



THE ROLE OF INDIVIDUAL CHARACTERISTICS ON CONSUMERS' COUNTERFEIT PURCHASING INTENTIONS: RESEARCH IN FASHION INDUSTRY

Ceyda Aysuna Turkyilmaz¹, Aypar Uslu²

¹Marmara University. caysuna@marmara.edu.tr

²Marmara University. auslu@marmara.edu.tr

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ABSTRACT

Counterfeits are one of the most important threats for organizations that have original brands as their most valuable assets. In order to increase their brands' value, organizations make several sacrifices and ongoing investments. However, the demand for counterfeits is rising all around the world which creates negative consequences for these organizations. In this context, knowing the factors that motivates consumers to buy counterfeits is critically important. In this regard, this study focuses on the individual characteristics which are proved in the literature to have the most important role in buying counterfeits and it investigates the effects of these factors on intention to buy counterfeits. The individual characteristics that are included in the study are materialism, willingness to take risk, smart shopper self perception, value consciousness, fashion consciousness, integrity, personal gratification, status consumption. In the foreign literature, no study has that broad scope containing several variables as in this study. From the point of the Turkish literature, there are very rare studies related with this issue. These two aspects emphasize the importance and uniqueness of the study. Depending on the results of the analysis of the data consisting of 879 valid questionnaires, seven hypotheses were accepted while one was rejected. The results of the study shed light on the organizations for their marketing and branding activities aimed to prevent counterfeit usage and to increase the demand for their original brands.

1. INTRODUCTION

According to Turkish Language Association, “to counterfeit” means “to imitate or to try to imitate something” (www.tdk.gov.tr). Individuals may encounter with counterfeits in every phase and every area of their lives. This concept may have both positive and negative associations. For instance, you may imitate the behaviors or lifestyle of someone you admire. This was an example for a positive association. On the other hand, you may imitate an artwork, literary or academic work which will convey negative associations.

From organizations' or marketing's point of view, it is possible to state that imitation or counterfeiting are mostly associated with products or brands. Organizations are investing huge amounts in order to increase their brands' values and brands images and try to keep this success up to date. The main reason for these ongoing investments and efforts is that brands are one of the most valuable assets for organizations. But unfortunately, despite

organizations' these tremendous efforts brands encounter with several threats. One of these threats is certainly "counterfeits" that have increasing production and consumption rates in spite of several regulations and laws.

Counterfeits are reproductions of a trademarked brand which are closely similar or identical to genuine articles. This includes packaging, labelling and trademarks, to intentionally pass off as the original product (Kay, 1990). Counterfeits are illegally made products that resemble the genuine goods but are typically of lower quality in terms of performance, reliability or durability (Lai and Zaichkowsky, 1999). The literature classifies counterfeits into two categories which are deceptive counterfeiting and non-deceptive counterfeiting. Under deceptive counterfeiting, the consumer is not aware of the fact that he/she purchases a copy rather than the original product and cannot be held accountable for the behavior. It includes all situations in which the customer is being deceived about the product's origin. On the other hand, non-deceptive counterfeiting occurs when people knowingly buy fakes. In other words, in non-deceptive counterfeiting consumers intentionally purchase fake products (Bloch et al., 1993; Tom et al., 1998; Prendergast et al., 2002; Hieke, 2010). At this point, another concept related to counterfeit is "piracy". Lai and Zaichkowsky (1999) point out that, counterfeiting and piracy are in essence the same since they are both the reproduction of identical copies of authentic products. However, piracy is mostly related to software and fixed medium content such as films and music recordings (Chow, 2000; Cheung and Prendergast, 2006). At the same time, products that use a brand name or a logo that differ slightly from a well-known brand but are close enough that consumers will associate it with the genuine product are also considered as counterfeits (e.g. Adadis, Hike, PolyStation etc.). This study focuses on non-deceptive counterfeits that are purchased by consumers who are willing to pay less and know that they are fakes.

Today one can face with counterfeits in almost every sector. The sectors in which individuals can encounter counterfeits mostly are fast fashion, accessorizes, health/medicine, cosmetics, electronics (tvs and mobile phones), software etc. (Green and Smith, 2002; Trainer, 2002). Jacobs et al. (2001) classified product categories that mostly have counterfeits into four groups. These product categories are:

1. Highly visible, high volume, low-tech products with well-known brand names, such as toothpaste, candies, and chocolates.
2. High-priced, high-tech products, such as computer games and audio or video entertainment products. Fake auto and airplane parts are also in this category.
3. Exclusive, prestige products such as well-known apparel and accessories as well as perfumes and other expensive gift items.
4. Intensive R&D, high-tech products such as pharmaceuticals.

The number and demand of counterfeits that are produced in different product categories are increasing day by day (Wang and Song, 2013). James Moody from FBI Organized Crime Division emphasized the importance of the issue when he stated that "Counterfeiting will become the crime of the 21st century" (Wilcox et al., 2009). To

illustrate this increase and importance in numbers we can glance at the report of IACC (International Anti-Counterfeiting Coalition). According to IACC, the global counterfeit market which had a size of 5.5 billion dollars in 1982 reached to 350 billion dollars in 2012 (Ergin, 2010). In Turkey, during the last decade the counterfeit market size was doubled and reached to 1 billion dollars in 2013. With this growth, Turkey has become the second largest market following China which has the largest counterfeit market all around the world (<http://www.ntvmsnbc.com>, December 28, 2013). According to the results of the survey conducted by Brand Protection Group of Turkey in 2008, 58% of the Turkish consumers regularly purchase counterfeits. The product categories that Turkish consumers mostly prefer to buy counterfeits are fast fashion, shoes, bags, watches, accessorizes and jewelery.

The statistics both in Turkey and around the world show that in spite of the regulations selling and purchasing rates of counterfeits increase day by day. As a result of this counterfeits have become one of the most important global problems of the 21st century. Despite this growing importance and popularity the Turkish literature on counterfeits is so limited. Therefore, this study aims to fill this gap in the literature by focusing on non-deceptive counterfeits.

In order to fight against counterfeits it is important to reveal which factors motivate consumers to buy them. In this regard, the literature states that the most important factors effective on consumers' intentions to buy counterfeits are individual characteristics. Therefore, the study focuses on individual characteristics that may affect consumers' decisions in their counterfeit purchases. Specifically the study has two main objectives: a) to understand the role of individual characteristics on consumers' intentions to buy counterfeits and b) to reveal the most important individual characteristics that are effective on consumers' intentions to purchase counterfeits. By achieving these objectives it is aimed to shed light on organizations marketing and branding strategies and help them to fight against counterfeits.

The remainder of the article is organised into seven parts. In the following section the pertinent literature is reviewed and depending on the evidences from the literature research hypotheses are formulated. This is followed by research methodology and empirical findings of the study. In the final sections, conclusions and implications are derived from the study findings, and suggestions for future research are provided.

2. LITERATURE SURVEY

2.1. Consumers' Intentions to Purchase Counterfeits

The stated statistics about counterfeits show that the demand for counterfeits continuously increases worldwide. Therefore, to reveal the factors causing the increase in demand for counterfeits become more of an issue. Defining these factors play an important role to explain the reasons why consumers are willing to purchase counterfeits. When the relevant literature is reviewed, it can be seen that consumers' intentions to buy counterfeits is affected by several different factors. Phau&Teah (2009) and Hidayat&Diwasasri (2013) categorize these factors into two groups namely social factors

and personality factors. While social factors include collectivism, social pressure, and susceptibility towards social influence personality factors cover value consciousness, integrity, novelty seeking, status consumption etc. On the other hand, depending on the literature review they have conducted Eisend and Guler (2006) classified these factors into four groups. According to the researchers these factors are; personality/individual factors (e.g., demographic and psychological characteristics, self-image, social expressions, attitudes towards counterfeiting, readiness to take risk, fashion involvement, self identity, price consciousness etc.), product related factors (e.g. product importance, retailer image, durability, style, price, quality etc.), social and cultural factors (e.g. expected penalty associated with purchase of counterfeit and culture, social norm) and finally factors related to purchase situation and mood of the consumer (e.g. access to counterfeits). In the literature it is stated that, among these factors the most effective ones on consumers' counterfeit purchasing intentions are personality/individual factors (Wee et al., 1995). For this reason in this study, the role of individual characteristics on consumers' intention to purchase counterfeits is examined.

2.2. The Role of Individual Characteristics on Consumers' Counterfeit Purchasing Intentions

The relevant literature emphasizes that there are several individual characteristics effective on consumers' intention to buy counterfeits (Eisend and Guler, 2006). Individual characteristics – sometimes referred as intrinsic variables – may include materialism (Triandewi and Tjiptono, 2013; Wee et al., 1995), readiness/willingness to take risk, smart shopper self perception (Penz and Stöttinger, 2005), personal gratification, integrity, status consumption, value consciousness and fashion consciousness (Phau ve Teah, 2009; Hidayat ve Diwasasri, 2013). The definitions of these variables and the assumptions about their effects on consumers' counterfeit purchasing intentions are summarized as follows: Materialism refers to the importance people attach to material possessions (Belk, 1985; Solomon, 2009). Materialistic people place possessions and their acquisition at the center of their lives and view them as essential to their satisfaction and well-being in life. In other words, material possessions are very important for these individuals. They believe that such possessions are the sources of personal satisfaction, pleasure, and happiness; symbols of success or achievement; and representations of indulgence and luxury (Peter and Olson, 2008). Since these individuals' main objective is to impress others counterfeits will be an exact solution for them. From that perspective, in order to show off and impress others materialistic people will prefer luxury brands which provide the image of prestige or their counterfeits. The only difference between these two situations will be the money paid (Yoo and Lee, 2009). In other words, by buying counterfeits materialistic people will achieve their purpose of impressing others while paying less when compared to original brands. Therefore, the relationship between materialism and consumers' intention to purchase counterfeits can be summarized as follows:

H₁: Materialism has a positive effect on consumers' intentions to purchase counterfeits.

Smart shopper self perception represents ego-related benefits such as a sense of accomplishment, a boost in self-esteem, and pride in shopping (Mano and Elliott; 1997).

For instance, consumers who buy a product with a 70% discount or with a gift given as promotion may feel pride and success in his/her shopping. From that perspective, the purchase of counterfeits may seem to be a smart solution for consumers who might not be able to afford the original or might not be willing to spend money on the original, if they can get the copy for less with similar benefits (Tom et al., 1998). Therefore, when the smart shopper self perception increases it can be expected that consumers' tendency to purchase counterfeits may also increase. Thus, the following hypothesis can be proposed:

H₂: Smart-shopper self perception has a positive effect on consumers' intentions to purchase counterfeits.

Value consciousness is consumers' consideration of the ratio of quality received to price paid in a purchase (Lichtenstein and Burton, 1989; Lichtenstein et al., 1993). In other words, value consciousness is consumers' willingness to pay less for moderate quality. Most buyers of expensive luxury brands pursue prestige and image benefits but maybe unwilling to pay a high price for them. For a lower price and a slightly substandard quality counterfeits may be considered as "value for money" especially for value conscious consumers. Therefore, value conscious consumers' tendency to buy counterfeits- getting moderate quality at a lower price- is expected to be high (Phau ve Teah, 2009; Hidayat ve Diwasasri, 2013). Hence, the following hypothesis can be formulated:

H₃: Value consciousness has a positive effect on consumers' intentions to purchase counterfeits.

Consumers' readiness to take risk is related to the amount of risk perceived in a buying decision and to what extent consumers are willing to take them. In buying decisions several types of risks such as social, physical, psychological, financial etc. risks may be perceived. Perceived risk of purchase decisions is of high importance in the context of counterfeits (Cordell et al., 1996; Tan, 2002; Veloutsou and Bian, 2008). In the purchases of counterfeits consumers may feel that they may not receive the desired quality level and think that they may waste their money. In other words, buying counterfeits may be considered risky in the light of the amount of money lost through malfunction or other quality deficiencies. This is called financial risk. Most important, however, is the social risk that is perceived. Being detected as purchaser of counterfeit products, the consumer risks to be publicly sanctioned for using them (Wee et al., 1995). Therefore, consumers' extent of readiness to take risks may affect their tendency to purchase counterfeits. In other words, when the degree of consumers' readiness to take risks increases their potential to buy counterfeits will also increase. Thus, the following hypothesis can be derived:

H₄: Readiness to take risk has a positive effect on consumers' intentions to purchase counterfeits.

Status consumption is for consumers who are seeking self satisfaction as well as to display their prestige and status to others. Status consumers seek to possess brands that exude brand symbols that reflect their self-identity. In other words, they prefer products that

help them to display prestige and status. They think that they impress others by having or purchasing these kinds of products (Hoe et al., 2003; Hidayat and Diwasari, 2013). From this perspective, consumers who have high levels of status consumption may have negative attitudes towards counterfeits because even though counterfeits provide similar benefits as original brands they are not expensive as them and they do not reflect consumers' self identities. Thus, it is expected consumers who are more status consumption oriented may be less willing to purchase counterfeits (Phau and Teah, 2009; Jiang and Cova, 2012). Hence, it can be postulated that:

H₅: Status consumption has a negative effect on consumers' intentions to purchase counterfeits.

Fashion consciousness refers to an individual's degree of involvement with the styles, designs or fashion in clothing. Fashion conscious consumers are characterized by an interest in clothing and fashion, and in appearance. Fashionable things and the latest trends in fashion are very important for these consumers. For this reason, especially for consumers who are interested in fashion but can not afford expensive luxury brands counterfeits may be relatively cheap way to keep up with the latest fashion trends (Genty et al., 2006; Tom et al., 1998; Wee et al., 1995). From this perspective, consumers who are more fashion conscious may be more willing to purchase counterfeits in order to keep up with fashion and display their styles especially for expensive luxury brands. Based on the above discussion the following hypothesis can be formulated:

H₆: Fashion consciousness has a positive effect on consumers' intentions to purchase counterfeits.

According to Kohlberg (1976) consumers' behaviors are affected by their personal sense of justice. Therefore, the basic values like integrity will affect the judgement towards succumbing to unethical activities. In other words, individuals with high levels of integrity will avoid from unethical behaviors. Since integrity is determined by obedience to the law and counterfeits are illegal in most countries, consumers who view integrity as crucial will perceive counterfeits in a negative light and will be less willing to purchase them (Ang et al., 2001; Phau and Teah, 2009). Hence, it is proposed that:

H₇: Integrity has a negative effect on consumers' intentions to purchase counterfeits.

Personal gratification is the need for a sense of accomplishment, social recognition, and the desire to enjoy the finer things in life (Ang et al., 2001; Wang et al., 2005). Consumers with high sense of personal gratification would be more conscious of the appearance and visibility of fashion products. Therefore, they would not be interested in cheap products which provide less quality than the originals (Phau and Teah, 2009). From this perspective, consumers with high sense of personal gratification will have negative attitudes towards counterfeits and will be less prone to purchase them. For these reasons, it can be stated that:

H₈: Personal gratification has a negative effect on consumers' intentions to purchase counterfeits.

3. DATA AND METHODOLOGY

3.1. The aim and Scope of the Study

The review of the relevant literature points out that consumers' intention to buy counterfeits are affected by several factors. These factors are mainly named as personality/ individual factors, social and cultural factors, product related factors and finally factors related to purchase situation and mood of the consumer (Eisend and Guler, 2006). Because of its relative importance to other factors this study focuses on personality/individual factors. The most important reason for this relative importance lies in the fact that the other factors that are effective on consumers' intent to purchase counterfeits are results of personality/individual characteristics. For instance, a materialistic individual will be more price sensitive (which is a product-related factor) and therefore will be more prone to purchase counterfeits that are cheaper and provide similar benefits as originals.

The main purpose of the study is to reveal whether individual characteristics are effective on consumers' intention to buy counterfeits or not and if they are effective to detect which characteristics play the most important role in consumers' intention to buy these products. As individual characteristics materialism (Triandewi ve Tjiptono, 2013), readiness to take risks, smart shopper self perception (Penz ve Stöttinger, 2005), personal gratification, integrity, status consumption, value consciousness and fashion consciousness (Phau ve Teah, 2009; Hidayat ve Diwasasri, 2013) are included in the scope of the study. These variables are derived from the relevant literature.

The research is conducted in the fashion industry because one of the leading sectors that one can encounter with counterfeits is the fashion industry. As a result of this fact, most of the research on this issue is conducted on fashion products (Romani, Gistri ve Pace, 2012; Phau ve Teah, 2009; Hidayat ve Diwasasri, 2013; Wilcox, Kim ve Sen, 2009; Juggessur ve Cohen, 2009).

3.2. Importance and Uniqueness of the Study

With their increasing demand worldwide counterfeits are one of the most important threats for genuine brands. In this regard, understanding why consumers prefer counterfeits is so important for brand managers and owners. In other words, defining the factors that motive consumers in favor of the counterfeits is critically important for brand managers. Brand managers can use this information about the factors that motive consumers to buy counterfeits in their marketing decisions and activities.

This important issue has attracted the attention and interest of many researchers and several studies are conducted on this subject. But despite its importance in the Turkish literature there are a few studies focusing on counterfeits. At the same time, these rare

studies approach the issue from a legal point of view or from the perspectives of the organizations. They do not consider the standpoints of consumers or marketing (Tüzün, 2011; Ateşoğlu ve Erdoğan, 2009). As mentioned before Turkey has the second largest counterfeit market in the World. But despite this fact, the scarce of the studies on this issue in the Turkish literature signal a gap. This study that is designed to fill this gap and contribute to this area also differs from the others in the foreign literature in terms of its scope. No other study in the literature has that broad scope including several different individual characteristics. In other words, the gap in the Turkish literature and the broad scope of the study in general emphasize the uniqueness of this study.

3.3. Data Collection Method and the Measures Used In the Study

The instrument used in the study was a self-administered questionnaire. In order to prevent misunderstandings and to increase the accuracy of the answers the instrument began with a definition of counterfeits. Examples of counterfeits were also given to make the respondents clearer. It consisted of two sections. In the first section, items related to eight individual characteristics and one intention to buy counterfeits exist. The second section contains demographic questions (age, gender, education, income level, frequency to buy counterfeits etc.) aiming to define the demographic profile of the respondents. The items in the first part of the questionnaire were generated from validated scales. The following table summarizes the variables, the items each variable include and the scales they were generated from.

Table 1: Scales Used In the Study

Scale Measure	Source	Number of Items
Materialism	Richins (1987)	4
Readiness to Take Risk	Raju (1980)	7
Smart Shopper Self Perception	Garretson et al.(2002)	3
Personal Gratification	Rokeach (1973)	5
Integrity	Vinson et al. (1977)	4
Status Consumption	Kilsheimer (1993)	5
Value Consciousness	Lichtenstein et al. (1989)	7
Fashion Consciousness	Tigert et al.(1976)	6
Intention to Buy	Walsh and Mitchell (2010)	3

All the items of the questionnaire were generated from scales in English therefore first of all they were translated in Turkish. After translations they were back translated and

compared with the original forms to be sure that no mistakes were made during translations.

As for the face validity, the items in the questionnaire have been assessed by three colleagues studying in brand management and marketing and one colleague working on psychology. All items in the questionnaire were measured on a five-point Likert scale with 1 representing "strongly disagree" and 5 representing "strongly agree".

In order to test the questionnaire in terms of wording and to reveal whether it is comprehensible or has unclear parts a pilot study was conducted on 30 respondents. Following the pilot study some minor corrections were made. After pilot study questionnaires were distributed by using convenience sampling to 900 respondents who had purchased counterfeits in their lives at least once. Data were collected during a two-week period. Of these 900 questionnaires distributed, 21 responses were discarded due to being incomplete or having inconsistent answers. Finally, 879 questionnaires were included in the analysis.

3.4. Respondents' Profile

52% of the sample consisted of women and 48% of men which signals that 457 women and 422 men responded the questionnaires. Their ages ranged from 18 to 65. As many studies are criticized due to their samples consisting of students, this broad age range in this study may be a solution for this problem.

Among 879 respondents 4% of them are primary school graduates (35 respondents), 35% of them are high school graduates (307 respondents), 7% of them are college graduates (63 respondents), 49% of them are university graduates (430 respondents), 4% of them have a master's degree (35 respondents) and rest of them (9 respondents) has a doctorate degree.

The majority of the respondents (45% - 396 respondents) have an income level below 1000 Turkish Liras (TL), 36% of them (316 respondents) have an income level between 1001-2000 TL, 13% of them (115 respondents) have an income level between 2001-3500, 3% of them (26 respondents) have an income level between 3501-5000 TL and finally 3% of them (26 respondents) have an income level above 5001 TL.

The last part of the questionnaire consists of questions aiming to reveal in which products categories consumers mostly buy counterfeits. According to the answers given, women mostly buy counterfeits in ready to wear (32%). This is followed by bags (28%), accessorize (24%), shoes (12%) and cosmetics (4%). On the other hand, as women men mostly buy counterfeits in ready to wear (29%). That is followed by shoes (27%), cosmetics (25%), accessorize (17%) and bags (2%).

4. EMPIRICAL FINDINGS

At first, factor analysis and reliability analysis were conducted on the data collected. Factor analysis is a statistical method used for data reduction depending on the relationships between the items (Kurtulus, 2004). In this study factor analysis was conducted to test the variables in terms of unidimensionality and if they are not unidimensional to reveal the factors that constitute these variables. In this regard, principle component analysis using Varimax rotation was conducted. Number of factors was determined depending on the eigen values (eigen value>1). Factor loadings were examined and the ones below 0.50 were eliminated (Durmus et al., 2011).

Before conducting principle component analysis data was checked for its suitability for factor analysis. In this regard, KMO (Kaiser-Meyer Olkin), Bartlett’s Test of Sphericity and Anti Image Correlation Values were used. The results of the analysis pointed out a Kaiser-Meyer-Olkin (KMO) measuring sampling adequacy of 0,833 which is an acceptable value for conducting factor analysis. Also the results of the Bartlett’s Test of Sphericity are significant ($p=0,000$; 11228,777; df: 946). These results proved that the data as a whole is suitable for conduction factor analysis. Then items’ suitability for conducting factor analysis was examined by analyzing Measures of Sampling Adequacy (MSA) values. All the items’ anti-image correlations were above 0.50 pointing out that the items are suitable for the factor analysis (Durmus et al., 2011).

Table 2: Results of the Factor and Reliability Analysis

	Factor Loading	Variance Explained	Eigen-value	Cronbach α
Factor 1: Materialism		3,28	1,441	0,73
Materialism1	0,68			
Materialism2	0,783			
Materialism3	0,786			
Materialism4	0,741			
Factor 2: Readiness to Take Risk		6,85	2,575	0,76
Readiness to Take Riski1	0,688			
Readiness to Take Riski2	0,621			
Readiness to Take Riski3	0,777			
Readiness to Take Riski4	0,744			
Readiness to Take Riski6	0,672			
Readiness to Take Riski7	0,609			
Factor3:Smart Shopper Self Perception		2,94	1,294	0,84
Smart Shopper Self Perception1	0,878			
Smart Shopper Self Perception2	0,86			
Smart Shopper Self Perception3	0,837			
Factor4: Personal Gratification		8,96	3,502	0,81
Personal Gratification1	0,754			
Personal Gratification2	0,685			
Personal Gratification4	0,793			
Personal Gratification5	0,597			
Factor5: Integrity		4,06	1,538	0,78
Integrity1	0,751			
Integrity2	0,742			

Integrity3	0,69			
Integrity4	0,637			
Factor6: Status Consumption		12,28	4,963	,86
Status Consumption1	0,825			
Status Consumption2	0,794			
Status Consumption3	0,76			
Status Consumption4	0,748			
Factor7:Value Consciousness		14,43	5,717	0,85
Value Consciousness1	0,607			
Value Consciousness2	0,781			
Value Consciousness3	0,751			
Value Consciousness4	0,739			
Value Consciousness6	0,625			
Value Consciousness7	0,763			
Factor8:Fashion Consciousness		3,76	1,656	0,79
Fashion Consciousness1	0,757			
Fashion Consciousness2	0,7			
Fashion Consciousness3	0,736			
Fashion Consciousness6	0,641			
Factor9: Intention to Buy		4,8	2,113	0,92
Intention to Buy1	0,879			
Intention to Buy2	0,904			
Intention to Buy3	0,901			

Note: Status consumption5, fashion consciousness4, readiness to take risk5, value consciousness5, fashion consciousness5 and personal gratification3 were discarded due to low factor loadings and cronbach's alpha values.

As can be seen from Table-2, according to the results of the factor analysis nine factors were revealed (materialism, readiness to take risk, smart shopper self perception, personal gratification, integrity, status consumption, value consciousness, fashion consciousness and intention to buy). In other words all the variables were unidimensional. Some items (status consumption5, fashion consciousness4 and readiness to take risk5 with factor loadings of 0.469, 0.431 and 0.425 respectively) were eliminated due to low factor loadings (<0.50). In the next step, factors' realibilities were assessed by Cronbach's Alpha values. Three items (value consciousness5, fashion consciousness5 and personal gratification3) were discarded due to the increase in total cronbach alpha values if they are deleted. After all these eliminations the factor analysis was repeated. The final results showed that the factors explained 61.36% of the total variance and their cronbach's alpha values ranged from 0.73 to 0.92. The cronbach's alpha values of the factors were above the acceptable level (>0.70) according to Nunnally (1978).

In order to test the hypotheses aiming to reveal the effects of individual characteristics on intention to buy counterfeits regressiin analysis was conducted. Since there are more than one independent variable in the study multiple regression analysis was used (Nakip, 2003). In this regard, the dependent variable is intention to buy counterfeits while the independent variables are materialism, ready to take risk, smart shopper self perception, personal gratification, integrity, fashion consciousness, value consciousness and status consumption.

Before the multiple regression analysis all independent variables were examined for multicollinearity. Since a VIF value is below 10 it indicates that multicollinearity is not a problem (Hair et.al, 1998). As can be seen from Table-3, among the variance inflation factors (VIF) the highest value is 1.387 pointing out that multicollinearity is not a problem.

Table 3: Results of the Multiple Regression Analysis

Dependent Variable: <i>Intention to Buy Counterfeits</i>		Unstandardized Coefficients		Standardized Coefficients		
Independent Variables	B	Standard Error	Beta	t	Sig. (p)	VIF
(Constant)	1,914	0,378		5,065	0,000	
Status Consumption	-0,278	0,045	-0,236	-6,191	0,000	1,3
Readiness to Take Risk	0,077	0,052	0,052	1,483	0,139	1,09
Personal Gratification	-0,155	0,056	-0,101	-2,781	0,006	1,18
Fashion Consciousness	0,204	0,047	0,165	4,327	0,000	1,3
Value Consciousness	0,32	0,06	0,203	5,294	0,000	1,32
Integrity	-0,248	0,061	-0,147	-4,06	0,000	1,17
Materialism	0,107	0,048	0,082	2,211	0,027	1,23
Smart Shopper Self Perception	0,129	0,052	0,098	2,499	0,013	1,39
R=0,643; R²=0,418; Adjusted R²=0,363; F=19,501; p=0,000						

The results of the multiple regression analysis were reported in Table-3. As can be seen from the bottom of the table F = 19.501 and p=0.000 pointing out that the regression model is statistically significant. In other words, it is possible to predict the dependent variable – intention to buy counterfeits- by at least one of the independent variables in the model.

In order to reveal which independent variables are significant in the model t statistics and p values are examined. As table-3 points out except readiness to take risk, all independent variables’ p values are below 0.05. Depending on these values it is possible to state that except H₄ all the hypotheses are accepted.

Based on the results in table-3, R² of the model is 0.418 pointing out that except readiness to take risk the variables in the model explain approximately 42% of the variation in intention to buy counterfeits.

Examining the Beta coefficients of the variables it is possible to state that status consumption plays the most important role in explaining the dependent variable intention to buy counterfeits (β=0,236). It is followed by value consciousness (β=0,203), fashion consciousness (β=0,165), integrity (β=0,147), personal gratification (β=0,101), smart shopper self perception (β=0,098) and finally materialism (β=0,082).

5. ELABORATION OF FINDINGS

Counterfeits are illegal in most of the countries. Despite these numerous regulations the demand of counterfeits is increasing day by day all around the world. When the related statistics are examined it can be stated that following China Turkey has the second largest counterfeit market in the world. In other words, this issue has become one of the most important problems in Turkey threatening the original brands and their managers. In spite of this growing importance this issue has not attracted attention and interest of the academicians in Turkey. Based on the results of the literature review it can be stated that this issue was examined only from the legal point of view in Turkey (e.g. brand protection law). This paper is designed to fill this gap in the literature and contribute to this area in a different perspective.

Determining the factors effective on the increasing demand of counterfeits is an important issue. The relevant literature groups the factors effective on intention to buy counterfeits under four categories. It is emphasized that among these factors the most effective ones on consumers' intention to buy counterfeits are individual/personality characteristics. From this perspective, this paper includes a broad scope of individual characteristics that no other study has taken into account and examined their role on consumers' intention to purchase counterfeits. The individual characteristics in the study consist of materialism, readiness to take risk, status consumption, value consciousness, fashion consciousness, personal gratification, smart shopper self perception and integrity. Following the factor and reliability analysis in order to test the proposed hypotheses regression analysis was conducted. Based on the results of the multiple regression analysis it can be stated that among the eight hypotheses, seven of them are accepted. The elaboration of the findings can be summarized as follows:

H₁ is accepted which points out that materialist consumers will be more prone to buy counterfeits of fashion products. The most important reason for this is materialistic consumers' interest in material possessions and their desire to have products that provide prestige to impress others. At this point, counterfeits may be an alternative for the consumers especially who can not afford the expensive originals. Even consumers who have the purchasing power to purchase the originals may prefer to buy counterfeits for less.

Acceptance of **H₂** gives evidence that if smart shopper self perception increases in a shopping situation consumers will be more inclined to purchase counterfeits. Consumers who can buy products at a moderate quality with an affordable price may feel a sense of accomplishment or smartness in their purchases. The purchase of counterfeits may be a smart solution for consumers who evaluate their shopping from this perspective.

The acceptance of **H₃** states that value consciousness has a positive effect on consumers' intention to buy counterfeits. In this regard, consumers who are more value consciousness (who place value on quality-price comparisons) will be more prone to counterfeits which provide moderate quality for less.

The only rejected hypothesis of the model is **H₄** which points out that readiness to take risk does not have a significant effect on consumers' intention to buy counterfeits. While this hypothesis is formulated, it is proposed that consumers who buy counterfeits may not get the desired quality or benefits and therefore they may feel that they have wasted their money. Consumers may also feel the risk that they will be publicly sanctioned for using counterfeits when they are detected as purchasers of counterfeit products. For these reasons it is proposed that consumers who perceive high levels of such risks in their purchases and ready to take them will be more prone to counterfeits. The rejection of this hypothesis points that there isn't a relationship as expected. The reason of this may be that consumers do not perceive high levels of risk in their purchases of counterfeits. In other words, due to counterfeits similarity to originals and the moderate level of benefits they provide consumers may not perceive financial, social or other kinds of risks in their purchases.

The acceptance of **H₅** points out that when the level of status consumption increases the tendency to purchase counterfeits decreases. The reason of this is consumers who have high levels of status consumption prefer products that help them to display prestige and status and they purchase products that reflect their self-identity. From this perspective, consumers having high levels of status consumption will not be interested in counterfeits that do not reflect their identities and status.

Another hypothesis that is accepted is **H₆**. The acceptance of this hypothesis proves that fashion consciousness has a positive effect on consumers' intention to purchase counterfeits. From this perspective, counterfeits may be appealing solutions for consumers who are interested in fashion and their appearance and keep up with the latest trends in fashion.

The acceptance of **H₇** points out that when the level of integrity increases the tendency to purchase counterfeits decreases. The reason for this may be that consumers who value integrity think that purchasing counterfeits is unethical and purchasing them does not reflect their identities. Therefore they won't be willing to purchase counterfeits.

H₈ which is the last hypothesis of the study proposes that personal gratification has a negative effect on consumers' intention to purchase counterfeits. The acceptance of this hypothesis signals that consumers who have high levels of personal gratification in their lives will be less willing to purchase counterfeits. Since these consumers' need for accomplishment, social recognition, and the desire to enjoy the finer things in life will be higher they won't be interested in inferior counterfeits.

The results of the study also reveal that the most effective individual characteristic on consumers' intention to purchase counterfeits is status consumption. It is followed by value consciousness, fashion consciousness, integrity, personal gratification, smart shopper self perception and materialism respectively.

6.CONCLUSION

The results of the study define the factors that affect consumers' intention to buy counterfeits and reveal which factors are most important in consumers' willingness to buy them. Defining these factors and discovering which ones are most important on consumers' decisions will guide organizations' marketing and branding activities. In other words, revealing the issues that consumers value and the reasons why consumers purchase counterfeits will shed light on brand owners and managers in their struggle against counterfeits.

For instance, as the results of the study emphasize integrity which is one of the individual characteristics play a preventative role in consumers' tendency to buy counterfeits. From this perspective, the original brand owners or managers may take actions to make public conscious about the negative outcomes of counterfeits on them and on the economy in general. Similarly, the results of the analysis point out that status consumption and personal gratification affect consumers' intention to buy counterfeits negatively. By focusing more on marketing activities that use hedonic appeals fashion brand owners may prevent consumers who value hedonic appeals (e.g.status, prestige etc.) to buy counterfeits. On the other hand, the results of the study on value consciousness and smart shopper self perception may shed light on brand owners in their pricing and promotional decisions. For instance, the promotional activities, discounts and campaigns designed considering the brand images and values may motivate consumers to feel the same smart shopper and value perceptions in their original brand purchases as in the counterfeits. In this way, by benefiting this advantage they may purchase original brands instead of counterfeits. To sum up, the results of the study provide valuable information to brand owners for designing/implementing marketing and branding activities that prevent consumers buying counterfeits and motivating them to buy originals.

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