it can be claimed that a positive attitude does not serve as a mediating factor in the association between driving factors and the intention to make purchases. This suggests that the motivations for buying counterfeit products are not primarily driven by customers' positive perceptions of such products. This implies that customers exhibit lack of favourable attitude towards counterfeit products, even though their willingness to procure such items in order to satisfy their requirements. Additionally, this finding suggests that consumers possess an understanding that counterfeit goods are unlawful and fail to adhere to societal conventions. This is the reason why they possess an unfavourable outlook and viewpoint regarding counterfeit products.

However, despite the lack of legal compliance and social approval, consumers are still inclined to purchase these products due to its affordability and better quality within its category. This pertains to the underlying mechanism that exists in the relationship between the purchasing motives of counterfeit products, favourable attitudes towards counterfeit products, and intentions to make a purchase.

The research employs bootstrapping methods, specifically utilising 5000 bootstrap samples, and the IBM-SPSS-AMOS Graphics - 21 software package to investigate the mediating effects of a particular pathway. In this particular instance, one could posit that mediation exerts partial effect on perceived value, given that the direct effects, namely the factors that influence counterfeit product and purchase intention, continue to maintain their significance.

Table 8.6
Result Summary of Parallel Mediation Effect

Construct	Mediator	Construct	Hypotheses	Result
Purchase Intentions	Positive Attitude	Drivers of counterfeit product buying	Positive attitude mediates the relationship between drivers of counterfeit products and purchase intention	**Not Supported**
Purchase Intentions	Perceived Value	Drivers of counterfeit product buying	Perceived value mediates the relationship between drivers of counterfeit products and purchase intention	**Supported**

Source: Extracted from the Model

8.6 Discussion of Parallel Mediation Model

In this instance, the idea of partial mediation encompasses both a significant association between the independent variable (drivers of counterfeit products) and the dependent variable (purchase intention), as well as an indirect connection between the mediator (perceived value) and the dependent variable (purchase intention). The observed direct effect and mediation effects exhibit significant values. According to the findings, the mediation effect of perceived value, which is an independent component, are influenced by purchasing drivers of counterfeit products, and it would ultimately lead to the purchase intention of counterfeit products.

The study also reveals that the driving factors behind counterfeit purchases do not create a positive attitude towards these products. Certain studies showed an absence of mediation effect of attitude as well (Harun et al., 2020). Customer attitudes regarding counterfeit goods failed to operate as a mediator in the interaction between the driving forces and purchase intention. Therefore, because of the positive attitude, no purchases have been made for counterfeit products due to their illegal nature and lack of acceptance within social norms.

There is a positive mediation of the dimensions of perceived value between the driving forces and the desire to purchase counterfeit versions of the authentic brands (Wiedmann et al., 2012). If customers obtain advantages that are on par with

the price they paid, they will be satisfied and want to buy the things again. In the absence of a mediation role of attitude, perceived value clearly mediates the relation between customer motives and intention to buy counterfeits. It means, the customers buy the product not because of their positive attitude, but solely because of their better perception of its value. The results of the mediation analysis indicate that customers in Kerala are unlikely to purchase more counterfeit products unless they perceive these products to offer a certain level of value in relation to the money they are spending.

8.7 Conclusion

This chapter specifically addresses the fourth objective, which is to analyse the role of positive attitude and perceived value as mediators in the relationship between the driving forces behind purchasing counterfeit products and purchase intention. Both the direct effect and the indirect effect of the mediator, perceived value, have been found to be significant. This suggests that the mediation effect is only partially observed in this particular case. Furthermore, it was also found that the positive attitude of the customer towards counterfeit products does not act as a mediator in the relationship between purchase motives and purchase intentions. Bootstrapping methods and the IBM-SPSS-AMOS Graphics-21 software package to validate the significance of the mediation effect. These tools allowed us to explore different routes in the evaluation. To evaluate the mediation effect in the model, a bootstrapping process with a total of 5000 samples was employed. In this scenario, one can contend that mediation has a limited influence on perceived value since the direct effects, notably the components that drive counterfeit goods and purchase intention, remain significant.

Chapter 9

Price-Quality Inference on Perceived Value and Purchase Intentions: The Moderating Effect of Novelty-Seeking Behaviour

Contents

9.1 Introduction

This chapter pertains to the fifth objective of the study, which involves investigating the moderating influence of novelty-seeking behaviour on the relationship between price-quality inference and perceived value, as well as price-quality inference and purchase intentions of customers counterfeit merchandise in the context of Kerala. The IBM SPSS AMOS 21 software was utilised to assess the moderating effects, while a simple slope curve test was employed to evaluate the moderation effect's significance in the model.

9.2 Objective of the Chapter

Objective V: *To extract the moderating effect of novelty-seeking behaviour on the influence of price-quality inference on perceived value and purchase intentions.*

The interaction moderation effect of novelty-seeking behaviour of the customers and price-quality inference on the constructs of perceived value and

purchase intentions regarding counterfeit merchandise has been attempted to extract in this chapter.

9.3 Moderation Analysis: An Overview

A moderating variable is one that alters the effects of another variable, such as an independent variable on a dependent variable. The term "moderator" was coined by social scientists to describe a variable that interferes with the link between an independent variable and its related dependent variable. A moderating factor is a third metric that is used to assess how strongly both dependent and independent factors are related. The moderator variable in the X-Y connection can be represented by the letter M. Thus, M's purpose in moderating is to change the influence that X has on Y (Z. Awang, 2012).

The influence of independent variable X on its dependent variable Y must be present and substantial before including a moderator in the model. The observed influence of the moderator on the association between independent and dependent variables shows the strength or weakness of the relation. However, this is referred to as the product term which is also popularly recognized as an interaction term.

Precisely, when a moderator M is introduced to the model, the causal effects would alter as a result of an "interaction effect" between independent variable X and the newly included moderator variable M. Therefore, the effects of X on Y may either grow or shrink. In other words, the magnitude of the moderator variable would determine how the independent variable affects the dependent variable (Z. Awang, 2012).

9.4 The Influence of Price-Quality Inference on Perceived Value and Purchase Intentions

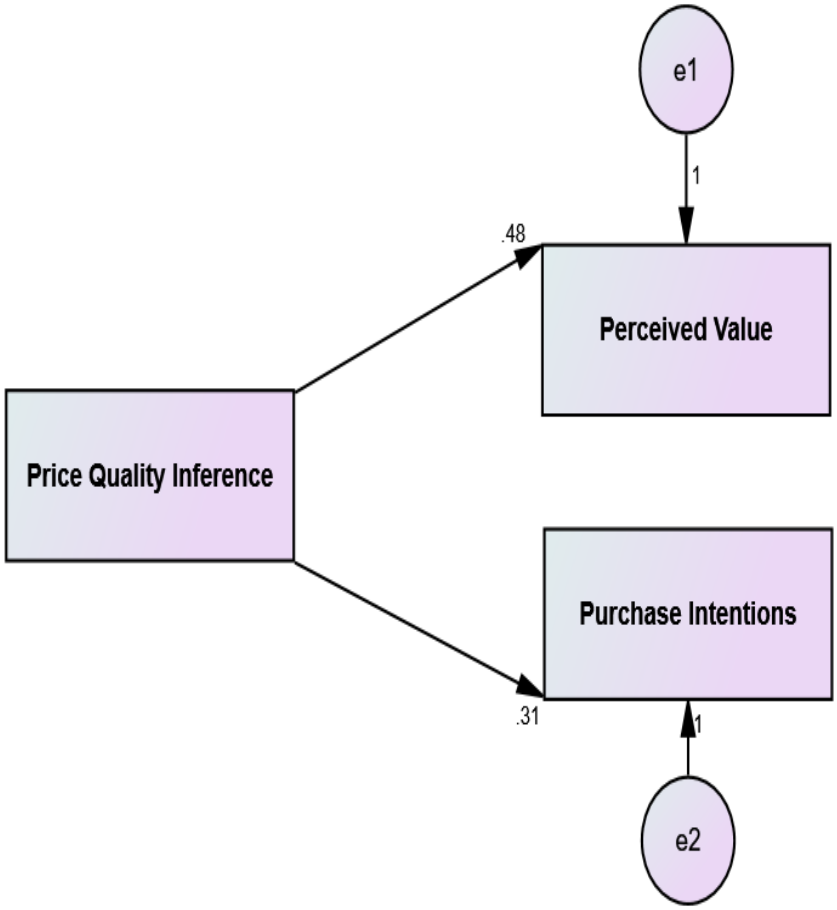
Prior to including a moderator into the model, it is critical to establish the presence and degree of the independent variable X's impact on the dependent variable Y (Z. Awang, 2012). The perceived value and purchase intention for counterfeit items are the dependent variables in the current study, and the price-quality inference is the independent variable. The moderating factor is the novelty-seeking behaviour. The current chapter establishes the moderating influence of

novelty-seeking behaviour on the effect of price-quality inference on perceived value and purchase intention towards counterfeit products.

Therefore, it is crucial to verify the presence and extent of the independent variable price-quality inference's influence on the dependent variables such as perceived value and purchase intentions for counterfeits before introducing novelty-seeking behaviour as the moderator into the model. The same has been plotted in the figure below:

Figure 9.1

Price-quality Inference's Influence on Perceived Value and Purchase Intentions



Source: Primary Data

Table 9.1
Model Fit Indices for Determining the Effect of Price-Quality Inference on Perceived Value and Purchase Intentions

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	1.521	0.421	0.998	0.992	0.999	0.014
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

Table 9.1 displays the CFA model fit indices that can be utilized to measure how well the overall model fits. An acceptable well-built model is said to have a Chi-square to degrees of freedom ratio of less than 5. The current value is 1.521, which is significantly less than the permitted maximum. The Root Mean Square Error of Approximation (RMSEA) is 0.014, which shows that the value of 0.08, which is the cutoff number, is not significantly different. Also, it's important to note that the GFI, AGFI, and CFI metrics all exceed the threshold of 0.9 in which a score of 1.0 indicates an exact fit. Thus, the model fits well and can be used for further examination.

Table 9.2

The Effects of Price-Quality Inference on Perceived Value and Purchase Intentions

Construct	Path	Construct	Estimate	S. E	C. R	P-value
Perceived Value	←	Price-Quality Inferences	0.48	0.029	6.57	<0.001**
Purchase Intentions	←	Price-Quality Inferences	0.31	0.034	4.49	<0.001**

Source: Extracted from the Model
*** denotes significant at 1 % level of significance*

The table above depicts the direct effect of price-quality inference on both perceived value as well as the purchase intentions of the customers towards counterfeits. The results of each route are referred to as standardized regression coefficients, which demonstrate how much the dependent construct alters in response to variations in the independent variable that are equal to one standard deviation unit. This alteration to the independent variable triggers the estimation of the standardized regression coefficients.

The price-quality inference has a significant and positive effect on both the perceived value with a path value of 0.48 and purchase intentions with a path value of 0.31, as depicted in the table and structural equation modelling diagram that were discussed previously. Thus, the first condition of the moderation testing is satisfied with a direct significant effect of price-quality inference on perceived value and purchase intentions of the customers regarding counterfeit products.

9.5 Hypotheses Formulation for the Moderation Model

The strength or weakness of the relationship is shown by the moderator's observable effects on the relationship between independent and dependent variables. Perceived value refers to how the customer feels about the product or service. In recent years, marketers and managers have turned their attention to value perception as a crucial factor in explaining client fulfilment and retention (Lin & Wang, 2006). Client contentment is significantly influenced by the perceived value of a product, which is based on a comparison of its price and quality.

Several studies expressed a significant effect of price-quality inference on perceived value (Alsaid & Saleh, 2019; Chapman & Wahlers, 1999). The need for novelty and consumers' views of counterfeit items are strongly, favourably, and significantly related, according to several research (Abdullah & Yu, 2019; Ha & Tam, 2015; Hidayat & Diwasasri, 2013). Due to the outsourcing of production processes and the introduction of new technology, the quality and price of counterfeit items have both grown significantly (Jiang & Shan, 2016).

The goal emphasises the need to determine the direct impacts of price-quality inference on perceived value and purchase intention as well as the moderating effect of the consumers' propensity for novelty. The model aims to derive the combined

impact of price, quality, and novelty on consumers' perceptions of value and buy intent. Thus, the direct effects of price-quality inference and novelty-seeking nature on the perceived value and purchase intentions as well as the interaction moderation effect has been expressed in six hypotheses and are depicted in the table below.

Table 9.3

Hypotheses Statements for Moderation Analysis

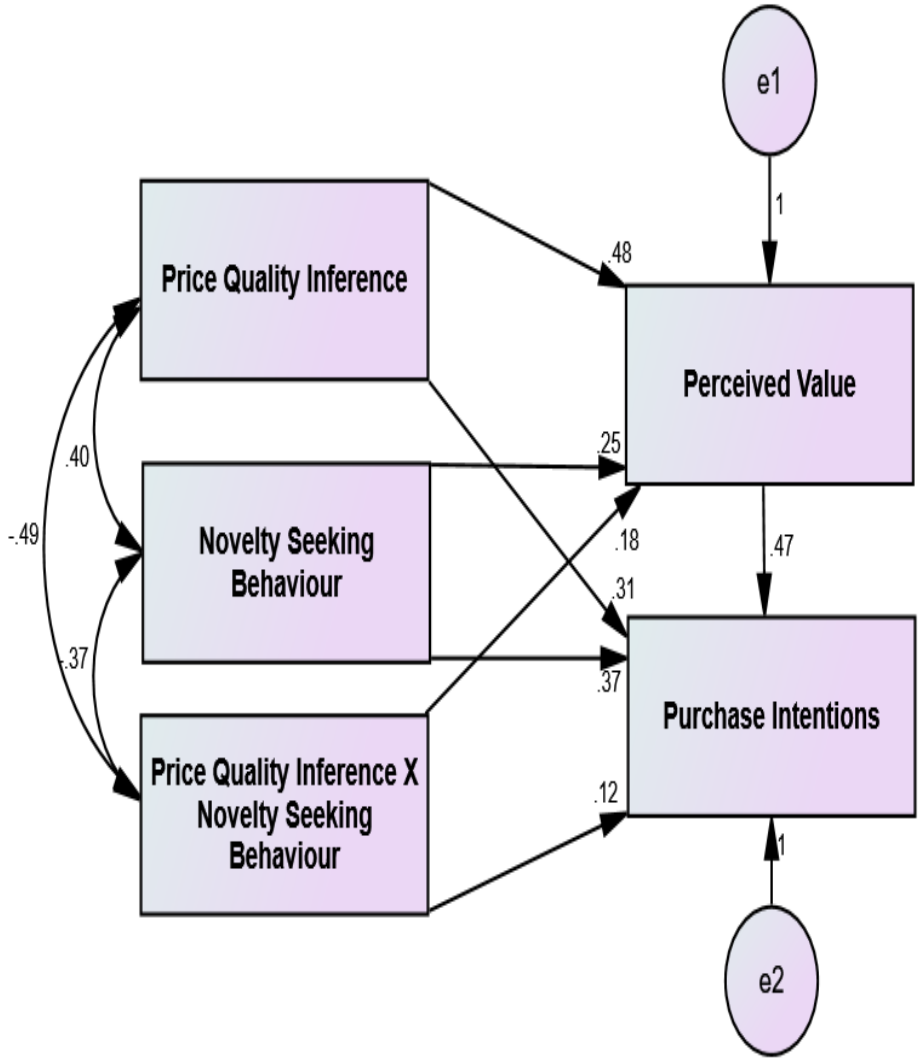
Hypotheses No.	Hypotheses Statements for Moderation Analysis
MOH.1	*Price-quality inference has a positive effect on perceived value*
MOH.2	*Price-quality inference has a positive effect on purchase intentions*
MOH.3	*Novelty-seeking behaviour has a positive effect on perceived value*
MOH.4	*Novelty-seeking behaviour has a positive effect on purchase intentions*
MOH.5	*Novelty-seeking behaviour has a moderating effect on the strength of the relationship between price-quality inferences and perceived value*
MOH.6	*Novelty-seeking behaviour has a moderating effect on the strength of the relationship between price-quality inferences and purchase intentions*

MOH indicates Moderation Hypotheses

9.6 The Influence of Price-Quality Inference on Consumers' Perceived Value and Purchase Intentions Moderated by Novelty-Seeking Behaviour

The objective showcases a requirement of establishing the direct effects of price-quality inference on perceived value and purchase intention as well as the moderating effect of novelty-seeking nature of the customers. The model intends to extract the combined effect on price, quality and novelty on the perceived value and purchase intention of the customers. Therefore, an interaction moderation model exhibiting the same has been outcasted in the figure given below.

Figure 9.2
An Interaction Moderation Model Based on Unstandardized Regression Coefficients



Source: Primary Data

Table 9.4

Model Fit Indices for the Interaction Moderation Effect

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	3.765	0.000	0.978	0.949	0.987	0.051
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

A model that is acceptable should have a Chi-square to degrees of freedom ratio that is lower than 5. In this particular instance, the value is 3.765, as given in the table 8.3, which is inside the range of acceptable values for the set upper limit. The Root Mean Square Error of Approximation (RMSEA) was given a score of 0.051, which is lower than the score of 0.08 which is considered to be in the acceptable norm. In a similar vein, the GFI, AGFI, and CFI indices all exhibit values that are greater than 0.9, although a value of 1.0 suggests a fit that is acceptable. Hence, the model fits well and can be used for further examination.

Table 9.5

A Brief Overview of the Estimations Made Using the Moderation Model

Construct	Path	Construct	Estimate	S. E	C. R	P-value
Perceived Value	◄—	Price-Quality Inference	0.48	0.031	6.55	<0.001**
Purchase Intentions	◄—	Price-Quality Inference	0.31	0.034	4.02	<0.001**
Perceived Value	◄—	Novelty-Seeking Behaviour	0.25	0.040	3.24	<0.001**
Purchase Intentions	◄—	Novelty-Seeking Behaviour	0.37	0.031	4.41	<0.001**
Perceived Value	◄—	Price-Quality Inference X Novelty-Seeking Behaviour	0.18	0.034	2.94	<0.001**
Purchase Intentions	◄—	Price-Quality Inference X Novelty-Seeking Behaviour	0.12	0.035	2.45	0.024*

Source: Extracted from the Model
*** denotes 1% significance level*
** denotes significant at 5% level*

According to the interaction moderation model, the price-quality inference factor has significant effects not only on the perceived value but also on the likelihood of future purchase intentions. The novelty-seeking behaviour of a buyer

of a counterfeit product has significant effects on both the buyer's perception of the product's value and the buyer's intentions to make a purchase of the product. The interaction between price-quality inference and novelty-seeking behaviour has a major influence on the consumers' feeling of the value regarding the counterfeit product, and these customers exhibits the intention to acquire these products as a result of the interactions. The specifics of the moderating effect as determined from the model are depicted and discussed below:

Table 9.6

Summary of Moderation Effect - I

Construct Names			**Unstandardized Regression Coefficients**		
Independent construct	**Moderator**	**Dependent construct**	**Independent construct**	**Moderator**	**Interaction**
Price-Quality Inference	Novelty-Seeking Behaviour	Perceived Value	0.48**	0.25**	0.18**

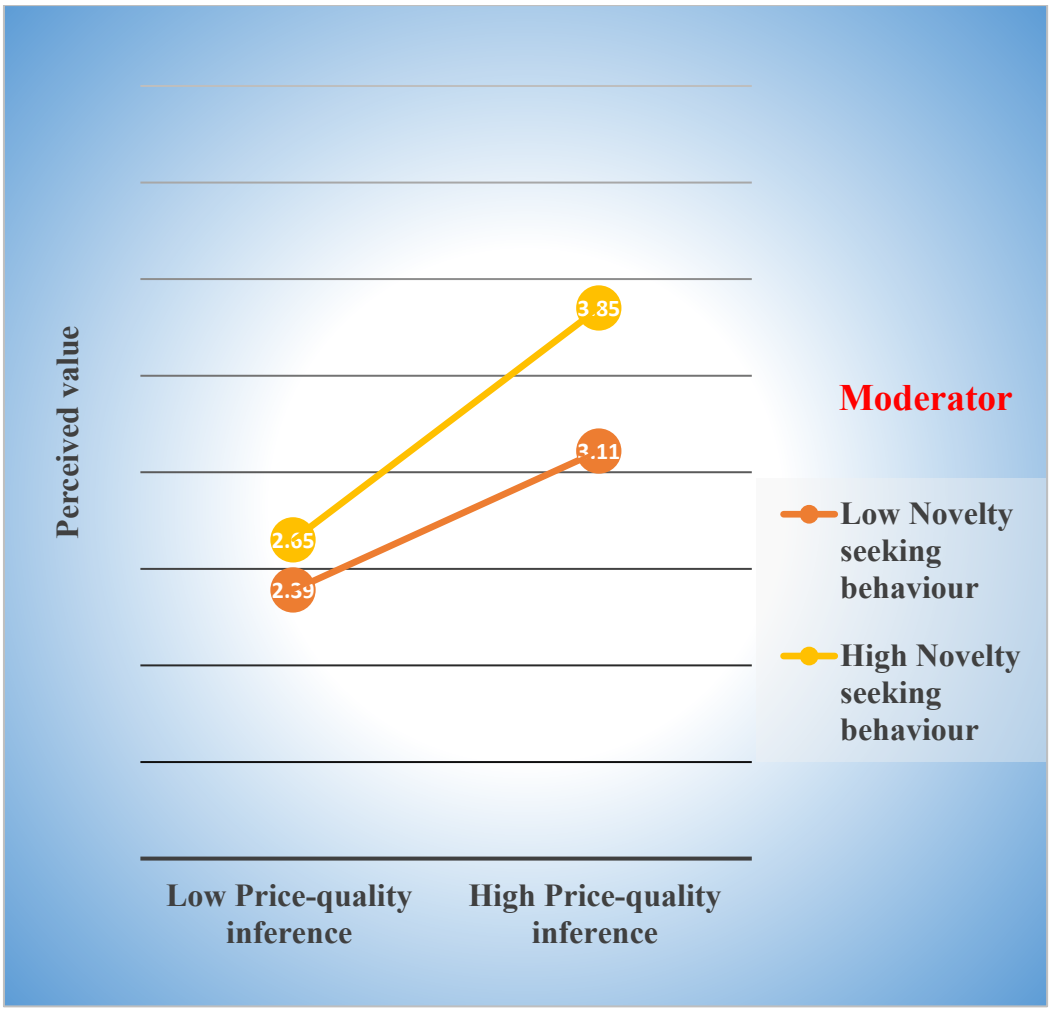
Source: Extracted from the Model
*** denotes 1% significance level*

The table above illustrates that novelty-seeking behaviour considerably moderates the strength of the relationship between price-quality inference and perceived value. The price-quality inference has a direct significant positive effect on the perceived value with a regression coefficient of 0.48 and the novelty-seeking nature of the customers has a direct significant positive effect on perceived value with a regression coefficient of 0.25. Interaction moderation effect augments this relationship with a regression coefficient value of 0.18.

Hence, it can be inferred that the novelty-seeking behaviour, as a moderator, strengthens the positive link between price-quality inference and perceived value. The simple slope test, shown in the figure 9.3 below, verifies the significance of the moderating effect.

Figure 9.3

The Simple Slope Test Plots to Examine the Two-Way Interaction of Price-Quality Inference and Novelty-Seeking Behaviour to Predict Perceived Value



Source: Primary Data

9.6.1 Result of Two-way Interaction for Moderation Effect – I

The simple slope test plot is employed to examine the two-way interaction effect of unstandardized variables for the moderation effect to predict the perceived value which has been expressed in the above figure. An upward sloping line has a positive slope, indicating a direct association between two variables. The interaction of novelty-seeking behaviour strengthens the positive relationship between price-quality inference and consumers' perceptions regarding the value of counterfeit products.

The combined effect of novelty-seeking behaviour and price-quality inference has a greater effect on the formation of favourable perceptions among potential buyers of counterfeit products in Kerala.

Table 9.7

Summary of Moderation Effect – II

Construct Names			Unstandardized Regression Coefficients		
Independent construct	**Moderator**	**Dependent construct**	**Independent construct**	**Moderator**	**Interaction**
Price-Quality Inference	Novelty-Seeking Behaviour	Purchase Intentions	0.31**	0.37**	0.12*

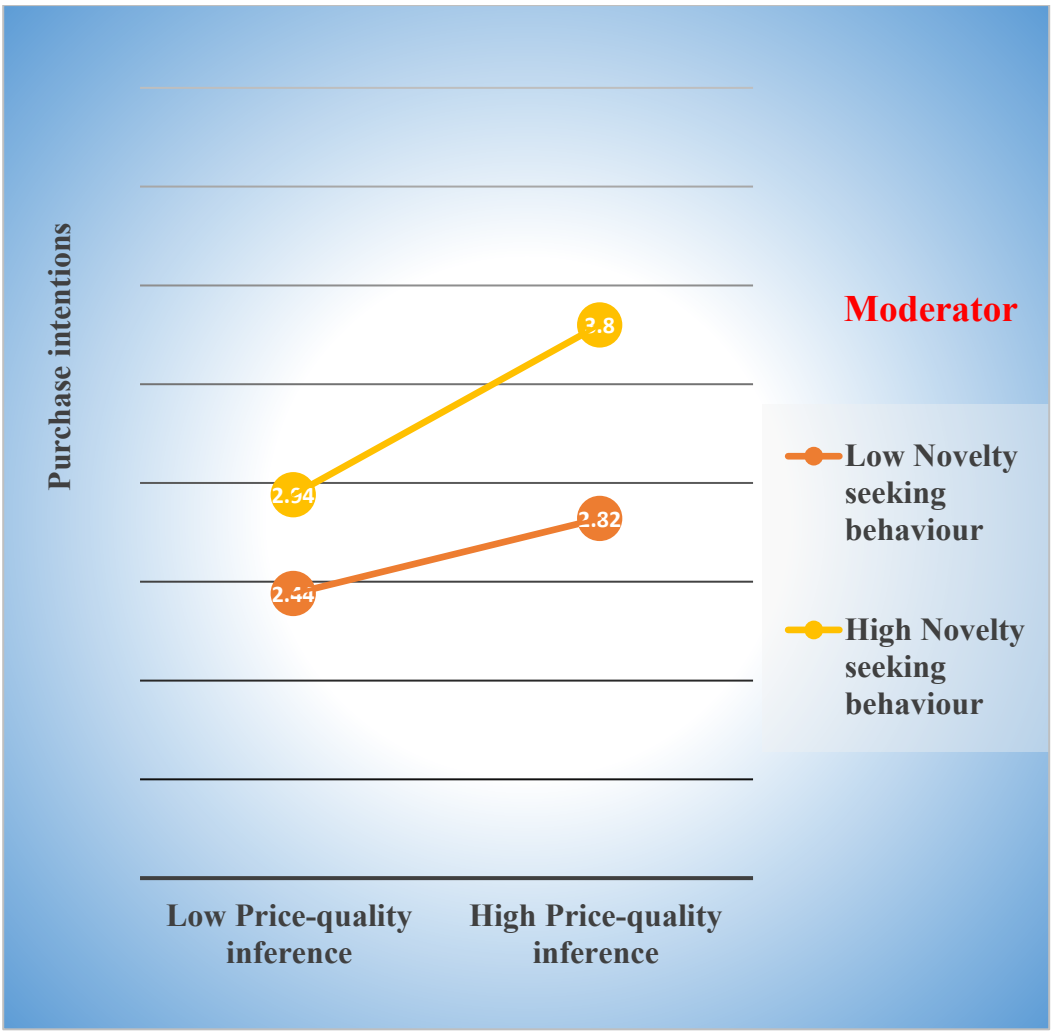
Source: Extracted from the Model
*** denotes 1% significance level*
** indicates significant at 5% level*

The data in the table above reveal that the presence of high novelty-seeking behaviour among potential counterfeit goods purchasers has a significant moderating influence on the degree to which high price-quality inference is connected with their purchase intentions. The price-quality inference has a direct significant positive effect on the purchase intentions of customers with a regression coefficient value of 0.31 and the novelty-seeking nature of the customers has a direct significant positive effect on perceived value with a regression coefficient value of 0.37. Interaction moderation effect augments this relationship with a regression coefficient value of 0.12 which is significant at 5% level.

Hence, it can be inferred that when the potential consumers' novelty-seeking behaviour is incorporated as a moderator in the analysis, the favourable association between price-quality inference and purchase intentions is increased. The graph below depicts the results of a basic slope test to demonstrate the moderating effect and its significance with regard to the second moderation effect.

Figure 9.4

The Simple Slope Test Plots to Examine the Two-Way Interaction of Price-Quality Inference and Novelty-Seeking Behaviour to Predict Purchase Intentions



Source: Primary Data

9.6.2 Result of Two-way Interaction for Moderation Effect – II

The above diagram represents the simple slope test plots to investigate the two-way interaction impact of unstandardized variables for the moderation effect to predict customers' purchase intentions towards counterfeits. The tendency of customers towards seeking novelty reinforces the positive association between their assessments of price-quality inference and their intentions to make a purchase. The inclusion of novelty-seeking behaviour among consumers into the assessment of price-quality inference would result in a strengthened impact of price-quality

inference on the intention to purchase. The presence of novelty-seeking behaviour would serve as a strengthening factor in the customers' decision to purchase counterfeit products, along with their belief that the quality of said products was commensurate with their monetary value.

Table 9.8

Summary of Hypotheses Testing

Hypotheses No.	Hypotheses Statements for Moderation Analysis	Result
MOH.1	*Price-quality inference has a positive effect on perceived value*	***Supported***
MOH.2	*Price-quality inference has a positive effect on purchase intentions*	***Supported***
MOH.3	*Novelty-seeking behaviour has a positive effect on perceived value*	***Supported***
MOH.4	*Novelty-seeking behaviour has a positive effect on purchase intentions*	***Supported***
MOH.5	*Novelty-seeking behaviour has a moderating effect on the strength of the relationship between price-quality inferences and perceived value*	***Supported***
MOH.6	*Novelty-seeking behaviour has a moderating effect on the strength of the relationship between price-quality inferences and purchase intentions*	***Supported***

MOH indicates Moderation Hypotheses

9.7 Discussion of Moderation Effect in the Model

The construct of price-quality inference is found to have a positive effect on the value perception of the customers leading to purchase inclination towards counterfeits (Bearden et al., 1989; Lichtenstein et al., 1993; Ndofirepi et al., 2022). Novelty-seeking behaviour also found to have a positive effect on the elements of perceived value as well as buying intend regarding counterfeits (Harun et al., 2020; Hidayat & Diwasasri, 2013; Nordin, 2009). Testing the moderation demonstrated that when customers' price-quality inferences regarding counterfeit products are

combined with their desire to use a novel product, they consider counterfeit products to be the best alternative available to them because it delivers better value to them in terms of the price level, quality level, and novelty products level. They would ultimately plan to buy these products in order to satisfy their requirements. Therefore, the results of the moderation effect suggests that if the counterfeit products have the best price-quality parity and if it satisfies the customers' wants of using novel products, it would ultimately boost the value perception and purchase intentions of the customers regarding the counterfeit products. The presence of novelty-seeking behaviour served as a strengthening factor in the customers' decision to purchase counterfeit products, along with their belief that the quality of said products was commensurate with their monetary value as per the test results of simple slope plots.

9.8 Conclusion

This chapter examined the moderating effect of the novelty-seeking behaviour of the customers on the effect of price-quality inference on perceived value and purchase intentions. The results show that both price-quality inference and novelty-seeking behaviour of customers have a direct effect on perceived value and purchase intentions. As a moderator, novelty-seeking behaviour would increase customers' positive value perceptions and also their purchase interests and intentions towards counterfeit products. According to the test findings of simple slope plots, buyers' decisions to buy counterfeit goods were strengthened by the existence of novelty-seeking behaviour and their conviction that the quality of such goods was in line with their monetary worth.

Chapter 10

Summary of Findings and Conclusion

Contents

10.1 Introduction

Operations involving counterfeit goods have become alarmingly upward. Every economic and social age in the history of humanity has seen the issue of counterfeit goods. Any unlicensed production or distribution of items whose unique properties are protected by IP rights is referred to as product counterfeiting (Chaudhry et al., 2005; Philips, 2005). The sale of counterfeit goods thrived on a global scale as a result of inadequate knowledge about these products, a desire for untaxed earnings, and lax legislation to stop counterfeiting.

A few of the stakeholders who are negatively impacted by counterfeiting include customers, policymakers, economic systems, and society as a whole (Bloch et al., 1993). In addition to causing financial and business losses, counterfeiting harms companies' reputations as well as the goodwill, trust, and confidence of consumers (Wang & Song, 2013). People are influenced and stimulated to purchase fake items by a variety of factors. Any product, in any nation, is vulnerable to the risk of counterfeiting and its effects. The packaging, labelling, and outward appearance of counterfeit items are identical to those of legal products or actual brands.

India has a long history of counterfeiting, and it is not a crime that leaves any victim. The adverse effects of counterfeiting are extensive and dangerous, spreading their tentacles into every sphere of existence. Several economic sectors are facing the problem of fake goods. Today, product counterfeiting affects practically all types and grades of consumer products, and the volume of commerce created

by counterfeit items is comparable to that of legally traded goods. India does not have any laws that penalize buying counterfeit products. The incidence of counterfeiting is extensive and covers anything from bogus aerospace and automotive parts to fake luxury products. Rawat and Singh (2021) observed that the Indian economy has provided a solid foundation and opportunity for manufacturers and marketers to take advantage of registered trademarks, which parallels technical advancement, modernization and liberalization, internet penetration, and the appeal of smartphones.

Products that have a well-known brand, a solid reputation, and just moderately complex production processes end up becoming the targets of counterfeiters (Penz & Stöttinger, 2005). According to Hundal and Jasmeen (2016), when there is an imbalance between supply and demand for a product, counterfeiters would take the opportunity by offering consumers cheaper versions of the original products. The present study makes an effort to examine the perception of customers as well as customer motives towards counterfeit products in Kerala and the extent of the same in the formation of a favourable attitude and intentions to buy such products deliberately.

The study also assessed how the constructs' impacts would vary on the basis of socio-demographic, economic, and counterfeit purchase factors. The study further explored the mediating roles of customers' attitudes and perceived value of counterfeit items in between the driving forces such as cognitive drivers, affective drivers, and social drivers and purchase intentions towards counterfeit products. In addition, the study tried to extract the moderating effect of the novelty-seeking behaviour of the customers on the relation of price-quality inference on purchase intentions as well as price-quality inference on the perceived value of the customers. The summary of the study's results and conclusion are put forth in this chapter.

10.2 Summary of Findings of the Study

An overview of all the findings of the five research objectives under study are plotted below:

10.2.1 Cognitive, Affective, and Social Drivers Influencing the Customers Towards Counterfeit Products in Kerala

The first research objective, which was to investigate the cognitive, affective, and social motivations of consumers in Kerala which influence them to purchase counterfeit goods, served as the foundation for how the findings are portrayed under this subsection. To achieve the aforementioned goal of the study, descriptive statistics like the mean and standard deviation as well as inferential analytic methods like the one-sample t-test, the independent t-test, and ANOVA with Tukey's HSD Post-hoc analysis were used.

10.2.1.1 The Extent of Cognitive, Affective, and Social Drivers Influencing the Customers Towards Counterfeit Products in Kerala

The cognitive driving forces considered by the researcher included price consciousness, price-quality inference, value consciousness and perceived risk in association with counterfeit products in Kerala. The study has taken into account the factors of risk averseness, integrity, personal gratification and novelty-seeking behaviour of the customers as the sub-variables of the affective drivers. Finally, the social driving forces consisted of information susceptibility, normative susceptibility, status consumption and social influence. All these driving forces are collectively taken as customer motives with regard to the formation of favourable attitude and purchase intention towards counterfeit products in the context of Kerala. The major findings which depict the extent of cognitive, affective and social drivers are pointed out below:

- According to the average scores of the cognitive drivers in Kerala that stimulate people to buy counterfeit goods, all scores are found to be above average which shows that customers in Kerala are more likely than the norm to purchase counterfeit products due to cognitive considerations. Based on their mean ratings, the cognitive factors that lead consumers in Kerala to buy counterfeit goods have been rated. According to the findings, prospective buyers are extremely price conscious (4.25), followed by value conscious (4.22), price-quality inferred (3.52), and had perceptions regarding risks involved (3.23). Based on these results, it may be inferred that consumers who could buy counterfeit goods are more value- and price-conscious. This

is in line with the findings of other studies in the area of counterfeit products (Gallarza & Saura, 2006; Hidayat & Diwasasri, 2013; Lichtenstein et al., 1993; Nawi et al., 2017).

- It was revealed that all of the customer's affective drivers in Kerala, which prompt them to buy counterfeit goods, have mean scores above average. According to the results of the mean scores, the most significant element would influence consumers in Kerala to purchase counterfeit products is their integrity (4.43), which is followed by gratification (4.03), risk aversion (3.50), and novelty seeking (3.14). From these findings, it is possible to infer that, in addition to personal enjoyment, personal integrity may play a significant role in determining why people want to purchase counterfeit goods. This is consistent with the conclusions of earlier research on counterfeit products (Cordell et al., 1996; Hawkins et al., 1980; Huang et al., 2004; Mayasari et al., 2022; F. Wang et al., 2005).

- The findings pointed out that customers' social motivations, which affect their decision to buy counterfeit products, have mean scores that are higher than the average. According to the survey, information susceptibility (mean score of 4.06) is the main factor influencing customers in Kerala to buy counterfeit goods. Normative susceptibility comes next with a mean score of 3.27, followed by status consumption with a mean score of 3.10, and social influence with a mean score of 2.23. These results suggests that those with a propensity for buying counterfeit goods have higher levels of information receptivity and are more knowledgeable about these goods. This is in tune with the results of prior investigations on counterfeit products (Amjad & Mahmood, 2018; Borekci et al., 2015; Kasuma et al., 2020; Nunes et al., 2011; Ting et al., 2016). This could affect how they decide to buy things in the future. The study also showed that these people lack social influence, which would reduce their susceptibility to being influenced to make decisions based on consumption. This suggests that, with the exception of social influence, the social variables that lead customers in Kerala to purchase counterfeit goods are more common than usual.

Table 10.1

Summary of One Sample T-Test for Measuring the Cognitive, Affective and social Drivers of the Customers Towards Counterfeit Products in Kerala

Drivers	Sub-Variables	Mean	Standard Deviation	Mean Difference	T Value	P Value	Rank (Mean)
Cognitive Drivers	Price Consciousness	4.25	0.60	1.22	55.73	<0.001**	I
	Price-Quality Inference	3.52	0.69	0.52	20.81	<0.001**	III
	Value Consciousness	4.22	0.66	1.22	50.61	<0.001**	II
	Perceived Risk	3.23	0.58	0.23	11.05	<0.001**	IV
Affective Drivers	Risk Averseness	3.50	0.28	0.50	48.37	<0.001**	III
	Integrity	4.43	0.38	1.43	101.36	<0.001**	I
	Personal Gratification	4.03	0.70	1.03	40.23	<0.001**	II
	Novelty Seeking	3.14	1.00	0.14	4.10	<0.001**	IV
Social Drivers	Information Susceptibility	4.06	0.79	1.06	36.76	<0.001**	I
	Normative Susceptibility	3.27	1.00	0.27	7.49	<0.001**	II
	Status Consumption	3.10	0.78	0.10	3.78	<0.001**	III
	Social Influence	2.33	1.10	-0.66	-16.50	<0.001**	IV

Source: Primary Data
*** denotes significant at 1% level*

10.2.1.2 Customer Motives Towards Counterfeit Products Across Socio-Demographic, Economic and Counterfeit Purchase Factors

Customer motives under study were categorised into cognitive, affective and social driving forces. The findings pertaining to the aforementioned customer motives regarding counterfeit products across socio-demographic, economic and counterfeit purchase factors are portrayed below.

10.2.1.2.1 Cognitive Drivers Across Socio-Demographic, Economic and Counterfeit Purchase Factors

- It was found that there were no appreciable differences between male and female customers when it comes to the cognitive drivers of risk perception

and price-quality inference that led to the purchase of counterfeit goods. In terms of cognitive factors that influence the purchase of counterfeit goods, such as price-quality inference and perceived risk, male and female buyers were categorically equivalent. The mean score suggested that male buyers would be more concerned with pricing than female buyers if they are buying counterfeit items. In addition, when it comes to purchasing fake goods, female buyers are more inclined than male customers to be value-conscious.

- In terms of price-quality inference and value consciousness, it was discovered that graduate and postgraduate customers weren't equipped with the same cognitive reasons for purchasing counterfeit goods. Additionally, the study showed that there were no appreciable differences between graduate and postgraduate buyers in terms of the cognitive elements that influence the perception of risk and price consciousness when buying counterfeit goods. In terms of cognitive factors that influence the purchase of counterfeit goods, such as price consciousness and perceived risk, graduate and postgraduate consumers were categorically identical. According to the mean score, graduate buyers would be more value conscious and would have better price-quality inferences when making purchases of counterfeit goods than postgraduate customers.

- Regarding the factors of cognitive drivers of purchasing counterfeit products, with the exception of the element of perceived risk, there was a considerable disparity between customers who can distinguish a counterfeit product from an original one and those who cannot. Customers who can recognize a counterfeit product from a legitimate one and customers who can't were found similar in terms of the perceived risk factor of purchasing counterfeit goods. The mean score indicated that the customers who can distinguish a counterfeit product from others when buying counterfeit items would exhibit greater price-quality inference and value consciousness than customers who are unable to do so.

- Consumers of different age groups displayed different levels of price consciousness, price-quality inference, value consciousness, and perception

of the risk of buying counterfeit products. The findings showed that customers under the age of 25 perceived a greater risk of acquiring counterfeit products as well as possessed higher price-quality inferences when planning to purchase counterfeit products, whereas customers over the age of 36 were likely to be more concerned about the value of counterfeit products, and customers between the ages of 26 and 35 were found to be more price conscious.

- Customers' cognitive motivations for purchasing counterfeit goods were found to change depending on their annual income. The results of the post-hoc test showed that the views of the various age groups towards the constructions of cognitive aspects varied. Customers with an annual income in between two and four lakhs were more price and value conscious and had a higher price-quality inference, whereas customers with an annual income below two lakhs perceive a greater risk of acquiring counterfeit products than those who belong to other annual income categories.

- The study's findings demonstrated that there were differences between purchasers who intend to acquire various kinds of counterfeit goods in terms of price-quality inference, value consciousness, and perceived risk of doing so. Customers who want to buy fake electronic equipment and devices showed higher price-quality inference, and perceptions of the risk factor involved, whereas those who prioritize buying counterfeit clothing and accessories were found to be more value-conscious.

10.2.1.2.2 Affective Drivers Across Socio-Demographic, Economic and Counterfeit Purchase Factors

- Male and female customers differ from each other in terms of risk aversion, integrity, and personal fulfilment, which are the affective motives for buying counterfeit goods. The mean score indicates that compared to male consumers, female customers in Kerala shows greater degrees of risk aversion, integrity, and personal gratification regarding counterfeit goods.

- The results of t-test demonstrated that there is no discernible difference between the gender of the customers and the affective aspects that influence consumers' decisions to buy counterfeit goods in terms of novelty-seeking behaviour. Male and female customers are indisputably equal in terms of the novelty-seeking aspect of the affective motives behind purchasing counterfeit items. It indicates that the novelty-seeking nature of the customers have nothing to do with their gender on account of counterfeit products' purchase.

- With regard to the elements that are drivers of acquiring counterfeit items, such as risk aversion and personal fulfilment, there is a considerable difference between graduate and postgraduate buyers. Graduate consumers are more likely to buy counterfeit goods than postgraduate customers because they are less risk-averse, whereas postgraduate customers are more likely to buy counterfeit goods for personal gratification. It indicates that the graduates exhibit lower tendencies to avoid risk leading to favourable approaches towards counterfeits.

- The null hypothesis, which stated that there is no significant difference between graduate and postgraduate customers with regard to the factors of affective drivers of purchasing counterfeit goods in terms of integrity and novelty seeking, was accepted. In terms of affective driving forces such as novelty seeking and integrity, graduate and postgraduate customers are found to be equal.

- Regarding the factors that affect drivers of purchasing counterfeit products, such as risk aversion, integrity, and novelty seeking, the findings showed that there exists a significant difference between customers who are able to distinguish a counterfeit product from original products and those who are unable to do so. According to the mean score, buyers who can tell the difference between a fake product and a real one has greater levels of risk aversion, integrity, and a need for novelty than those who are unable to do so when buying fake items. Customers are found to be equal in terms of the

personal gratification motive behind buying counterfeit goods based on their capacity to discriminate between counterfeits from the originals.

- Customers in the age group of 36 and more presented more risk aversion, stronger integrity, and a larger degree of personal contentment, according to the results of the Tukey HSD post-hoc test. Different age groups of consumers exhibit varied levels of novelty-seeking nature. Customers under the age of 25, in particular, disclosed a stronger propensity for novelty-seeking than consumers between the ages of 26 and 35. On the other hand, customers around the ages of 36 and beyond had a larger predisposition towards novelty-seeking than their younger counterparts between the ages of 25 and 35. This would indicate that the older ones are exhibiting greater tendencies towards innovative features and distinctiveness of the products they purchase.

- Customers with different yearly incomes behave differently when it comes to buying counterfeit goods in terms of integrity, self-gratification, and novelty seeking. According to the mean score, customers with annual incomes between four to six lakhs are interested in less risk-taking and have higher integrity standards than customers in other annual income categories. In comparison to those in other income brackets, people who make between six to eight lakhs per year report higher levels of personal gratification and greater interest in the novelty of items.

- The findings revealed that purchasers who want to acquire various kinds of counterfeit goods differ in terms of risk aversion and the satisfaction they derive from buying such goods. The investigation also showed that there is no discernible difference between the different kinds of counterfeit items meant for purchase in terms of the elements that determine drivers of counterfeit product purchases, such as integrity and novelty seeking. The mean scores revealed that respondents who planned to buy counterfeit copies of apparel and accessories indicated more risk aversion and higher levels of personal gratification than those who planned to buy counterfeit versions of electrical components, automotive parts, or other items.

10.2.1.2.3 Social Drivers Across Socio-Demographic, Economic and Counterfeit Purchase Factors

- The purchasing choices made by male and female clients differ in terms of information receptivity, normative susceptibility and social effect of social drivers of counterfeit goods purchases. In terms of the social factors that influence buyers' decisions to buy counterfeit goods, men and women are unequivocally on par. In comparison to male consumers, female customers are more likely to be influenced by information and normative susceptibility when considering the purchase of counterfeit goods, according to the mean score. In terms of purchasing counterfeit goods, male buyers tend to hold greater social power than female customers.

- The information susceptibility factor of social determinants on the purchase of counterfeit items differs significantly between graduate and postgraduate buyers. It shows that there are no appreciable differences between graduate and postgraduate buyers when it comes to the normative susceptibility, status consumption, and social influence of the social drivers of the purchase of counterfeit goods. In terms of normative susceptibility, status consumption, and social influence, graduate and postgraduate clients are categorically identical. According to the mean score, graduates are more information susceptible than postgraduate clients in the field of counterfeit goods.

- With regard to the social drivers of counterfeit product consumption, such as information susceptibility, normative susceptibility, and status consumption, the results showed a significant difference between consumers who were able to distinguish a fake product from an authentic one and vice versa. With regard to the social influence aspect, the study further revealed that there is no appreciable difference between consumers who were capable of distinguishing counterfeit goods from authentic ones and those who were unable to do so. Customers who are capable of recognizing a fake product from an authentic one is likely to have greater degrees of information susceptibility, normative susceptibility, and status consumption, according to the mean score.

- Customers of various age brackets behave differently in terms of information susceptibility, normative susceptibility, and status consumption. According to the Tukey HSD post-hoc test, there were significant variations between the client age groups in terms of the social variables that influence the purchase of fake goods. Customers under the age of 25 had more knowledge and normative susceptibility than customers in the other age groups, according to the mean score. Compared to other age groups, those who are 36 years or older are more likely to experience a feeling of status consumption while considering buying counterfeit goods. Regarding the social influence component, there were no discernible differences across the customer's age categories.

- Customers with different yearly incomes have been observed to behave differently when it comes to buying counterfeit goods in terms of information susceptibility, normative susceptibility, status consumption, and social influence. Customers with yearly incomes below two lakhs are more sensitive to information than those in other annual income categories, according to the mean score. Customers with yearly incomes in the range of six to eight lakhs are more normatively susceptible and status-conscious than customers in other income brackets. Compared to customers in the rest of the income groups, individuals with an annual income between two and four lakhs are found considerably more likely to have a larger social influence.

- In terms of the social factors that influence people's decision to buy counterfeit goods, such as information susceptibility, normative susceptibility, and status consumption, it was found that there were significant differences in the sorts of counterfeit goods that people plan to buy. In terms of the social influence aspect, it is stated unequivocally that there is no obvious difference between the various sorts of counterfeit items meant for purchase. The mean score indicates that respondents who intend to purchase automotive components are more information-sensitive and have a greater normative susceptibility. Customers who enjoyed purchasing

electronic tools and equipment also had a greater perception of status consumption.

10.2.2 Level of Perceived Value, Positive Attitude and Purchase Intentions of Counterfeit Products

The findings presented under the current subsection are in accordance with the second study purpose, which was to examine the degree of perceived value, positive attitude, and purchase intentions of counterfeit items among customers in Kerala.

- The results proved that there is a considerable disparity between the levels of buyers' perceived value of counterfeit goods. The results made it quite evident that most respondents place a high amount of value on counterfeit goods. This could be a result of the legitimate brands' high prices, which are out of reach for many consumers, and the knockoffs' ability to provide goods of almost a similar level of quality for substantially lower prices.

- Conforming to the results, there are considerable differences in the degrees of consumer positivity towards counterfeit products. The results further demonstrated that the majority of respondents had a fairly positive impression of counterfeit goods. Customers may see it as a good chance to purchase knockoffs of original goods in order to take advantage of the amenities supplied, which are nearly identical to those of authentic items.

- According to the test results, there is a large variation in the degrees of buyers' purchase intentions for fake goods. Customers have a low degree of buy intention when it comes to counterfeit goods, according to 29.7 percent of customers. A moderate level of purchasing intention is held by 28.1 percent of them in relation to fake goods. Customers who want to buy counterfeit goods frequently are 42.2 percent of consumers. The majority of respondents exhibited a high level of buying intention towards counterfeit products, according to the data analysis.

- The outcomes of the Chi-square test for association disclosed a strong correlation between the amount of perceived value of consumers' perceptions of counterfeit goods and gender of the customers. The male respondents

found to have a higher perceived value whereas female clients are more likely to have a low perceived value. It shows that men value counterfeit goods more than women do.

- The extent of clients' favourable attitudes towards fake goods is significantly correlated with their gender. It can be argued that when it comes to counterfeit goods, male respondents have a higher prevalence of positive attitudes compared to female consumers who have lower levels of positivity regarding counterfeit merchandise. Male customers are far more inclined than female customers to have a favourable impression regarding counterfeit goods.

- The results established a substantial relationship between gender and consumers' level of purchase intention with regard to counterfeit goods. In terms of counterfeit goods, it was observed that male respondents have higher buy intentions than female respondents, with low purchase intentions being more common among female customers. Compared to their female counterparts, male shoppers show a larger purchase intention for counterfeit merchandise.

- According to the study, there is a significant correlation between age and consumers' perceptions of the worth of counterfeit goods. When it comes to buying counterfeit products, it has been reported that respondents between the ages of 26 and 35 have a greater likelihood of high perceived value, while those under the age of 25 are more likely to have low perceived value. As the age progresses, the favourable perceptions towards counterfeits also increases.

- The results of the chi-square test for association used to examine the relationship between age groups and respondents' levels of favourable attitudes towards counterfeit goods in Kerala led to the acceptance of the null hypothesis, which states unequivocally that there is no significant association between age groups and respondents' levels of favourable attitudes towards counterfeit goods in the state of Kerala.

- Customers' level of purchase intentions towards counterfeit goods and age brackets have been proven to be significantly correlated. When it comes to counterfeit goods, it can be said that respondents under the age of 25 had greater levels of buying intentions than respondents aged 36 and older. Thus, it may be concluded that as customers grow older, their desire to acquire counterfeit goods decreases.

- The degree of perceived value of customers regarding counterfeit merchandise differs depending on their educational background. It has been observed that respondents with postgraduate degrees have higher rates of perceived value than respondents with undergraduate degrees possess. As consumers become more educated and more affluent, the degree of customer perception of counterfeit items would rise dramatically.

- The extent of customers' favourable attitudes towards counterfeit offerings is significantly correlated with their educational background. It may be claimed that graduate clients have a lower degree of favourable attitude towards counterfeit goods than do postgraduate respondents, with the latter having a higher level of positive attitude. The degree of positive attitude towards counterfeit goods would increase considerably as buyers get more educated and sophisticated.

- With regard to customers' degree of purchase intentions for counterfeit goods, there is a considerable correlation between educational attainment and such intentions. In terms of counterfeit goods, it can be deduced that postgraduate respondents have higher buy intentions than graduate clients, who are more likely to have low levels of purchase intentions. The level of purchase intentions for counterfeit products drastically increases as customers become more qualified as well as competent.

- In the context of counterfeit goods, it was contended that there is a considerable correlation between yearly income and the customer's perceived value. When it comes to counterfeit goods, it has been observed that respondents with yearly incomes of no more than two lakhs are more likely to encounter a low level of perceived value, whereas respondents with

annual incomes between six to eight lakhs are more likely to encounter a high level of perceived value. According to the data, people with higher incomes would tend to appreciate counterfeit goods more than those in lower-income groups.

- There are differing views on how financial stability affects how people perceive fake goods. It was contended that there is a strong correlation between annual earnings and customers' favourable attitudes in the direction of counterfeit merchandise. Regarding the phenomenon of counterfeit goods, it seems appropriate to say that respondents with annual incomes between four to six lakhs are more likely to have low levels of positivity, while respondents with annual incomes between six to eight lakhs are more likely to have high levels of a positive disposition. Additionally, evidence suggests that groups with greater incomes are more inclined to approve counterfeit products than groups with lower incomes. This is in contrast to many studies which claimed that low income earners proved to have a more positive attitude about the counterfeit merchandise than high income earners (Ang et al., 2001; Hamelin et al., 2013; Stravinskiene et al., 2013).

- According to the results, there is a strong correlation between a customer's propensity to buy counterfeit goods and their yearly income. Regarding counterfeit goods, it has been discovered that respondents with annual incomes between four to six lakhs are more likely to have a modest level of purchase intention while respondents with yearly incomes between six to eight lakhs are more likely to demonstrate a substantial level of purchase intention. This conclusion corresponds to the two findings previously mentioned, which demonstrated that those in the higher socio-economic categories are more likely to intend to purchase counterfeit goods than those in lower socio-economic groups.

- It was discovered that there is a strong correlation between the kind of counterfeit goods a buyer intends to buy and the value they think such goods are worth. It is logical to infer from the statistics that respondents who desire to buy counterfeit apparel and accessories have a worse perception of value than other respondents. Customers who plan to buy counterfeit electronic

devices and equipment, on the other hand, tend to have high levels of perceived value. It additionally implies that, compared to clothing and automotive components, people place a higher value on the purchase of counterfeit items in the area of electronic equipment and gadgets.

- Customers' preferences for particular counterfeit items and their favourable attitudes towards them were found to be significantly correlated. The study found that those with low levels of positivity are more likely to have the urge to buy electronic devices and equipment. Further, respondents with a strong positive attitude are more likely to feel inclined to purchase automotive components. When compared to the apparel and electronic goods industries, the automotive component industry exhibits a significantly higher level of customer favourability towards counterfeit items.

- Customers' desires for particular counterfeit items and their intention to purchase those products were found to be significantly correlated. The study found that those with low levels of purchasing intent are more likely to have an interest in purchasing automotive components. In addition, individuals with a high purchase intention are more likely to be interested in buying electronic equipment and gadgets. This suggests that people are more likely to purchase counterfeit electronic items than bogus apparel or automotive products.

- The chi-square test for association between customers' perceptions regarding the value of counterfeit goods and their ability to tell them apart from genuine or original products in Kerala demonstrated that there is no significant correlation between these two variables. In simpler terms, it has been observed that there is no discernible relationship between people's perceptions of the value of counterfeit items and their capacity to tell whether a product is legitimate or not.

- The capacity to detect a counterfeit product from a genuine product and the degree of favourable attitude of consumers towards counterfeit items were shown to be significantly correlated. According to the study, those with the capacity to spot fake goods are more likely to have a low degree of

positive disposition. Respondents with a strong optimistic attitude are more likely to be unable to tell fake items apart from real ones. According to the research, customers who can differentiate between genuine and counterfeit goods have a lower degree of favourable attitudes towards them than customers who are unable to make the distinction.

- The capacity to tell a counterfeit product apart from others and the degree of client purchase intent with regard to counterfeit items were shown to be significantly correlated. The study found that those who can spot counterfeit merchandise are more likely to have low levels of purchase intention. On the other hand, respondents who are unable to differentiate a fake product from a real one is more likely to have a high purchase intention towards counterfeit products.

- From the research investigation's results, it was concluded that there was a strong correlation between nearby availability and consumers' perceptions of the worth of counterfeit goods. It is evident from the statistics that respondents who have access to counterfeit goods have lower levels of perceived value than respondents who claim to have little access to these goods. It implies that people who have access to counterfeit goods are aware of their subpar quality, whilst those who do not have as much access can mistakenly perceive these goods are valued.

- It was claimed that there is a sizable correlation between nearby accessibility and the degree of favourable attitude of consumers towards counterfeit merchandise. It was revealed by the survey results that respondents who have access to counterfeit goods have a lower level of positive attitude than respondents who claim to have little access to such goods. This would indicate that those who have access to counterfeit goods have a negative opinion towards them, whilst people who don't have as much access may wrongly think the reverse.

- It was asserted that there is a strong correlation between nearby accessibility and customers' intentions to acquire counterfeit goods. It is evident from the data that respondents who reported finding counterfeit goods difficult to

obtain have lower levels of buy intention than respondents who reported finding counterfeit goods readily available, who have higher levels of purchase intention. It means that those who find it harder to get counterfeit goods have a lower intention to buy them, whereas people who have less access to them have a higher propensity to indulge in making counterfeit purchases. In simpler terms, the individuals with difficulties in accessing counterfeit products would end up with low intent to purchase the same whereas others who do not have much availability exhibit more inclination to purchase such counterfeits.

10.2.3 The Effects of Customer Motives on Attitude Formation and Purchase Intentions Regarding Counterfeit Products

The structure for how the results are conveyed under this subsection was the third research objective, which explored the impact of customer motives on attitude development and purchase intentions towards counterfeit items in Kerala.

10.2.3.1 Co-Variance Based Structural Equation Modeling for Counterfeit Product Segments in Kerala

The present section's main goal was to build a model for Kerala's market for counterfeit goods using seven hypotheses that emerged from the reviews. For the same, a structural equation modeling approach was used. A satisfactory level for carrying out SEM was supplied by the CFA for the variables of cognitive drivers, affective drivers, social drivers, perceived value, positive attitude, and purchase intentions towards counterfeit goods. For the successful model creation, all of the model fit indices demonstrated fitness for the study, and all of the constructs were shown to have discriminant validity and reliability.

- With the exception of the hypothesis that cognitive drivers have a favourable impact on a favourable attitude towards counterfeit goods, the results of testing the model's hypotheses show that every one of them is statistically significant. The beta value of 0.03 and p-value of 0.197 show that the cognitive drivers do not have a beneficial effect on the attitude towards counterfeit goods. In short, it can be concluded that the cognitive drivers failed to establish a significant effect on the formation of a positive attitude

towards counterfeit products (Ali & Farhat, 2017; Chaudary et al., 2014; Hanzaee & Jalalian, 2012; Phau et al., 2009).

- The findings of the study discovered that affective factors significantly improve attitudes towards counterfeit merchandise, with a beta value of 0.79 and a p-value of 0.001 (Babamiri et al., 2020; Bloch et al., 1993; Kala & Chaubey, 2017; Liao & Hsieh, 2013; Mustafa & Salindo, 2021; Phau & Ng, 2010). It indicates that for every unit of standard deviation that the emotional drivers increase, the buyers' favourable perception of counterfeits increases by 0.79. Affective driving factors were discovered to be one of the main reasons people were inclined to buy counterfeit goods.

- The study also discovered that social drivers, with a beta value of 0.64 and a p-value of 0.001, significantly positively influence attitudes towards counterfeit goods (Ansah, 2017; Khare et al., 2011; Nunes et al., 2011; Sahin & Nasir, 2021; Titus & Ethiraj, 2012; Vigneron & Johnson, 1999). It suggests that for every unit of standard deviation that the social drivers increase, the buyers' favourable perception of counterfeits increases by 0.64.

- According to a beta value of 0.45 and a p-value of 0.001, which indicates that for every unit increase in cognitive drivers, the purchase intentions for counterfeit goods rise by 0.45, the cognitive drivers have a positive influence on the propensity to acquire counterfeit goods. Similar findings on the positive effects of cognitive drivers on purchase intentions towards counterfeits were made by some of the previous investigators (Alsaid & Saleh, 2019; Bhatia, 2018; Chuchu et al., 2016; Kei et al., 2017; Lichtenstein & Burton, 1989; Ndofirepi et al., 2022).

- With a beta value of 0.68 and a p-value of 0.001, the study also revealed that affective drivers have a statistically significant positive impact on the intention to buy counterfeit goods. This finding means that for every unit increase in affective drivers, the intention to buy counterfeit goods would increase by 0.68. Some of the earlier researchers came to similar conclusions on the beneficial impact of affective drivers on purchase intentions for

counterfeit goods (Adhikari & Biswakarma, 2017; Bang & Kim, 2021; Blythe, 2008; Kim et al., 2009; Mustafa & Salindo, 2021).

- It has been revealed that social drivers and the desire to buy counterfeit goods had a statistically significant positive link, with a standardized coefficient beta value of 0.46 and a p-value of 0.001. It suggests that purchasing intentions for fake goods would increase by 0.46 for every unit increase in social drivers. The comparable findings on the favourable influence of social drivers on purchase intentions for counterfeit goods were drawn by a number of previous investigators (Amjad & Mahmood, 2018; Eastman et al., 1997; Kasuma et al., 2020; Le Roux et al., 2016; Purwanto et al., 2019; Rod et al., 2015; Sahin & Nasir, 2021; Turkyilmaz & Uslu, 2014).

- A beta value of 0.75 and a statistically significant p-value of 0.001 indicate that a favourable attitude towards counterfeit goods is linked to a higher likelihood of intending to buy them, meaning that for every unit increase in a favourable attitude, the likelihood of intending to buy counterfeit goods increases by 0.75. Positive consumer perceptions of counterfeits of well-known brands were discovered to be one of the main drivers of desire to purchase counterfeit goods. This finding is explained by the fact that consumers with positive attitudes towards counterfeit goods have stronger intent to purchase them. Positive correlations have been found between favourable opinions and the chance of buying counterfeit items in the earlier studies also (Bian & Veloutsou, 2007; De Matos et al., 2007; Ha & Tam, 2015; Huang et al., 2004; Junejo et al., 2020; Liao & Hsieh, 2013; Malik et al., 2020; Nguyen & Tran, 2013; Toklu & Baran, 2017).

- The positive attitude's R^2 value is 0.71, which indicates that the cognitive, affective, and social driving elements of the customers that lead to the purchase of counterfeit items are responsible for nearly 71% of the variation in positive attitude towards such products. The remaining 29% of the variance in favourable attitudes towards counterfeit goods cannot be explained by these independent variables. This value leads to the conclusion that additional independent variables, in addition to cognitive, affective, and

social driving factors, are required to predict positive attitudes towards counterfeit products. In other words, the extra independent variables that are not examined in the study are capable of predicting the remaining 29% of the variation in the development of a favourable attitude towards counterfeit goods.

- The R^2 value for purchase intention is 0.83, which indicates that around 83 percent of the variance in purchasing intentions can be explained by cognitive, affective, and social driving variables along with favourable attitudes towards counterfeit merchandise. This result suggested that in order to predict buyers' purchase intentions for counterfeit goods, more independent variables have to be considered in addition to a positive attitude and cognitive, affective, and social driving factors. The remaining 17 percent of the variation in purchase intentions towards counterfeit goods was found unable to be explained by these separate constructs. In other words, the remaining 17 percent of the variance in the purchase intentions for counterfeit goods may be predicted by the extra independent characteristics that are not examined in the current study.

Table 10.2
Result Summary of Structural Model Hypotheses Testing

Hypotheses No.	Hypotheses of the Model Developed	Result of Hypotheses Testing
SM.H1	*Cognitive drivers have a positive effect on positive attitude towards counterfeit products*	***Not Supported***
SM.H2	*Affective drivers have a positive effect on positive attitude towards counterfeit products*	***Supported***
SM.H3	*Social drivers have a positive effect on positive attitude towards counterfeit products*	***Supported***
SM.H4	*Cognitive drivers have a positive effect on intention to purchase counterfeit products*	***Supported***
SM.H5	*Affective drivers have a positive effect on intention to purchase counterfeit products*	***Supported***
SM.H6	*Social drivers have a positive effect on intention to purchase counterfeit products*	***Supported***
SM.H7	*Positive attitude towards counterfeit products has a positive effect on intention to purchase counterfeit products*	***Supported***

SM.H1 to SM.H7 indicates Structural Model Hypotheses

10.2.3.2 Association Between the Degree of Driving Factors and the Level of Positive Attitude Towards Counterfeit Products

- Customers' attitudes towards counterfeit goods were shown to fluctuate significantly depending on how price-conscious they were (Agwu et al., 2015; Cheung & Prendergast, 2006; Tom et al., 1998). According to the data, respondents who have a low level of positivity are more likely to be less price-conscious, whereas respondents who have a high level of positivity are more likely to be extremely price-conscious. As an outcome, people who are more price concerned compared with those who are not, exhibited a more favourable attitude towards counterfeit goods (Bhanot, 2019; Justin et al., 2021). The results revealed that buyers' intent to purchase counterfeit goods were significantly positively correlated with price consciousness or pricing concerns (Yunos & Abdul Lasi, 2020).

- The outcomes asserted that there is a fundamental difference between the degree of price-quality inference and the customer's favourable attitude towards counterfeit goods (Yunos & Abdul Lasi, 2020). According to the statistics, respondents who draw fewer conclusions about price and quality are more likely to have low levels of optimism, whereas respondents who draw significant conclusions regarding price and quality are more likely to have high levels of positivity (Alsaid & Saleh, 2019; Herstein et al., 2015; Ndofirepi et al., 2022). In summary, those with higher price-quality inferences have a more favourable attitude towards counterfeit goods than do people with weaker inferences.
- The degree of perceived risk and the customer's favourable views towards counterfeit goods were shown to be significantly different (Mitchell, 1999; Shrivastava, 2023). The findings established that respondents who perceive risk as low are more likely to have high levels of positive outlook whereas respondents who perceive risk as high are more likely to have low levels of positivity towards counterfeits (Faisal et al., 2021; Kamranfard, 2018). Respondents who perceive a higher danger are less receptive to counterfeit goods than those who sense a lower risk. The perception of risk in numerous

studies exhibited an unfavourable approach towards counterfeit copies of genuine items (Kumar et al., 2016).

- Customers' favourable attitudes towards counterfeit goods and their level of value consciousness differ significantly (Phau et al., 2009; Yoo & Lee, 2009). The outcomes indicated that respondents with low levels of value consciousness are more likely to have high levels of positive attitude while respondents with high value consciousness are more likely to have low levels of positive attitude.

- Customers with varying levels of personal gratification have drastically diverse attitudes towards counterfeit items. Analysis shows that respondents with low levels of personal pleasure are more likely to have less favourable attitudes, whereas respondents with high levels of personal fulfilment are more likely to have positive attitudes towards counterfeit goods. In conclusion, individuals with high levels of personal pleasure are those who are demonstrated to have a highly favourable attitude towards counterfeit goods (Rahpeima et al., 2014a). Personal gratification was identified by Kala and Chaubey (2017) as the emotional motive that had the greatest impact on the purchasing of counterfeit items. Musnaini and Yacob (2015) had the same conclusion regarding the importance of personal gratification in influencing buyers' favourable perceptions of counterfeit goods.

- The notion of integrity was thought to have a substantial impact on how consumers felt about counterfeit items (Mayasari et al., 2022). The findings indicated a considerable disparity between the level of integrity and buyers' favourable attitudes towards counterfeit goods. The customers who value sincerity, honesty, and politeness have a tendency to view counterfeit goods negatively. The test results clearly demonstrated that respondents with high levels of integrity are more likely to have low levels of positive attitude towards counterfeit goods. According to Ha and Tam (2015), the integrity aspect had a more detrimental impact on perceptions towards high-end fashion item counterfeits. It is plausible to infer that respondents with less integrity have more favourable opinions about counterfeit goods than those

with a high level of integrity. The consumers are less likely to have counterfeit goods if they think that integrity is vital, but more likely to support them if they don't (Ang et al., 2001). Similarly, Liao and Hsieh (2013) discovered that integrity was negatively correlated with how customers felt about counterfeit products.

- The study revealed that buyers' levels of risk aversion are unrelated to the extent of their favourable attitudes concerning counterfeit goods. This contradicts the findings of Ali and Farhat (2017), who discovered that risk aversion had a significant impact on the development of attitudes towards counterfeit merchandise.

- The outcomes of the research highlighted a clear contrast between customers' levels of novelty seeking and their favourable attitudes towards fake goods. The findings indicated that respondents with lower levels of novelty interest are more likely to have negative attitudes towards counterfeit items, whereas respondents with higher levels of novelty interest are more likely to have favourable views towards counterfeit goods. Therefore, the conclusion can be drawn that those who value novelty have a greater acceptance associated with counterfeit products. Novelty seeking was found to be positively associated with attitudes towards counterfeits of high-end products in the previous researches (Ha & Tam, 2015). Liao and Hsieh (2013) hold similar views, claiming that novelty seeking is positively associated with attitudes towards counterfeit commodities. Thus, numerous studies have found a strong, positive, and substantial link between customer perceptions of counterfeit items and thirst for novelty (Abdullah & Yu, 2019; N. M. Ha & Tam, 2015; Hidayat & Diwasasri, 2013).

- A substantial disparity was found between the degree of information susceptibility and the amount of favourable attitude of customers towards counterfeit items. The findings indicated that respondents with high information susceptibility would be more likely to have negative views towards counterfeit items, whereas respondents with low information susceptibility are more likely to have positive opinions. Individuals with

reduced receptivity to information are more likely to have a favourable perspective of counterfeit items than those with higher susceptibility to information (Ting et al., 2016). To put it another way, customers who expressed a high dependence on the expert opinion of others before making a purchase decision would develop a low favourable attitude towards counterfeit products, whereas customers who expressed a low dependence on the expert opinion of others before making a purchase decision develop a high favourable attitude towards counterfeit products because they are not receiving the information pertaining to the repercussions of counterfeits from others (Phau & Ng, 2010).

- According to the research results, there exists a considerable difference between consumers' level of status consumption and their favourable perceptions of counterfeit items. It was noted that respondents with lower levels of status consumption are more likely to have a negative attitude towards counterfeit items, whereas respondents with greater levels of status consumption are more likely to have a favourable attitude towards counterfeit goods. It can be concluded that status consumers have a more positive opinion of counterfeit items as a result (Perez et al., 2010). Similar findings have been pointed out by Mustafa and Salindo (2021) stating that the component of social status or prestige consumption had a favourable, significant impact on attitudes towards counterfeit goods. Status consumption factors have a substantial influence on people's attitudes towards counterfeit products, according to Mayasari et al. (2022).

- The degree of normative susceptibility and the amount of client positivity towards counterfeit goods were shown to differ significantly from one another. It means that respondents with low normative susceptibility are more likely to have an unfavourable attitude towards counterfeit items, whereas respondents with high normative susceptibility are more likely to have an extremely favourable view (De Matos et al., 2007). When compared to those who demonstrated low normative sensitivity, people with high normative susceptibility tend to have more positive views towards

counterfeit products (Phau & Ng, 2010). As a result, consumers who exhibited a low interest in captivating others had a low favourable attitude towards counterfeit goods, whereas customers who revealed an intense desire to impress others had a highly exciting attitude towards them (Kim & Karpova, 2010).

- The results showed a significant disparity between the extent of social influence and buyers' favourable attitudes towards counterfeit goods. The data analysis makes it abundantly evident that respondents with little social influence have lower positive attitudes towards counterfeit goods than respondents with strong social influence possess. People having significant social influence, in comparison to those without, disclosed more upbeat attitudes. Bhatia (2018) reported a favourable correlation between the social influence component and consumers' perceptions of counterfeit fashion items. Similar findings were made by Ahmad et al. (2012) and Nawi et al. (2017) who both noted a favourable correlation between social influence and attitude in relation to counterfeits.

10.2.3.3 Association Between the Degree of Driving Factors and the Level of Purchase Intentions Towards Counterfeit Products

- According to the research, there is a big disparity between how price-conscious customers are and how likely they are to buy counterfeit goods. The statistics clearly showed that respondents with low price consciousness have greater buy intentions, whereas respondents with strong price consciousness have lower levels of purchasing intentions. As a result, those who are more price concerned are more likely than less price-conscious people to be interested in purchasing counterfeit goods (Ahmad et al., 2014; Kei et al., 2017; Mustafa & Salindo, 2021).

- A significant difference between a customer's desire to buy counterfeit items and their level of price-quality inference was found. The findings demonstrated that whereas respondents with strong inferences about price and quality are more likely to have high levels of buy intention, respondents with weaker inferences regarding price and quality are more likely to have

low levels of buy intention (Albarq, 2015; Chuchu et al., 2016). In conclusion, persons who formed more firm inferences about the link between price and quality showed a larger propensity to buy counterfeit items compared to those who made fewer firm conclusions about the relationship.

- There exists a significant difference between the level of perceived risk and consumer intentions to buy counterfeit goods. According to the test results, the respondents who perceive risk as low are more likely to have high levels of purchase intention, whereas respondents who perceive risk as high are more likely to have low levels of purchase intention. In contrast to respondents who indicated a lower perceived danger, it may be concluded that respondents who indicated a higher perceived risk have a reduced propensity to purchase counterfeit goods. The outcomes revealed an inverse relationship between the propensity to buy counterfeit goods and perceived risk (Khalid & Rahman, 2015; Veloutsou & Bian, 2008). Customers' unfavourable perception of risk and their propensity to acquire counterfeit goods may be caused by fears of financial loss, health risks, or security concerns.

- A significant disparity was found between consumers' intent to buy counterfeit items and their level of value consciousness. The findings indicated that respondents with a low level of value consciousness are more likely to have high levels of purchase intention whereas respondents with high value consciousness are more likely to have low levels of inclinations to procure counterfeit merchandise. In short, the construct of value consciousness significantly negatively correlated with the propensity to buy counterfeit goods as in line with the previous findings of Nawi et al. (2017).

- The results showed that there exists no significant correlation between consumers' desire to buy counterfeit items and their level of personal gratification. This is in contrast with the findings of numerous earlier researches which found that purchase intention was significantly correlated with all the independent variables regarding affective drivers, out of which

the high correlation was found out to be with personal gratification (Adhikari & Biswakarma, 2017).

- According to the findings, buyers' desire to purchase counterfeit items varies greatly depending on the customers' level of transparency. It is evident from the data that respondents with high levels of integrity tend to have lower levels of purchase intentions when it comes to buying counterfeit items, whilst respondents with low levels of integrity tend to have greater levels of purchase intentions. The concept of integrity had a negative relationship with the propensity to buy counterfeit goods (Nawi et al., 2017). It was discovered that persons who think it is unethical to buy counterfeit items were considerably less inclined to fall for counterfeit merchandise (Ahmad et al., 2012).

- A substantial disparity was found between consumers' intentions to buy counterfeit items and their level of risk aversion. According to the results, respondents with low levels of risk aversion are more likely to have high levels of buy intention, whereas respondents with high levels of risk aversion are more likely to have low levels of intention. In summary, those who state a lower intention to acquire counterfeit goods than those who declare a higher intention may be regarded to have a lower risk aversion (Mitchell, 1999).

- Customers' intentions to buy counterfeit goods differ significantly depending on how much uniqueness or distinctiveness they are looking for. The research showed that respondents with higher novelty interests are more likely to have higher purchase intentions towards counterfeit products, whereas respondents with lower novelty interests are more likely to have lower purchase intentions towards counterfeit goods. Thus, it can be concluded that those who are drawn to novelty are more prone to purchase counterfeit commodities. Customers buy counterfeit items more frequently because they probably want to follow the newest craze at a lower cost because it is less popular, but they also do so because they enjoy novelty and want to differentiate themselves apart from the rest of the pack (Harun et al., 2012).

- The degree of information receptivity and the amount of consumer purchase intent with regard to counterfeit items were found to differ significantly. In contrast, respondents with high information susceptibility are more likely to have high buy intentions (Ting et al., 2016). It indicated that respondents with low information susceptibility are more likely to have a low intention to purchase counterfeit items. Likewise, it can be inferred that those who are more susceptible to information are more likely to buy fake goods. In other words, customers who show a strong reliance on the advice of others before making a purchase choice also show a high inclination to buy counterfeit products (Kasuma et al., 2020).

- It was revealed that there is a sizable gap between consumers' level of status consumption and their inclination to buy fake goods. The results show that respondents with a lower status consumption are more likely to have low levels of purchase intention towards counterfeit goods, whereas respondents with higher status consumption are more likely to have higher levels of purchase intention towards counterfeit goods. Customers who consume more at higher status levels are more inclined to buy counterfeit goods. Elsantil and Bedair (2022) stated that the factor of social standing had a beneficial effect on their propensity to purchase counterfeit items. Hashim et al. (2020) also noted a large impact of social impact variables on the inclination to buy counterfeit goods.

- Customers' levels of normative susceptibility and their level of purchase intention in relation to counterfeit goods were found to differ significantly. According to the data analysis, respondents with low normative susceptibility are more likely to have low-level purchase intentions, whereas respondents with high normative susceptibility are more likely to have high-level purchase intentions (Kasuma et al., 2020; Ting et al., 2016). Comparatively to individuals who have lower levels of normative susceptibility, people who have higher levels of normative susceptibility are more likely to purchase counterfeit items. That is to say, customers who exhibited a low inclination to impress others reported a low purchase

intention for counterfeit goods, and vice versa for customers who expressed a strong tendency to impress others.

- The degree of social influence and the customers' buying intentions towards counterfeit goods were shown to differ significantly. The results disclosed that respondents who have limited social influence are less likely to buy counterfeit goods, whereas those who have a great deal of social influence are more likely to indulge in purchasing counterfeits. Higher purchase intentions are reported by respondents with strong social influence than by respondents with low social influence (Titus & Ethiraj, 2012). A consumer's propensity to buy a knockoff was influenced by social influence (Rizwan et al., 2014b). Phau et al. (2009) also found that social influence had a significant impact on people's purchase intentions regarding luxury brand knockoffs.

10.2.4 Drivers of Counterfeit Products and Purchase Intentions: The Parallel Mediating Roles of Positive Attitude and Perceived Value

The fourth research objective, which explored the mediating effects of positive attitude and perceived value on the association between drivers of buying counterfeits and purchase intentions in the context of Kerala state, provided the framework for how the results are organized under the current subsection.

10.2.4.1 Findings Based on the Direct Effects

The findings implied that the intentions to buy counterfeit goods are significantly and favourably influenced by the motives for buying them. Additionally, the incentives for buying counterfeit goods were found to have a notable and favourable influence on people's positive attitudes. Similar views have been shared by Hien and Trang (2015) stating that one of the primary determinants of a consumer's desire to acquire counterfeit goods is their attitude towards them. Furthermore, it is evident that having a positive perspective has a significant, beneficial impact on one's desire to make a purchase. It has been found that the motivating elements behind counterfeit goods would significantly enhance perceived value.

People are considerably more inclined to contemplate acquiring counterfeit goods if they have a favourable view and positive attitudes towards them, according to numerous prior studies (Ang et al., 2001; De Matos et al., 2007; Huang et al., 2004; F. Wang et al., 2005). This conclusion is explained by the fact that buyers who have favourable sentiments towards counterfeit items are more likely to buy them. Purchase intentions are significantly positively impacted by the variable of perceived value. The standardised regression coefficients, which are linked to the pathways, showed how much an adjustment to the independent variable of one standard deviation would affect the dependent variable. Dodds et al. (1991) also discovered a positive link between perceived worth and proclivity to buy counterfeit items.

The direct effects made it abundantly evident that the drivers of counterfeit consumption are strongly tied to purchase intentions and perceived value, but not to consumer attitude. Because of the presence of any of the sub-variables within the driving forces of cognitive, affective, and social, the influence of drivers on consumer attitude appears to be unimportant. It may arise as a result of the non-significance of any of the sub-variables on the formulation of customer attitudes towards counterfeits. Furthermore, the constructs of consumer attitude and perceived value had a substantial positive influence on the dependent variable of counterfeit product purchase intentions.

Table 10.3
Summary of the Direct Effects in the Mediation Model

Construct	Path	Construct	Hypotheses	Result
Purchase Intentions	◄—	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on purchase intentions.	**Supported**
Positive Attitude	◄—	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on positive attitude	**Not Supported**
Perceived Value	◄—	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on perceived value	**Supported**
Purchase Intentions	◄—	Positive Attitude	Positive attitude has a positive and direct effect on purchase intention	**Supported**
Purchase Intentions	◄—	Perceived Value	Perceived value has a positive and direct effect on purchase intention	**Supported**

10.2.4.2 Mediating Roles of Positive attitude and Perceived Value

The findings revealed the presence of an indirect influence, known as a mediating effect, of driving variables on purchase intent. The impact of this phenomenon is determined by customers' perceptions of value with respect to counterfeit goods. This implies that buyers will be driven to get counterfeit items because they feel these products provide good value for money and are worthy of purchasing. As a result of this, the customers would be more likely to purchase counterfeit products. In this case, it can be suggested that the mediation has a partial effect on perceived value since the direct effects, specifically, the elements that drive counterfeit products and purchase intention, remain significant.

In contrast, it is suggested that a positive attitude does not operate as a mediator in the relationship between driving variables and buying intent. This shows that buyers' positive evaluations of counterfeit items are not the primary motivators for purchasing them. It also indicates that buyers have an unfavourable perspective towards counterfeit products, despite their readiness to purchase such items to meet their needs. Furthermore, this data implies that buyers recognize that counterfeit items are illegal and do not follow societal norms. This may explain why they have an unfavourable mindset and point of view towards counterfeit items.

Table 10.4
Result Summary of Parallel Mediation Effect

Construct	Mediator	Construct	Hypotheses	Result
Purchase Intentions	Positive Attitude	Drivers of counterfeit product buying	Positive attitude mediates the relationship between drivers of counterfeit products and purchase intention	**Not Supported**
Purchase Intentions	Perceived Value	Drivers of counterfeit product buying	Perceived value mediates the relationship between drivers of counterfeit products and purchase intention	**Supported**

Despite the absence of legal compliance and social acceptance, people are nevertheless tempted to acquire this product owing to its price and superior quality in its category. This relates to the underlying process that exists in the link between

counterfeit goods purchasing motives, favourable views towards counterfeit items, and purchase intents. Some investigations found no evidence of an attitude mediation effect (Harun et al., 2012). In contrast, Bentler and Speckart (1979) explored mediation effects by examining models of the relationship between attitude and behaviour. According to De Matos et al. (2007), attitude serves as a bridge between the various factors that influence purchase intent. Thurasamy et al. (2003) discovered that one's attitude towards counterfeit products acted as a partial mediator in the association between personality traits and propensity to buy counterfeit items. But the current research marked an absence of a mediating role for the customers' attitude towards the counterfeit items in Kerala.

10.2.5 Price-Quality Inference on Perceived Value and Purchase Intentions: The Moderating Effect of Novelty-Seeking Behaviour

- Before integrating novelty-seeking behaviour as a moderator into the model, it is critical to confirm the presence and amount of the independent variable price-quality inference's effect on the dependent variables such as perceived value and purchase intentions for counterfeits. It was found that the price-quality inference has a strong and favourable influence on both perceived value (path value of 0.48) and purchase intentions (path value of 0.31). Thus, the first criterion of moderation testing is met by a direct significant effect of price-quality inference on customers' perceived value and purchase intentions regarding counterfeit items. Customer contentment is heavily impacted by a product's perceived value, which is based on a price-quality comparison. Several research has found that price-quality inference has a considerable influence on perceived value (Alsaid & Saleh, 2019; Chapman & Wahlers, 1999).

- The price-quality inference factor, according to the interaction moderation model, has substantial impacts not just on perceived value but also on the likelihood of future purchase intentions (Lichtenstein et al., 1993; Ndofirepi et al., 2022). A buyer's novelty-seeking behaviour while purchasing a counterfeit goods has a major impact on both the buyer's assessment of the product's worth and the buyer's willingness to acquire the product (Nordin,

2009). The combination between price-quality inference and novelty-seeking behaviour has a significant impact on consumers' perceptions of the worth of the counterfeit goods, and as a result of these interactions, these customers express a willingness to purchase this product. According to various studies, the need for novelty and consumers' perceptions of counterfeit commodities are substantially, positively, and significantly associated with each other (Abdullah & Yu, 2019; N. M. Ha & Tam, 2015; Hidayat & Diwasasri, 2013). The quality and affordability of counterfeit products have both increased dramatically as a result of the outsourcing of manufacturing processes and the introduction of new technology (L. Jiang & Shan, 2016).

- The findings demonstrated that novelty-seeking behaviour significantly moderates the strength of the link between price-quality inference and perceived value. The price-quality inference has a direct significant positive influence on perceived value, with a regression coefficient of 0.48, while the consumers' novelty-seeking character has a direct significant positive effect on perceived value, with a regression coefficient of 0.25. This association is augmented by the interaction moderation effect, which has a regression coefficient value of 0.18. As a result, novelty-seeking behaviour, as a moderator, improves the favourable connection between price-quality inference and perceived value.

- The two-way interaction impact of unstandardized variables for the moderating effect to predict perceived value was investigated using the simple slope test. The interaction of novelty-seeking behaviour improves the positive association between price-quality inference and customers' judgements of the worth of counterfeit items, according to the simple slope test plot. In Kerala, the combined effect of novelty-seeking behaviour and price-quality inference has a higher impact on the establishment of good opinions among potential consumers of counterfeit items.

- The price-quality inference has a direct significant positive effect on customer purchase intentions, with a regression coefficient value of 0.31, and

the novelty-seeking nature of the customers has a direct significant positive effect on perceived value, with a regression coefficient value of 0.37. The interaction moderation effect augments this link with a regression coefficient value of 0.12, which is significant at the 5% level. As a result, when the potential customers' novelty-seeking nature is considered as a moderator in the study, the correlation between the price-quality inference and purchase intentions is strengthened.

- The simple slope test was used to evaluate the two-way interaction impact of unstandardized factors for the moderating effect in predicting customers' purchase inclinations towards counterfeits. Customers' proclivity for seeking novelty enhances the favourable relationship between their price-quality inference evaluations and purchase inclinations. The addition of novelty-seeking behaviour among customers in the evaluation of price-quality inference leads to a stronger influence of price-quality inference on purchase intention. The existence of novelty-seeking behaviour would reinforce customers' willingness to acquire counterfeit items, as they perceive the quality of those products equivalent to their monetary worth.

Table 10.5
Summary of Hypotheses Testing of Moderation Analysis

Hypotheses No.	Hypotheses Statements for Moderation Analysis	Result
MOH.1	*Price-quality inference has a positive effect on perceived value*	***Supported***
MOH.2	*Price-quality inference has a positive effect on purchase intentions*	***Supported***
MOH.3	*Novelty-seeking behaviour has a positive effect on perceived value*	***Supported***
MOH.4	*Novelty-seeking behaviour has a positive effect on purchase intentions*	***Supported***
MOH.5	*Novelty-seeking behaviour has a moderating effect on the strength of the relationship between price-quality inferences and perceived value*	***Supported***
MOH.6	*Novelty-seeking behaviour has a moderating effect on the strength of the relationship between price-quality inferences and purchase intentions*	***Supported***

10.3 Conclusion

The menace of counterfeiting has affected every single business worldwide. The lives and economies of Indian people have also been damaged, and the number of counterfeiting incidents has been increasing dramatically in recent years. Products that are counterfeit breach the trademark holder's intellectual property rights because they bear a trademark that is similar to or nearly identical to one registered to a different party. The creation and illegal trading of counterfeit products endangers consumers' health and safety. It also has an impact on customers' and businesses' capacity to expand economically due to decreased sales, downtime, and replacement costs. The current study aimed at investigating customer perception and motives towards counterfeit items in Kerala, as well as the extent to which these factors influence the establishment of a favourable attitude and intentions to purchase such products on purpose. The study also looked at how the effects of the variables differed based on socio-demographic, economic, and counterfeit buying determinants. The study also looked at the roles of customers' views and perceived value of counterfeit items in mediating the relationship between driving factors such as cognitive, affective, and social drivers and purchase intentions for counterfeit products. Furthermore, the study attempted to extract the moderating influence of consumers' novelty-seeking behaviour on the relationship of price-quality inference on perceived value and purchase intentions.

Potential customers were found more concerned about the price and value of the counterfeit products. The elements of integrity and personal gratification were revealed to be the most powerful affective drivers, whereas the factors of information susceptibility and normative susceptibility proved to have a greater impact on the analysis of social drivers. The level of perceived value and purchase intentions towards counterfeit merchandise were found to have a high level of attainment whereas the level of positive attitude towards counterfeits was found to have a moderate level of attainment only. Male customers were revealed to have high levels of perceived value, favourable attitude and purchase intention towards counterfeit merchandise. With respect to educational background and annual income of the customers, the higher it gets, the higher were the favourableness concerning counterfeit items. Further, customers expressed a high favourableness and

inclination towards counterfeit versions of electronic devices and equipment. All the driving forces except cognitive drivers found to have a direct positive effect on the formation of attitude as well as all the drivers along with customer attitude exhibited a direct positive effect on the purchase intentions when it comes to counterfeit versions of branded products.

Customers will be happy and interested in purchasing the items again if they receive benefits that are comparable to the amount they spent. In the absence of an attitude-mediated function, perceived value clearly mediates the relationship between consumer reasons and intent to purchase counterfeits. It was indicated that people buy the goods not because they have a positive attitude towards them, but because they have a superior sense of their worth. According to the findings of the mediation research, buyers in Kerala are unlikely to buy more counterfeit items unless they believe these products give a specific degree of value in relation to the money they are paying. The present study revealed that when customers' price-quality inferences about counterfeit products are combined with their desire to use a novel product, they consider counterfeit products to be the best alternative available to them because it provides them with better value in terms of price, quality, and novelty products. They intend to purchase these things in the end to meet their needs. As a result of the moderation effect, the results suggested that if the counterfeit products have the best price-quality parity and satisfy the customers' desires to use novel products, it will ultimately boost the value perception of the customers and purchase intentions regarding the counterfeit products.

The results can be treated as important to public policymakers and the management of premium brands that battle counterfeiting. Operations aimed at preventing the creation and distribution of counterfeit goods contribute to the safety and security of the community and the nation by restricting the introduction of hazardous and dangerous counterfeit items into the market and maintaining the integrity of lawful trade systems.

Chapter 11

Recommendations, Implications and Scope for Further Research

Contents

11.1 Introduction

Original brand counterfeiting has become a serious worldwide issue for which there is no quick fix. It calls for long-term strategic planning, the creation of regulatory policies, and their execution that specifically target consumers who want to purchase counterfeit products. The current work significantly advances the academic understanding and practical application of non-deceptive counterfeiting in both literature and practice. The results of the current study are anticipated to strengthen efforts to thwart counterfeiting operations.

The study investigated the motivating elements that influence consumers' attitudes toward counterfeit goods and their propensity to make purchases. Additionally, the moderating effects of the customers' novelty-seeking behaviour and the mediating roles of favourable attitudes and perceived values were investigated. A moderately high level of favourable attitude towards counterfeit goods was seen along with high levels of perceived value and purchase intentions. The findings showed that customers' perceptions of the value and purchase intentions for counterfeit products would be enhanced if the products had the best price-quality combination and satisfied their desire to use novel products.

Manufacturers of original products need to take steps to address the aforementioned aspects in order to protect their goods against counterfeit trade. Government officials, decision-makers, anti-counterfeit organizations,

manufacturers of authentic products, and marketers need to be aware of the channels contributing to the growth in the marketing and demand for counterfeit goods.

11.2 Recommendations of the Study

The researcher made the following recommendations for addressing and curbing counterfeiting practices in Kerala considering the outcomes of the research. Recommendations have been made to the manufacturers of original products, policy makers, law enforcement agencies and to the government.

11.2.1 Recommendations to the Manufacturers of Authentic Brands

- Customers responded that the attractions towards counterfeit versions of branded products consisted of lower price, almost similar quality and functional utilities, and value for the money spent. Customers recognized a high degree of value assuming larger price discrepancies, between the original products and its counterfeits. The element of perceived value found to mediate the customer motives and purchase intentions regarding counterfeit merchandise as well. Hence, the manufacturers may readjust the pricing based on modifying their cost and profit so that customers never feel that they are purchasing overpriced items. The original brands need to extend their brands at a reasonable price while maintaining product quality. This would decrease the likelihood of damaging the underlying brand.

- Customers' attitudes about counterfeit merchandise were proved to have the most significant influence on their decision to buy them. Favourable attitude directed towards favourable purchase intentions regarding counterfeit items as per the outcomes of the study. Hence, the manufacturers may employ de-marketing strategies to portray purchasing counterfeit goods as unethical or even as an offense. A strategy similar to this may concentrate on eradicating the consumption of counterfeit goods from society. Emphasis can be placed on counterfeit purchase behaviour as being unethical and anti-social.

- Customers who perceived a higher level of risk were less receptive to counterfeit goods than those who sensed a lower risk. Therefore, the manufacturers and advertising agencies are recommended to assist in combating counterfeiting by raising customer awareness regarding the

dangers of purchasing and ingesting counterfeit products. One way to raise awareness and maybe decrease customer desire for counterfeits is through a comprehensive advertising effort that informs consumers of the social, legal, and financial concerns associated with them. It is recommended to boost the range of advertisements that demonstrate ways to distinguish between real and counterfeit items and that include disclaimers explaining the harm that comes from purchasing counterfeit products. It is advised that brands strengthen their own ethical standing and inform consumers of the unethical conduct and the human consequences of the counterfeit business.

- The study revealed that respondents with high levels of integrity were more likely to have low levels of positive attitude towards counterfeit goods. It is recommended that manufacturers and distributors plan social events as well as responsibility programs, and collaborate with public media to draw attention to the detrimental impacts of counterfeits. As a result, customers are advised to spread a word-of-mouth message about the severe consequences of spending money on counterfeits via all possible ways especially social media which has been considered to be a powerful platform these days.

- Customers with higher levels of novelty interest were more likely to have favourable views and purchase intentions with respect to counterfeit goods. Customers were fond of the uniqueness or distinctiveness offered by the products they procure. It was also found that the moderating effect of novelty-seeking behaviour of the customers is so strong that it augmented the relationship of price-quality inference on perceived value as well as purchase intentions. Considering the novelty-seeking nature of the customers, the manufacturers of authentic trademarked merchandise are advocated to employ as much innovation as possible to emphasize distinctiveness in the competitive landscape. This can be done by incorporating holograms and secret codes into products to make it more challenging for counterfeiters to copy them, as well as designing products with relatively uncommon and premium components.

- Manufacturers may take efforts in reducing the usage of counterfeit products by strengthening brand attachment along with brand loyalty by means of marketing programs and efforts. Additionally, companies may utilize the information to create more precise client profiles that would help them encourage consumer loyalty in terms of both conduct and attitude.

- It is further advised that the manufacturers of original brands employ industry-wide standardized surveillance and management mechanisms as well as tactful procedures for certifying the genuineness and distinctiveness of their products. Their products' competitive advantages may be highlighted.

11.2.2 Recommendations to the Policy Makers, Law Enforcement Agencies and Government

- Policymakers as well as government agencies are required to be rigorous in dealing with individuals who sell counterfeit items as well as those who buy them since they not only have an influence on the economy but may also be harmful owing to their lower quality. Government-approved administrators or law enforcement organizations may identify counterfeit-prone locations, and supply-side as well as demand-side investigations are advised.

- The government needs to prioritize the development of anti-counterfeiting tactics by deterring customers from purchasing counterfeit items and raising awareness about the adverse consequences of counterfeit goods on society and the economy. Public outreach and consumer knowledge may be critical in combating counterfeit demand. It is recommended that customers receive education regarding the regulations that govern the context of counterfeiting activities. It is also suggested to impart knowledge pertaining to the manner in which these unethical practices cost many parties, including the government, legitimate firms, and the society to which they belong.

- It is advocated that buying and selling counterfeit goods need to be considered a crime and brought under the control of Kerala's state government or the national government of India, as has already been the case

in certain countries. To discourage both consumers and sellers from participating in counterfeit operations, it is advised that the government enact a law stating that either party that participates in counterfeit-related activities is likely to be subject to punishments. In other words, both the supply and demand sides need to be governed by the law.

- The creation of laws and regulations pertaining to the existence of counterfeit products and their consumption that lead to unequivocal confiscation of the same is advised for both central and state governments. Street vendors and flea market sellers had the highest rates of counterfeit purchases as per the literature. Therefore, in an effort to stop the proliferation of counterfeit products, the authorities may concentrate on these locations. The same may be done by frequently performing inspections inside these locations.

- It is suggested that a system needs to be established that may facilitate public-private cooperation and collaboration by expediting the collection and sharing of information in order to strengthen regulations against counterfeit transactions throughout the economy. Furthermore, inter-industry cooperation and collaborations are strongly advised in order to combat the most prominent cases of counterfeiting in the manufacturing and consumer goods industries, particularly those on e-commerce sites. This may help in reducing the magnitude of the difficulties caused by counterfeiting operations.

- It is advisable that the number of independently operated specialized intellectual property rights cells in enforcement domains around the country be increased, and supporting resources can be supplied to current cells at the state level for this purpose. The importance of intellectual property rights might also be emphasized. It is recommended that the appropriate authorities establish specialized intellectual property rights courts in each state of India and raise resources to improve the knowledge on intellectual property rights of judicial chambers and attorneys in order to confront these issues more effectively.

11.3 Research Implications

The study presents a comprehensive model that depicts the influence of consumer motivations on the development of attitudes pertaining to counterfeit products and intentions to purchase the same. This model offers helpful recommendations for original product manufacturers as well as decision-makers and law enforcement agencies in developing anti-counterfeiting strategies to combat counterfeiting activities. The broader aspects of cognitive, affective, and social motivations of counterfeit product purchases were taken into consideration. As sociodemographic, economic, and counterfeit buying determinants, the study incorporated characteristics such as gender, age, educational level, yearly income, the capacity to tell apart counterfeit items from genuine goods, and the kinds of counterfeit products meant to be purchased. Different consumer motivations exhibited varying customer opinions towards counterfeit items in Kerala. When the cognitive reasons of buyers were examined, it was shown that potential customers were more price and value concerned. The elements of knowledge and normative susceptibility showed greater degrees of effect on the analysis of social drivers, whereas the factors of integrity and personal gratification were exhibited to be the most powerful affective drivers.

Customers revealed a high degree of perceived value for the counterfeit goods, a relatively favourable view and attitude, and a high level of buy intent. The findings showed that the respondents' yearly income was not substantially connected to how they felt about counterfeit goods, and that consumers' ability to tell genuine products from counterfeits was not significantly related to how much they thought they were worth. The factors of perceived value, consumer attitude, and purchase intentions towards counterfeit items were reported to have a significant relationship with all other socio-demographic and categorical variables. The degree of every single construct under study, aside from the risk aversion factor, expressed significant differences concerning the development of positive attitudes, whereas the level of involvement of all the constructs, aside from the personal gratification factor, expressed significant variances regarding the purchase intentions of the customers regarding counterfeit products in Kerala.

Additionally, the link between the motivations for buying counterfeit goods and purchase intention was examined, as well as the positive attitude and perceived value as mediators. Perceived value, the mediator, has been demonstrated to have a large direct and indirect impact. This shows that the mediation effect in this situation is only partially evident. Additionally, it was found that the link between purchase intentions and purchase motives was not mediated by the consumer's favourable opinion towards counterfeit goods.

The study also looked at the impact of customers' novelty-seeking behaviour on price-quality inference's impact on perceived value and buy intentions. The findings demonstrated that customers' novelty-seeking behaviour and price-quality inference both directly influence perceived value and purchase intentions. Novelty-seeking behaviour acts as a moderator, increasing buyers' positive value judgements as well as their interest in and intent to acquire counterfeit goods. It was further revealed that consumers' decisions to purchase counterfeit products were influenced by the presence of novelty-seeking behaviour and their belief that the quality of such items was consistent with their monetary value. Thus, the current research work tried to find out the customers' favourable combination of price-quality-novelty parity in the context of counterfeit products. Manufacturers of authentic branded goods may concentrate on the most important elements that influence consumer purchasing decisions in order to discourage such inclinations and eliminate the problem of counterfeiting practices from the economy.

11.4 Scope for Further Research

The subject of the discussion and parameters of each research study seems to be distinct, offering robust evidence yet leaving room for further research. There are still many opportunities for investigation, as the issue of counterfeiting has not been well investigated and studied in India, despite being one that is widely studied globally. The findings of the study provided evidence for the influence of cognitive, affective and social drivers with regard to perceived value, attitude and purchase intentions from the perspective of customers in a given socio-economic environment. Considering the findings, limitations, and experience of the study, the researcher suggests the following related aspects for future research considerations:

- The focus of the current study was non-deceptive counterfeit products. More studies can be extended to experimental approaches in the context of deceptive counterfeit products in order to understand the reaction profile of the consumers to have a comparative analysis between original products and counterfeit products. The attitude of non-buyers of counterfeit products may offer valid outcomes to the manufacturers of genuine products on focusing the reasons quoted by them for preferring the original products over the available counterfeits.

- There is a further research scope to investigate the influence of variables such as brand consciousness, environmental factors, ethical principles, and cultural backgrounds in the formation of attitudes and purchase intentions towards counterfeit products that could explain some additional characterization of counterfeit users.

- There is a further research scope to investigate the relationship between the satisfaction level of counterfeit consumers, post-purchase behaviour, and repurchase intentions. The mediating roles of perceived risk, factor of trust and satisfaction element in association with the post-purchase behaviour and repurchase intentions of the customers can also be explored.

- The menace of counterfeiting practices leads to the loss of sales for manufacturers of original products as well as loss of tax for the government. All these happen as a result of increased demand for counterfeit products. Hence, there is a further scope for investigating the financial adversities faced by different stakeholders that would happen as a result of increased trade in counterfeits.

- Online forums appear to have stoked a so far unseen level of passion for counterfeit goods. Furthermore, these communities make it quite straightforward and risk-free to enter the counterfeit market operations. People heavily relied on e-commerce to make purchases, particularly after the pandemic era. Hence, a more detailed investigation may be undertaken on how the rapidly growing e-commerce platforms fuels the growth of trade in counterfeits via online channels and social networking sites.

- A more comprehensive examination based on product classifications and product attributes may increase the stability of the current findings because it can give a broader understanding of the prevalence and intensity of counterfeiting practices in each industrial sector.

- Future research may include a finite set of respondents and sampling the same respondents over a more significant period, offering a longitudinal study to determine whether the consumer attitudes towards counterfeit products are changing over time.

- The present study is confined to the state of Kerala and further studies can be extended to the whole or other parts of India with a wider perspective. Also, further studies may include even larger samples, focusing on a different population group or extending to cross-state or cross-country comparisons. Increased socio-economic coverage of the participants can strengthen the reliability of the research outcomes.

11.5 Conclusion

The chapter deals with recommendations to various stakeholders, research implications, and the opportunities and scope for further research in the field of counterfeit products. The findings of the study enhance the comprehension of the discipline of counterfeit products; therefore, the recommendations are drafted with the purpose of reducing customers' demand for counterfeits and saving the manufacturers of original products, customers, and the nation as a whole from the tentacles of counterfeit trade. The mediating roles of customers' attitudes and the moderating role of the novelty-seeking nature of the customers which were contributed by the present study can be considered seriously and authentic manufacturers and law enforcement agencies may draft wise decisions and policies to curb the counterfeiting practices and save the stakeholders from the consequences of counterfeit trade. The chapter concludes by addressing the potential areas for further research by acknowledging the limitations as well as the outcomes of the study.

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APPENDIX

"Customer Perception and Motives Towards Counterfeit Products in Kerala"

Questionnaire

I am Jilna John, doing my Ph. D on the topic "Customer Perception and Motives Towards Counterfeit Products in Kerala". The questionnaire is to analyze the perception of customers towards counterfeit products which mean identical, fake, or bogus products which come under the purview of trademark infringement and to evaluate the motives behind attitude formation and purchase intentions regarding the same. I request you to kindly fill in the following questions as per your opinion without the influence of any other parameters. This study is strictly for educational purposes, and your responses will be kept highly confidential.

Jilna John

Part A
Demographic Profile: Please tick the appropriate boxes

1. Gender:

Sl. No	Gender	Put tick mark
1	Male	
2	Female	
3	Others	

2. Age:

Sl. No	Age	Put tick mark
1	< 25	
2	26-35	
3	> 36	

3. Specify your annual income (in rupees):

Sl. No	Income	Put tick mark
1	< 2,00,000	
2	2,00,000-4,00,000	
3	4,00,000-6,00,000	

4	6,00,000-8,00,000	
5	>8,00,000	

4. Mention your educational qualification:

Sl. No	Educational Qualification	Put tick mark
1	HSE	
2	Graduation	
3	Post Graduation	
4	Others	

Part B

Details on Counterfeit Consumption: Please tick the appropriate boxes

1. **Do you think you would be able to distinguish a counterfeit product from the original?**

   ☐ Yes
   ☐ No

2. **Which of the following popular counterfeit product categories you would most likely consider to make a purchase?**

   ☐ Automobile Components
   ☐ Electronic Devices and Equipment
   ☐ Clothing and Accessories
   ☐ Others: _____ (Specify)

3. **In your opinion, how easily available are counterfeit products in your location?**

   ☐ Easily available
   ☐ Available
   ☐ Not much available
   ☐ Difficult to get
   ☐ Not available

Part C
Customer Perception and Motives Towards Counterfeit Products

Please read each question carefully and indicate your response by selecting the most appropriate choice as per the hints given below:

Sl. No.	Statements	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
	Price Consciousness (PRC)					
PRC1	I usually purchase the least expensive products.					
PRC2	I often find myself checking prices.					
PRC3	I am always attracted towards low price products.					
PRC4	The low price of counterfeit products are appealing to me.					
PRC5	I buy counterfeit products because the prices of genuine brands are unfair.					
	Price-Quality Inference (PQI)					
PQI1	The old saying "you get what you pay for" is generally true.					
PQI2	The price of a product is a good indicator of its quality.					
PQI3	You always have to pay a bit more for the best.					
PQI4	Generally speaking, the higher the price of a product, the higher the quality.					
	Value Consciousness (VLC)					
VLC1	I am concerned about price and product quality.					
VLC2	I compare prices for the best value for money.					
VLC3	I like to be sure that I get my money worth.					
VLC4	I try to maximize the quality for the money spent.					
	Perceived Risk (PRR)					
PRR1	The risk that I take when I buy a counterfeit product is high.					

Sl. No.	Statements	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
PRR2	There is high probability that the product doesn't work.					
PRR3	Spending money with counterfeit products might not be wise.					
PRR4	Buying counterfeit products make me feel unhappy/frustrated.					
PRR5	Use of counterfeit products are very dangerous.					
PRR6	If I buy counterfeit products, it may negatively affect what others think of me.					
	Risk Averseness (RAV)					
RAV1	I do not like to take risks.					
RAV2	I do not like to gamble on things.					
RAV3	I do not like to live life on the edge.					
RAV4	I like to be sure the product is good before buying it.					
RAV5	I don't like to feel uncertain when I buy something.					
RAV6	I would rather be safe than sorry.					
	Integrity (ITG)					
ITG1	I consider honesty as an important quality for one's character.					
ITG2	I consider people being polite is very important.					
ITG3	I admire responsible people.					
ITG4	I like people who have self-control.					
	Personal Gratification (PRG)					
PRG1	A comfortable life is important to me.					
PRG2	An exciting life is important to me.					
PRG3	A sense of accomplishment is important to me.					
PRG4	I value pleasure.					
PRG5	I value social recognition.					
	Novelty-Seeking (NVS)					
NVS1	I am always one of the firsts to try new products.					
NVS2	I am excited to purchase some interesting products.					
NVS3	I own counterfeit products of popular brands.					

Sl. No.	Statements	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
NVS4	I keep up with products that offers uniqueness and distinctiveness.					
	Information Susceptibility (INS)					
INS1	I observe what others are buying and using before buying a product.					
INS2	If I have little experience with a product, I ask around.					
INS3	I consult other people to help choose the best alternative available from a product class.					
INS4	I gather information from friends or family about a product before I buy.					
	Normative Susceptibility (NRS)					
NRS1	It is important that others like the products and brands I buy.					
NRS2	If other people see me using a product, I often purchase the brand they expect me to buy.					
NRS3	I like to know what brands and products make good impressions on others.					
NRS4	If I want to be like someone, I often try to buy the same brands that they buy.					
	Status Consumption (STC)					
STC1	I am interested in new products with status.					
STC2	I would buy a counterfeit product just because it has status.					
STC3	I would pay more for a product if it had status.					
STC4	The status of a product is irrelevant to me.					
STC5	A product is more valuable to me if it has 'high status' appeal.					
	Social Influence (SOI)					
SOI1	My friends and relatives approve my decision to buy counterfeit products.					
SOI2	My family members approve my decision to buy counterfeit products.					
SOI3	My colleagues approve my decision to buy counterfeit products.					

Sl. No.	Statements	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
	Perceived Value (PRV)					
PRV1	Counterfeit products have similar quality to the genuine products.					
PRV2	Counterfeit products provide similar functions to the genuine products.					
PRV3	Buying counterfeit products generally benefit consumers.					
PRV4	Generally speaking, buying counterfeit products is a better choice.					
	Attitudes Towards Counterfeit Products (ATT)					
ATT1	Buying a counterfeit product generally benefits the consumers.					
ATT2	Counterfeit products are as reliable as the genuine products.					
ATT3	Considering price, I prefer counterfeit products.					
ATT4	It is acceptable to buy counterfeit products and recommend the same to friends and relatives.					
ATT5	I like shopping for counterfeit products.					
ATT6	There is nothing wrong with purchasing counterfeit products.					
	Purchase Intentions Towards Counterfeit Products (PRI)					
PRI1	I am intended to purchase counterfeit products whenever I get a good deal.					
PRI2	I would think about a counterfeit product as a choice when buying something.					
PRI3	I would buy counterfeit products if the quality is close to the original.					
PRI4	I would buy counterfeit products if the price is considerably less than that of the originals.					
PRI5	I would buy counterfeit products if the image of the brand is popular.					
PRI6	I would buy counterfeit products if the country of origin is prestigious.					

Sl. No.	Statements	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
PRI7	I will consider purchasing counterfeit products for a friend.					
PRI8	I would recommend counterfeit products to friends and family.					
PRI9	I will buy counterfeit products from peddlers.					
PRI10	I would say favourable things about counterfeit products.					

*** Thank you for your valuable time and cooperation ***