

**WHY CUSTOMERS DO NOT BUY COUNTERFEIT
LUXURY BRANDS? UNDERSTANDING THE
EFFECTS OF PERSONALITY, PERCEIVED QUALITY
AND ATTITUDE ON UNWILLINGNESS TO
PURCHASE**

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ABSTRACT

This study aims to examine the underlying reason why consumers do not have the willingness to purchase counterfeit luxury brand by focusing on the effects of personality, perceived quality and attitude towards the behavior of not purchasing counterfeit luxury brands. Personality factor is conceptualized to have six dimensions namely value consciousness, novelty seeking, integrity, personal gratification, status consumption and materialism. A survey on 115 non-purchaser of counterfeit was conducted amongst adults in Kota Kinabalu, Sabah, Malaysia. Results revealed that attitude towards counterfeit luxury brands played an important role as it has a positive relationship with intention not to purchase counterfeit luxury brands and value conscious, novelty seeking and integrity. Attitude towards counterfeit luxury brands also has a fully mediation effect on the relationship between novelty seeking and intention not to purchase counterfeit luxury brands. However, novelty seeking consumers do not influence the intention to purchase counterfeit luxury branded product as they have a negative attitude towards the behavior of purchasing the counterfeit brands.

Keywords: *Purchasing behavior, Counterfeit products, Luxury brands, Attitude*

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Introduction

Counterfeiting is lucrative and a rewarding business (Chuchinprakarn 2003) and it is in fact a growing problem faced by many countries (De Matos, Ituassu and Rossi 2007; Yoo and Lee 2005). This unethical practice is defined as “*any unauthorized manufacturing of goods whose special characteristic are protected as intellectual property rights (trademark, patent and copyrights)*” (Cordell, Wongtada and Kieschnick 1996; Chaudhry, Cordell and Zimmerman 2005). Counterfeit products have similar attributes as the original particularly its design and label (Ha and Lennon 2006). In general, counterfeit products are sold at the market without consent from original manufacturers (McDonald and Roberts 1994). According to Jen (2005), counterfeit products are normally found especially in luxury industries, and this has been consistent with Yoo and Lee (2009) as they mentioned that luxury brands are the brands usually being counterfeited. In addition to that, amongst these luxury brands, the most being counterfeited is clothing, followed by shoes, watches, leather goods, and jewelry (Lee and Workman 2011). Due to the fact that the brands are well known luxury fashion brands, counterfeiters take advantage of this merit to produce a very much similar to the brand (Norashikin2009).

China, Thailand, India and Malaysia are known as the home of piracy (Haque, Khatibi and Rahman 2009). Statistic made by Havoscope Global Market revealed that Malaysia has a counterfeit and piracy market value of RM464million. Products being counterfeited are Software, CD, VCD, clothing, shoes, handbag and medicine (Havoscope Global Market Indexes, 2011). Recently, statistics on Eradication of Counterfeit Products published by Ministry of Domestic Trade, Co-operatives and Consumerism Malaysia showed an increase of seizure cases from 409 cases with value of RM3, 570,857.51 in 2009 to 870 cases in year 2010, with seizure value equals to RM 9,425,568.17 (Ministry of Domestic Trade, Co-operatives and Consumerism 2011). In the recent years, The Malaysian Government has been seriously involved and played its significant role to eradicate this issue as many campaigns and activities have been carried out such as briefings, seminars and workshops with the aim to create awareness among Malaysians on how to stop this unethical behavior. The latest campaign conducted by The Malaysian Government was the ‘Original Sales Carnival’ in Mid Valley Exhibition Centre, Kuala Lumpur, The patrons of the mall were given the opportunity to learn on how to identify the original and pirated products (Ministry of Domestic Trade, Co-operatives and Consumerism 2011). However, government laws and enforcement are not sufficient to solve the problem (Stumpf, Chaudhry and Perretta 2011).

Despite the fact that pirated products are increasing in sales, some consumers will not purchase counterfeit products and only buy the original regardless of the high price. This group of customers has the positive behavior towards the original products and this is largely due to the quality, which the quality of the original product differ greatly compared to counterfeit products. This behavior is in line with Husic and Cicic (2008)’s findings when they found that consumers are willing to pay large amount of money for luxury products. However, consumer are not necessary look for quality but also on other factors such as social status (Barnett 2009) which some consumers concern about their physical appearance, fashion and how they can impress others (Husic and Cicic, 2008).

The reasons why customers purchase counterfeit are widely investigated by researchers across cultures. Understanding the reasons what factors that hinder consumers to buy counterfeit products is very much limited in the literature. In view of this gap, this study aims to examine the underlying reason why consumers do not have the willingness to purchase counterfeit luxury brand by focusing on the effects of personality, perceived quality and attitude towards the behavior of not purchasing counterfeit luxury brands. Next, this study will further investigate the role of attitude as a mediator in the relationship between personality and quality on intention not to purchase the counterfeit luxury brands.

Literature Review

Intention Not To Purchase

Intention not to purchase is conceptualized as a uni-dimensional variable. In the literature, many of the previous studies have conceptualized intention to purchase in many different ways. However, to date, only few studies have engaged in understanding why consumers have the inclination not to purchase certain products, especially performing the unethical behavior, purchasing a counterfeit product for instance. Since intention not to purchase is less researched, the Belief Attitude and Behavior theory developed by Fishbein and Ajzen (1975) was used to conceptualize this variable. Fishbein and Ajzen (1975) delineated that intention often views as conative component of an attitude and more importantly, it is found that there is a strong relation between attitude and intention. Intention does not necessarily mean the person has performed his or her decision to purchase. Meanwhile, intention not to purchase is a negative or unfavorable attitude towards a product. A person may intent to purchase or not to purchase counterfeit luxury branded product. Therefore, intention not to purchase counterfeit luxury branded product in this study can be defined as behavioral intention of a person which influence his or her subsequent behavior on not to purchase counterfeit luxury branded product.

Personality Factors

Personality factors exhibit consumers' individual differences (Sondoh, 2009). In relation with brand development, manufacturers in general will look at customer's personality to match with the product's personality. This is largely attributed by the fact that some consumers are not purchasing the product; they are actually purchasing the image attached to a brand instead. Arslan and Altuna (2010) defined the brand image as "the perceptions about a brand as reflected by the brand associations held in consumer memory". More importantly, brand image is linked with the personality of an individual.

Consumers will have favorable attitudes towards luxury brands, which the products can demonstrate their personality. For example, most marketers will use the personality of a consumer to be highlighted on the advertisement of the product. Furthermore, personality is subjected to change, due to time and age as people needs and wants are changing respectively. For example, amongst youth consumers, they will generally look for vibrant and fancy clothing design, the elder consumers; on the other hand, they generally love sophisticated and classy design. It is often to see marketers design an advertisement to be compatible with target consumer's personality. Therefore, in this study, personality factors are conceptualized as a multidimensional variable consist of

six dimensions namely value consciousness, novelty seeking, integrity, personal gratification, status consumption and materialism.

Value Consciousness

The meaning of value consciousness is when a customer greatly concern about having the opportunity to pay less for a product (Lichtenstein, Netemeyer and Burton 1990; Phau and Teah 2009). Consumers who have greater value conscious will subsequently have a positive attitude towards purchasing counterfeit products (Ang *et al.* 2001; Wang *et al.* 2005). Even though counterfeit luxury brands in general are perceived not to have the quality equal to the original product, surprisingly the perceived value of the counterfeit product is high among value conscious consumer (Ang *et al.* 2001). Counterfeit luxury branded products usually provides the identical function and attributes as the original, and the onlyway to distinguish a counterfeit is the price (Ang *et al.* 2001; Wang *et al.* 2005). Thus, counterfeit product is actually offering a cost saving to consumers especially to value consciousness group, since the product can be purchased at a lower price. This group will have the perception that the perceived value of the counterfeit product is high. However, those less value conscious consumers will have a negative attitude towards counterfeit luxury branded products and they in turn will not purchase counterfeit luxury branded products (Ang *et al.* 2001).

Based on previous studies, value consciousness has been examined by Ang *et al.* (2001) in Singapore, Phau and Teah (2009) in Shanghai, Wang *et al.* (2005) in China, which all the three studies found that there is a positive influence of value consciousness on attitude toward piracy and purchase intention of counterfeit, and this occurred especially amongst the high value conscious group of consumers. These findings bring into a conclusion that customers with low value conscious will have a negative attitude towards counterfeit and subsequently they will have no intention to purchase counterfeit luxury brands. Hence, in this study, it is postulated that less value conscious customer will have intention not to purchase counterfeit luxury branded product, and this study will hypothesize:

- H1a: There is a significant relationship between value consciousness and intention not to purchase counterfeit luxury brands.
- H1b: There is a significant relationship between value consciousness and attitude toward counterfeit luxury brands.

Novelty Seeking

Novelty seeking is referred to consumers who always seek variety and differences when purchasing a product (Phau & Teah 2009; Wang *et al.* 2005). Usually, novelty seeking consumers insist on a safe purchase particularly the product with a low risk. Even though this group of consumers consider for a safe purchase, astoundingly they normally have a positive attitude on counterfeit luxury brands (Phau & Teah 2009). Some consumer who loves luxury brands will buy counterfeit version of the luxury brand than the original as the brand has a low purchase risk especially when the product is out dated. The curiosity of individual on getting a new launched product will lead them to purchase frequently as this group of consumer seek variety and differences (Wang *et al.* 2005). According to Phau and Teah (2009), novelty seeking consumers who incline to try a new product would have a positive attitude towards counterfeit as they have the tendency to keep on changing or buying a new product to satisfy their current needs.

Therefore, consumer with less novelty seeking personality will not purchase counterfeit luxury branded product, and this study will hypothesize:

- H2a: There is a significant relationship between novelty seeking and intention not to purchase counterfeit luxury brands.
- H2b: There is a significant relationship between novelty seeking and attitude toward counterfeit luxury brands.

Integrity

Integrity can be defined as individual's personal ethical standard and this group of people normally follows the law (Wang et al. 2005; Phau&Teah 2009). If consumers regard integrity as important especially in their behavior towards counterfeit, consequently they would have a negative attitude towards counterfeit, and in turn will not have the intention to purchase counterfeit products. However, consumers who possess less ethical value will not feeling guilty when they purchase counterfeit products. Those who have higher integrity on the other hand will not have a favor on counterfeit products (Ang et al. 2001; Wang et al 2005; De Matos et al. 2007). However, it is found that consumers who purchase counterfeit do not have the feeling that they are performing a criminal act (De Matos et al. 2007). In reality, these consumers are in fact supporting the illegal activity such as counterfeit selling. Consumers who respect the law will affect their decision in choosing an original or counterfeit product. Hence, this study, in line with Ang et al. (2001), conceptualized that those high integrity consumers will have no intention to purchase counterfeit luxury branded products. Therefore, this study will hypothesize:

- H3a: There is a significant relationship between integrity and intention not to purchase counterfeit luxury brands.
- H3b: There is a significant relationship between integrity and attitude toward counterfeit luxury brands.

Personal Gratification

Personal Gratification is defined as an individual's needs of social recognition, seeking a great accomplishment in his or her life and also striving for a comfortable living (Ang et al. 2001; Wang et al 2005). Some consumers desire social recognition to indicate their great accomplishment in their life to family or peers. Generally, consumers who do not purchase counterfeit products are perceived to possess a higher status, and this will drive them to seek accomplishment, they are successful and much more confident than those who purchase counterfeit products. Owning counterfeit luxury brands will tarnish the lifestyle of these high status consumers, thus they are reluctant to purchase counterfeit luxury brands, and much favor the original product no matter how high the price is. Based on Phau and Teah (2009), Ang et al. (2001), Wang et al. (2005), Ramayah et al. (2003), the studies signified that there is no significant relationship between personal gratification and attitude. However, in similar studies, Norashikin (2009) and De Matos et al. (2007) found out that personal gratification influenced attitude. Thus, this study will examine the effect of personal gratification on the attitude and the behavior of not purchasing counterfeit luxury branded product. This is in accordance to Phau and Teah (2009) study which it is found that consumer with less personal gratification will not purchase counterfeit luxury branded product. Therefore, it is hypothesized here that:

- H4a: There is a significant relationship between personal gratification and intention not to purchase counterfeit luxury brands.

H4b: There is a significant relationship between personal gratification and attitude toward counterfeit luxury brands.

Status Consumption

Status consumption is defined as a group of people demonstrating their status and prestige to others by wearing certain brands. When consumers earned the status, they in turn will belong to a higher social ranking, obtain the respect and being envy from others (Phau and Teah 2009). To obtain a higher social status is the main goal to consumer of luxury brands, thus it can be concluded that they have unfavorable attitude and behavior towards counterfeit products. Furthermore, status conscious consumers will have less interest in purchasing counterfeit (Phau&Teah, 2009; Phau et al. 2009a; 2009b). This is due to the fact that consumers of high status consumption much concern on their social ranking, and usually display their wealth to gain respect from others. The relationship of status consumption influence on attitude and counterfeit purchase is found to have a positive influence on attitude (Phau and Teah, 2009). However, Phau et al. (2009a;2009b) found that there is no significant relationship between status consumption and intention to purchase counterfeit luxury branded product. Thus, this study will determine whether status consumption will have a relationship with the intention of not buying counterfeit luxury brands and hypothesized the followings:

H5a: There is a significant relationship between status consumption and intention not to purchase counterfeit luxury brands.

H5b: There is a significant relationship between status consumption and attitude toward counterfeit luxury brands

Materialism

Materialistic can be defined as consumer who would like to possess finer things in their life. The materialistic trait such as possessiveness, non-generosity and envy (Furnham&Valgeirsson2007) can be high in some consumers until the consumers neglecting their own mental and spiritual aspect of life (Phau et al. 2009; Furnham&Valgeirsson 2007). People with materialistic character believe that wealth is important to them to obtain the meaning of happiness, thus they in general will much prefer luxury brands (Phau et al. 2009). They also found that materialism did not affect attitude toward counterfeit and purchase intention. On the other hand, Furnham and Valgeirsson(2007) found that there is significant relationship of materialism and intention to purchase counterfeit. Therefore, this study will find out whether consumers who are materialistic will have no intention to purchase counterfeit luxury branded products. It is hypothesized that:

H6a: There is a significant relationship between materialism and intention not to purchase counterfeit luxury brands.

H6b: There is a significant relationship between materialism and attitude toward counterfeit luxury brands

Perceived Quality

Stumpf et al.(2011) stressed that due to the current technology, counterfeiters have the capacity to produce a product almost as equal to the original. They also highlighted that quality is one of the main determinants which is important to distinguish counterfeit from the originals. Customers who purchase luxury products usually choose quality as

the point to be considered when making a decision to purchase a luxury product (Husic and Cicic 2008). In addition, Wee et al. (1995) also found that quality is one of the important factors that consumers will look for when the decision to purchase is made. In relation to luxury market, purchasers of luxury products in general support luxury product mainly for quality, even though the price of the luxury products is high. Therefore, it is also postulated that these consumers will never consider purchasing counterfeit luxury brands when they highly appreciate the quality of product. This current study conceptualized perceived quality as the attributes of the product and the perception of counterfeit product compared to original. Since this study is to look into intention not to purchase counterfeit luxury branded product, thus it is interesting to know whether quality will influence consumer attitude towards counterfeit luxury branded product and will quality will lead to intention not to purchase counterfeit luxury branded product. It is hypothesized that:

H7a: There is a significant relationship between perceived quality and intention not to purchase counterfeit luxury brands.

H7b: There is a significant relationship between perceived quality and attitude toward counterfeit luxury brands

Attitude towards Counterfeit Luxury Brand

Yoo and Lee (2009) refers attitude as the degree to which a person has a favorable appraisal of the behavior in question and are an immediate indicator by which her/his intention of conducting the specific behavior can be predicted.” Another definition by Phau et al. (2009a) taken from Huang, Lee and Ho (2004), attitude is a “learned predisposition to respond to a situation in a favorable or unfavourable way”. Previous research often used attitude as predictor on consumer purchase intention and purchase behavior (Phau et al. 2009b; De Matos et al. 2005; Ramayah et al. 2003). According to Ajzen and Fishbein (1980), a person attitude is high correlated with a person intention which in turn is a reasonable predictor of a specific behavior. A person attitude towards an object will affect the person intention towards the object. Referred to Belief, Attitude and Behavior theory which is developed by Fishbein and Ajzen (1975), a person belief will influence his or her attitude and belief here can be interpersonal factors in a person which then will influence attitude towards the object. Similarly, in line with definition provided by Phau et al. (2009), and De matos et al. (2007), this study conceptualized attitude towards counterfeit luxury brands as consumer overall evaluation towards a counterfeit luxury brand and it is a uni-dimensional variable indeed. Consequently, it is postulated that attitude toward counterfeit will lead to intention not to purchase. Therefore, it is hypothesized that:

H8a: There is a significant relationship between attitude towards counterfeit luxury brands and intention not to purchase counterfeit luxury branded product

H8b: Attitude towards counterfeit luxury brands mediates the relationship between independent variable (value consciousness, novelty seeking, integrity, personal gratification, status consumption, materialism and perceived quality) and dependent variable (intention not to purchase counterfeit luxury branded product).

Research Methodology

A total of 115 respondents amongst the non-purchaser of counterfeit from several shopping malls in Kota Kinabalu, Sabah, Malaysia volunteered to complete the questionnaire and were selected via convenience sampling method using mall intercept because of the buying power that they have, and they possess a considerable knowledge about counterfeit and more importantly, they are matured enough to distinguish counterfeit luxury brands amongst the original. The questionnaire consists of three parts. In Part I, respondent were asked screening questions as only customers who never buy counterfeit and will not buy in future will be chosen to complete the questionnaire. In part II, the profile of respondents were asked. The items asked were Gender, Age, Citizenship, Ethnic group, marital status, Highest level of education, occupation, Annual Income, favorite Luxury Branded Product. In part III, all the items using five point Likert scale where 1=Strongly Disagree, 2= Disagree, 3= Neither Disagree Nor Agree, 4=Agree and 5=Strongly agree. This odd number Likert scale has middle value that labeled neutral or undecided. The items for value consciousness, personal gratification and novelty seeking were adopted from Phau and Teah (2009); Norshikin Nordin (2009). Meanwhile, the questions for integrity, status consumption and materialism were adopted from Phau et al. (2009a; 2009b). Perceived quality measurements were taken from Husic and Cicic (2008). Data were then analyzed using factor analysis and multiple regression analysis.

Results and Discussion

Table 1 presents that amongst the 115 respondents, 40 percent of total respondent is male respondents whilst the remaining 60 percent of respondents comprised of the female. The age of respondents ranges from 20 years to 50 years old and 80 percent of the total respondents are between 20 to 30 years old. This is due to the fact that most mall patrons are amongst the younger patrons.

Table 1: Demographic Profile of Respondents

Demographics	Frequency	Percentage
<u>Gender</u>		
Male	46	40
Female	69	60
<u>Age(Years)</u>		
20-30	92	80
31-40	19	16.5
41-50	4	3.5
<u>Ethnic</u>		
Malay	64	55.7
Chinese	13	11.3
Indian	5	4.3
Bajau	2	1.7
Kadazan-Dusun	11	9.6
Brunei	12	10.4
Others	8	7.0
<u>Marital status</u>		
Single	83	72.2
Married	28	24.3
Divorced	4	3.5

Majority of the respondents is Malay (55.7%), followed by Chinese; 11.3 percent, Brunei; 10.4 percent, KadazanDusun; 9.6 percent, other ethnicity; 7 percent, Indian 4.3 percent and Bajau 1.7 percent. On the marital status, 72.2 percent of respondents are single, 24.3 percent are married and 3.5 percent are divorced.

Factor Analysis for Independent Variables

All the items from the independent variables were subjected to Principal axis factoring as extraction method utilizing varimax with Kaiser normalization rotation method. Table 2 illustrated that the Kaiser-Meyer-Olkin value was 0.780 exceeding the recommended value of 0.5 and the Bartlett's Test of Sphericity reach statistical significance (Chi-Square=2268.511, $p < 0.01$), supporting the factorability of the correlation matrix. The initial Eigenvalues on 7 extracted factors are 8.030, 5.090, 2.204, 1.998, 1.681, 1.367, and 1.207 respectively which exceeding 1 and 67.427 percent of variance explained. The result of factor analysis produced eight iteration for independent variable which consist of 5 items for status consumption, 4 items for integrity, 3 items for perceived quality, 2 items for materialism, 2 items for value conscious, 2 items for personal gratification and 3 items for novelty seeking.

Table 2: Result of The Factor Analysis For Independent Variable

	Loadings						
	F1	F2	F3	F4	F5	F6	F7
Status Consumption							
I would pay more for product if it had status	.900						
I am interested with new product with status	.870						
A product is more valuable to me if it has more snob appeal	.804						
The status of a product is relevant to me	.781						
I would buy a product just because it has status	.777						
Integrity							
I value honesty		.902					
I value responsibility		.867					
I value politeness		.806					
I value self-control		.696					
Perceived Quality							
Giving high quality product gifts makes me feel special			.862				
Wearing high quality product makes me feel special			.849				
I like to be seen wearing high quality product			.539				
Materialism							
I would like to be rich enough to buy anything I want				.726			
The things I own gives me a great deal of pleasure				.647			
Value Consciousness							
I compare prices for the best value for money					.826		
I am concerned about price of product					.770		
Personal Gratification							
I value pleasure						.655	
A sense of accomplishment is important to me						.599	
Novelty Seeking							
I keep up to date with fashion							.671
I own a lot of popular luxury branded product							.609
I am always the first one to try new product							.597
Initial Eigenvalue	8.030	5.090	2.204	1.998	1.681	1.367	1.207
Percentage of variance explained (67.427%)	25.095	15.905	6.887	6.243	5.253	4.271	3.773

Factor Analysis for Mediating Variable

For the mediating variable, a total of 4 items were subjected to Principal axis factoring and it is found that no items were dropped in the initial round, and as a result, one factor was extracted. All the items had factor loading of exceeding 0.50. The factor loading values are between 0.734 and 0.966 (Table 3). The 4 items eigenvalue is 3.164 which exceeding 1 and variance explained of 79.092 percent. The Kaiser-Meyer-Olkin is 0.812 which is adequate measure of sampling, while Bartlett's Test of Sphericity showed a significant test of chi-square of 345.408, supporting the factorability of correlation matrix.

Table 3: Result of Factor Analysis For Mediating Variable

	Loadings
Attitude Towards Counterfeit Luxury Branded Product	
Counterfeit luxury branded product does not have same attributes as the original luxury branded product	.966
Counterfeit luxury branded product does not have the same quality to the original luxury branded product	.894
Counterfeit luxury branded product are not as reliable as original luxury branded product	.803
Considering price, I do not prefer counterfeit luxury branded product	.734
Eigenvalue	3.164
Percentage of Variance explained	79.092
Kaiser-Meyer-Olkin (KMO)	.812
Bartlett's test of Sphericity	345.408

Factor Analysis for Dependent Variable

A total of 6 items were subjected to Principal axis factoring and resulted with no items were dropped in the initial round, and produced one factor. All the items had factor loading score of exceeding 0.50. The factor loading values are between 0.636 and 0.912. The 6 items eigenvalue is 4.313 and variance explained of 71.891 percent. The Kaiser-Meyer-Olkin is 0.869 which is adequate measure of sampling, while Bartlett's Test of Sphericity showed a significant test of chi-square of 535.308 (Table 4).

Table 4: Results of Factor Analysis for Dependent Variable

	Loadings
Intention Not To Purchase Counterfeit Luxury Branded Product	
I will not buy counterfeit luxury branded product from peddlers	.912
I would not recommend counterfeit luxury branded product to others	.874
I will not buy counterfeit luxury branded product	.856
I will not say favourable things about counterfeit luxury branded product	.846
I will not consider purchasing counterfeit luxury branded product for others	.749
I would not think about a counterfeit luxury branded product as a choice when buying something	.636
Eigenvalue	4.313
Percentage of Variance explained	71.891
Kaiser-Meyer-Olkin (KMO)	.869
Bartlett's test of Sphericity	535.308

The Effect of Status Consumption, Integrity, Perceived Quality, Materialism, Value Consciousness, Personal Gratification and Novelty Seeking With Intention Not To Purchase Counterfeit Luxury Branded Product

Table 5 presents the result of multiple regression analysis that test relationship between independent variables: status consumption, integrity, perceived quality, materialism, value consciousness, personal gratification and novelty seeking with dependent variable:

intention not to purchase counterfeit luxury branded product. The R² indicate that 19.8 percent variance in Intention not to purchase counterfeit luxury brand is explained by the independent variables with the F value of 3.782. There are seven hypotheses which are H1a, H2a, H3a, H4a, H5a, H6a and H7a.

Table 5: Multiple Regression Analysis of Status Consumption, Integrity, Perceived Quality, Materialism, Value Consciousness, Personal Gratification and Novelty Seeking with Intention Not To Purchase Counterfeit Luxury Branded Product

Variable	Standardized Beta
Status Consumption	.152
Integrity	.124
Perceived quality	-.025
Materialism	.050
Value consciousness	-.066
Personal gratification	-.004
Novelty seeking	.331**
R square	.198
Adjusted R square	.146
F value	3.782
Sig F Change	.001

*p<0.05 **p<0.01 ***p<0.001

The result in Table 5 shows that only novelty seeking has a significant relationship with intention not to purchase counterfeit luxury brands, implying only H2a is accepted. This finding is aligned with the Phau et al. (2009)'s study. It can be concluded that novelty seeking consumers will only looking for original product or brand and they have no intention to purchase the imitation brand. Huang et al. (2004) noted that value conscious consumers will buy counterfeit rather than original product. This is true as this current study found value conscious has no significant effect on behavior of not purchasing counterfeit brands, when they in general value counterfeit brands as these imitated brands are much cheaper than the original. Indeed, value conscious consumers have intention to purchase counterfeit luxury brands and will not look for original version of the product.

Previous researchers found out that people with integrity will not purchase counterfeit (Ang et al. 2001; Phau et al. 2009a). However, in this current study, integrity is found to have insignificant relationship with intention not to purchase counterfeit luxury brand. This is interesting as integrity does not reflect individual buying intention. In relation to personal gratification, the current finding supported previous studies such as De Matos et al. (2007); Phau and Teah (2007); Norashikin (2009). These studies found that personal gratification has an influence on intention to purchase counterfeit. Similarly, this current study identified that personal gratification does not influence consumer behavior of not purchasing counterfeit luxury brands. Thus, personal gratification consumers will purchase counterfeit product instead of original product. Consumers that concern about status usually will choose original version of product to show their status. However, in this study, it is interesting to understand that status consumption does not influence the behavior of not purchasing counterfeit luxury brands. This might due to the selection of respondents, even though they are consumers, who never purchase counterfeit products, but they are in general among young consumer aged between 20 to

30 years old, and majority of them have monthly income less than RM2000. At this stage, prestige is not yet their priority.

Next, materialism is also found to have no relationship with intention not to purchase counterfeit luxury brand. Thus, materialistic consumers are assumed to be willingly purchasing counterfeit when they have financial constraint to buy expensive brands, and turn to counterfeit. This study also found that perceived quality has no significant effect on intention not to purchase counterfeit luxury brands. This might be due to the fact that quality is not the important element to the respondent of this study. They might have the perception that counterfeit product has a similar quality to the original when the counterfeit product shares the same attribute with the original. This might be true when high end counterfeits provide satisfactory quality and it is difficult to distinguish counterfeit from genuine product (Yoo and Lee 2005). Consumer will buy products which match with their personality and more importantly the products are fashionable regardless the quality of the product (Stumpf et al. 2011).

The Effect of Status Consumption, Integrity, Perceived Quality, Materialism, Value Consciousness, Personal Gratification and Novelty Seeking with Attitude Towards Counterfeit Luxury Branded Product with Mediating Effect of Attitude

The effect of status consumption, integrity, perceived quality, materialism, value consciousness, personal gratification and novelty seeking with attitude towards counterfeit luxury branded product with mediating effect of attitude were exemplified in Table 6. The R² indicated that 26.8 percent variance in attitude towards counterfeit luxury branded product is explained by the independent variable of status consumption, integrity, perceived quality, materialism, value consciousness, personal gratification and novelty seeking. The result shows that three dimensions namely integrity, value consciousness and novelty seeking are found to have a positive relationship with attitude with p value less than 0.05 signifying H1b, H2b and H3b are accepted.

Table 6: Multiple Regression Analysis of Status Consumption, Integrity, Perceived Quality, Materialism, Value Consciousness, Personal Gratification and Novelty Seeking with Attitude towards Counterfeit Luxury Branded Product with Mediating Effect of Attitude

Variable	Standardized Beta
Status Consumption	.010
Integrity	.336**
Perceived quality	.056
Materialism	-.005
Value consciousness	-.184*
Personal gratification	.076
Novelty seeking	.286**
R square	.268
Adjusted R square	.220
F value	5.586
Sig F Change	.000

*p<0.05 **p<0.01 ***p<0.001

Preceding study by Ramayah et al. (2003) found that value consciousness has no significant impact on attitude towards counterfeit product. However this study found contrary results but it is in accordance with Ang et al. (2001)'s findings. In addition, consumers who are value conscious have favorable attitude towards counterfeit luxury branded product (Wang et al. 2003). This current study shows that novelty seeking influence attitude towards counterfeit luxury brands, which is conflicting with studies by

Phau and Teah (2009) and Norashikin (2009). These studies signified the not significant relationship between novelty seeking and attitude. In reality, consumers' attitude towards counterfeit depends on the individual's novelty seeking personality such as up to date with fashion and owned new popular branded product.

It is assumed that consumers of high integrity will have a negative attitude towards counterfeit luxury brands. Interestingly, this current study indicates that integrity has a significant influence on attitude towards counterfeit luxury brands which is in accordance with results from past studies such as Wang et al. (2005), Phau et al. (2009b) and Phau and Teah (2009). In this current study, personal gratification is found to have no significant relationship with attitude towards counterfeit luxury brands. This finding conform the result of Ang et al. (2001), thus consumers with a sense of accomplishment, who sought pleasure, comfort, and social recognition do not have a positive attitude towards counterfeit luxury brands. In addition, status consumption and materialism in this study have no significant effect on attitude towards counterfeit luxury branded product. This result is contradicted with Phau and Teah (2009)'s findings. This can be explained whereby status and materialistic personality of consumer do not reflect their attitude towards counterfeit luxury brands. In addition, perceived quality is found to have no significant effect on attitude towards counterfeit luxury brands. The reason why consumers might perceive quality of an original product is not important in their purchasing decision is the abundance of counterfeit luxury brands that is widely available in the area of study. Furthermore, the quality of counterfeit is comparable to the original.

The Effect of Attitude towards Counterfeit Luxury Branded Product with Intention Not To Purchase Counterfeit Luxury Branded Product

This step used on attitude towards counterfeit luxury branded product with intention not to purchase counterfeit luxury branded product. Table 7 demonstrates the result of the regression. The R² indicate that 31.8 percent of variance in intention not to purchase counterfeit luxury branded product are contributed to attitude towards counterfeit luxury branded product. The relationship is significant as $\beta = .564$, significant at .000 and the F value is 52.591.

Table 7: Regression Analysis of Attitude towards Counterfeit Luxury Branded Product with Intention Not to Purchase Counterfeit Luxury Branded Product

Variable	Standardized Beta
Attitude towards counterfeit luxury branded product	.564***
R square	.318
Adjusted R square	.312
F value	52.591
Sig F Change	.000

*p<0.05 **p<0.01 ***p<0.001

Table 8 infers that novelty seeking is significant at step 1 with p value less than 0.01 which is p=.002. In step 2, when mediating variable is added to the regression, novelty seeking is not significant as p value exceeding 0.05. Based on Baron and Kenny (1986) in condition number four, fully mediating effect exist if the influence of the independent variable on the dependent variable is vanished when the mediator is included in the

analysis. Therefore, it can be concluded that attitude towards counterfeit luxury brands fully mediates the relationship between novelty seeking and intention not to purchase counterfeit luxury brand. Novelty seeking consumers in general are eager trying new products, own popular branded product and want something new, and they are more attracted to the popular brand. Since novelty seeking consumer always want to experience something new, the product must be differentiated from time to time. Thus, it is important for the producer of luxury brands to ensure their products are up to date, constantly being modified especially the design, and more importantly the products are hard to be replicated.

Table 8: Result of the Hierarchical Regression Analysis among Independent Variable, Mediating Variable and Dependent Variable.

Variable	Step 1 Standardized Beta	Step 2 Standardized Beta
Status Consumption	.152	.143
Integrity	.124	-.047
Perceived quality	-.025	-.054
Materialism	.050	.052
value consciousness	-.066	.028
Personal gratification	-.004	-.042
Novelty seeking	.331**	.186
Mediating Variable		
Attitude towards counterfeit luxury branded product		.508***
R square	.198	.387
Adjusted R square	.146	.341
F value	3.782	32.650
Sig F Change	.001	.000

*p<0.05 **p<0.01 ***p<0.001

Conclusion

Preceding research studies have focused on what are the factors that influence customer to purchase counterfeit but not the factors on why consumers are not willing to purchase these counterfeit products. Owing to this limitation, this current study provides deeper understanding regarding the underlying reason why consumers do not have the willingness to purchase counterfeit luxury brand by focusing on the effects of personality, perceived quality and attitude towards the behavior of not purchasing counterfeit luxury brands. Results proved that intention not to purchase counterfeit luxury brands is influenced by attitude towards counterfeit luxury brands. In addition, attitude towards counterfeit luxury brands is influenced by personality factors namely value conscious, novelty seeking and integrity. Further investigation of the study divulged that attitude towards counterfeit luxury branded product fully mediates the relationship between novelty seeking and intention not to purchase counterfeit luxury branded product. This means, only novelty seeking consumer will not have any intention to purchase counterfeit luxury branded product and will have a unfavorable attitude towards the counterfeit. Since this study shows that only novelty seeking consumer would not purchase counterfeit luxury branded product, thus the finding is beneficial to

original manufacturer in producing new differentiated design for the original luxury branded products that are difficult to be counterfeited. Indeed, marketers strengthen their planning strategy to market the original product such as highlighting brand prestige and advertisement about the humiliation on purchasing counterfeits products. In addition, companies of luxury brands should also cooperate with government in educating the consumers and provide a lifetime warranties to the original luxury product purchase. For the policy maker, educational program about the negative impact of counterfeiting to school children at early age is important. This is necessary to increase awareness among young consumers the negative effects of purchasing counterfeit luxury product which may harm society and the industry. There are few limitations of this study. First, this study was done amongst consumers who will not purchase counterfeit luxury brands of high involvement product. It is recommended that the future study could focus on other low involvement counterfeit product categories such as DVD or CDs. Second, this study was conducted in Kota Kinabalu, Sabah, Malaysia and using mall intercept method for data collection. This method will limit the generalization of the study. Therefore, future study should be done in different geographical settings which this may produce different results because of culture and lifestyle differences.

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