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Why Do Consumers Buy Counterfeit Luxury Brands?

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ABSTRACT

This research demonstrates that consumers' desire for counterfeit luxury brands hinges on the social motivations (i.e., to express themselves and/or to fit in) underlying their luxury brand preferences. In particular, the authors show that both consumers' preference for a counterfeit brand and the subsequent negative change in their preference for the real brand is greater when their luxury brand attitude serves a social-adjustive as opposed to a value-expressive function. As well, consumers' moral beliefs about counterfeit consumption affect their counterfeit brand preferences only when their luxury brand attitudes serve a value-expressive function. Finally, the authors demonstrate that the social functions served by consumers' luxury brand attitudes can be influenced by elements of the marketing mix (e.g., product design, advertising), allowing marketers to curb the demand for counterfeit brands through specific marketing mix actions.

Keywords: Counterfeiting, luxury brands, attitude functions, social identity, advertising

“Counterfeiting will become the crime of the 21st century.”

James Moody, former Chief, FBI Organized Crime Division

Counterfeit goods are illegal, low-priced and often lower quality replicas of products that typically possess high brand value (Lai and Zaichkowsky 1999). The global market for counterfeits today is estimated to exceed \$600 billion, accounting for approximately 7% of world trade (World Customs Organization 2004). The ethical case against counterfeiting aside, its adverse effects on business are well documented and many. For instance, the U.S. Chamber of Commerce (2006) holds counterfeiting responsible for the loss of more than 750,000 U.S. jobs per year. Perhaps more dire, counterfeiting has also been linked to the growing global threats of narcotics, weapons, human trafficking and terrorism (Thomas 2007). Not surprisingly then, companies are allying with governments and enforcement agencies to devote unprecedented resources to tackle this global problem (International Anti-Counterfeiting Coalition 2006).

Interestingly, however, the anti-counterfeiting forces seem to be fighting a losing battle, particularly in luxury goods markets where consumers often knowingly purchase counterfeits (Nia and Zaichkowsky 2000). Despite the efforts of most luxury brand marketers, the International Chamber of Commerce (2004) estimates that this industry is losing as much as \$12 billion every year to counterfeiting. This suggests that, at least in luxury markets, curbing the insatiable global appetite for counterfeits is essential to winning the war on counterfeiting (Bloch, Bush and Campbell 1993). Yet, a clear and actionable understanding of the motivations underlying consumers' purchase of counterfeit luxury brands (referred to here onwards as counterfeit brands) remains elusive (cf. Zaichkowsky 2006).

Given that the market for counterfeit brands relies on consumers' desire for real luxury brands (Hoe, Hogg and Hart 2003; Penz and Stottinger 2005), insights into why people purchase luxury brands in the first place are particularly relevant to understanding the motives underlying counterfeit brand purchases. Much research suggests that quality considerations aside, consumers typically consume such brands in the service of numerous important social goals (Bearden and Etzel 1982; Grubb and Grathwohl 1967). The central premise of this article is that these social motivations guide consumers' propensity to consume counterfeit brands. Specifically, we draw on the functional theories of attitudes (Katz 1960; Shavitt 1989; Smith, Bruner and White 1956) to propose that both consumers' desire for counterfeit brands and the extent to which the availability of such counterfeits alters their preference for the real brands are determined by the social functions underlying their attitude towards luxury brands.

Next, we provide an overview of counterfeiting. We then introduce a framework for understanding how consumers' motivations for consuming luxury brands affect their preference for counterfeit brands. Next, we describe three studies that test our predictions. Finally, we discuss the implications of our findings and future research directions.

COUNTERFEIT PRODUCTS

According to Lai and Zaichkowsky (1999), counterfeits are illegally made products that resemble the genuine goods but are typically of lower quality in terms of either performance, reliability or durability. Pirated goods, in contrast, are products that are exact copies of the original and are typically limited to technology categories such as software. Counterfeiting is one of the oldest crimes in history. Perhaps the earliest and most widespread form of counterfeiting is

that of currency. The counterfeiting of luxury products itself dates as far back as 27 B.C. when a wine merchant in Gaul counterfeited trademarks on wine amphorae, selling inexpensive local wine as expensive Roman wine (Phillips 2005). By the thirteenth century, counterfeiting had become so common that the copying of valuable trademarks was made a criminal offense punishable by torture and death in some European countries (Higgins and Rubin 1986).

From the consumer's perspective, counterfeiting can be either deceptive or non-deceptive. Deceptive counterfeiting involves purchases where consumers are not aware that the product they are buying is a counterfeit, as is often the case in categories such as automotive parts, consumer electronics and pharmaceuticals (Grossman and Shapiro 1988). In other categories, however, consumers are typically aware that they are purchasing counterfeits. This non-deceptive form of counterfeiting, which is the focus of this research, is particularly prevalent in luxury brand markets (Nia and Zaichkowsky 2000) where consumers are often able to distinguish counterfeits from genuine brands based on differences in price, the distribution channels, and the inferior quality of the product itself.

Interestingly, however, the quality of counterfeit products has been steadily improving over the past several years, approaching, in a few cases, that of the real brand. This is attributable in substantial part to the shift by many luxury brand marketers, in their quest for reduced production costs, to outsourced manufacturing. For instance, some of the factories that produce outsourced luxury products have added a "ghost shift" to their production runs to make counterfeit products, which they can sell at higher margins (Phillips 2005). Although the counterfeits thus produced continue to typically be constructed of inferior materials, they are often produced with the same designs, moulds and specifications as the genuine brands (Parloff

2006). As a result, the counterfeit-genuine distinction in the case of many luxury brands is evolving from a dichotomy to more of a continuum (GBLAAC 2005).

Prior research has linked the decision to knowingly purchase counterfeit products to numerous factors, which Eisend and Schuchert-Guler (2006) classify into four categories. The first category, labeled person, includes demographic and psychographic variables as well as attitudes towards counterfeiting. For instance, prior studies have found that consumers who purchase counterfeit products are of lower social status (Bloch, Bush and Campbell 1993) and have more favorable attitudes towards counterfeiting (Penz and Stottinger 2005). Research linking consumers' beliefs about counterfeits to their purchase behavior (e.g., Gentry, Putrevu and Shultz 2006) also falls under this category. The second category focuses on aspects of the product such as price, uniqueness and availability. Not surprisingly, consumers' likelihood of buying a counterfeit brand is inversely related to the price of the genuine brand (Albers-Miller 1999). The third and fourth categories refer, together, to the social and cultural context in which the counterfeit purchase decision is made, ranging from cultural norms (Lai and Zaichkowsky 1999) to the shopping environment (Leisen and Nill 2001). For instance, consumers are likely to purchase a counterfeit brand when they react more favorably to the shopping environment.

Of particular relevance to our investigation of the individual-level motives underlying counterfeit brand consumption is research that goes beyond price to link counterfeit consumption to social motives such as the desire to create identities, fit in, and/or impress others (Bloch, Bush and Campbell 1993; Hoe, Hogg and Hart 2003; Penz and Stottinger 2005). Next, we develop a theoretical account of the role of such social motives in driving counterfeit consumption.

THEORY AND HYPOTHESES

Functional Theories of Attitudes and Counterfeit Brands

Functional theories of attitudes (Katz 1960; Shavitt 1989; Smith, Bruner and White 1956) suggest that attitudes serve a number of psychological functions such as helping people organize and structure their environment (knowledge function), attain rewards and avoid punishments (utilitarian function) and maintain their self-esteem (ego defense function). Attitudes also serve important social functions such as allowing self-expression (value-expressive function) and facilitating self-presentation (social-adjustive function). These social functions of attitudes have been shown to underlie a broad range of consumer responses, including product evaluations (Shavitt, Lowry and Han 1992), advertising message processing (Snyder and DeBono 1985) and even the inter-purchase time of durables (Grewal, Mehta and Kardes 2004).

Attitudes serving a social-adjustive function (i.e., social adjustive attitudes) help people maintain relationships (DeBono 1987; Smith, Bruner and White 1956). When consumers have a social-adjustive attitude towards a product, they are motivated to consume it to gain approval in social situations. Attitudes serving a value-expressive function (i.e., value-expressive attitudes), on the other hand, help people communicate their central beliefs, attitudes and values to others (Katz 1960). When consumers hold a value-expressive attitude towards a product, they are motivated to consume it as a form of self-expression (Snyder and DeBono 1985). Prior research suggests that consumers' attitudes toward luxury brands may serve either a social-adjustive function, a value-expressive function or both (Shavitt 1989). For example, someone might purchase a Louis Vuitton bag because the brand reflects their personality (i.e., self-expression) and/or because it is a status symbol (i.e., self-presentation).

The functional theories implicate these multiple functions or goals served by attitudes, rather than merely attitude strength or valence, as key determinants of the attitude – behavior link (Shavitt 1989). More specifically, research by Snyder and DeBono (1985) suggests that consumers respond more favorably to image or product form appeals when they hold attitudes serving a social-adjustive function because such appeals are consistent with their social goal of projecting a particular image in social settings. In contrast, consumers are more responsive to messages promoting intrinsic aspects of products such as quality or reliability (i.e., product function appeals) when they hold attitudes serving a value-expressive function because such messages are more readily interpretable in terms of their underlying values and dispositions¹. We expect these differences to carry over to luxury brand contexts as well: social-adjustive attitudes towards luxury brands will motivate consumers to consume such products for form or image related reasons whereas value-expressive attitudes towards luxury brands will motivate them to consume such products for product function or, more specifically, quality related reasons. Thus, compared to value-expressive attitudes, social-adjustive attitudes towards luxury brands should be associated with a higher preference for counterfeit brands because these are designed to look like luxury brands (i.e., high resemblance in terms of product form), but are typically associated with lesser quality (i.e., low resemblance in terms of product function).

Notably, this does not imply that value-expressive attitudes will always be associated with counterfeit avoidance. Given that consumers holding such attitudes are guided by their desire to maximize the consistency between the products they consume and their central beliefs, attitudes and values (Snyder and DeBono 1985), their preference for counterfeit brands is also likely to vary with their values and beliefs regarding counterfeiting per se. In particular, a growing body of research (Hoe, Hogg and Hart 2003; Tom et. al., 1998) suggests that consumers

vary widely in their beliefs regarding the morality of counterfeit consumption (i.e., moral beliefs about counterfeit consumption). Thus, when consumers' attitudes towards luxury brands serve a value-expressive function, we expect their preference for counterfeits to be moderated by their moral beliefs about counterfeit consumption: consumers whose value system dictates that such behavior is not necessarily immoral (i.e., favorable moral beliefs) will be more likely to purchase counterfeit brands than those who believe that such behavior is immoral (i.e., unfavorable moral beliefs). When consumers' attitudes serve a social-adjustive function, on the other hand, their preferences for counterfeits should be less susceptible to their moral beliefs because they are less likely to rely on their internal values in making such decisions. To summarize:

- H1 Consumers' likelihood of purchasing counterfeit luxury brands will be greater when their attitudes towards luxury brands serve a social-adjustive function than when their attitudes serve a value-expressive function.
- H2 Consumers' counterfeit purchase likelihood will be more sensitive to their moral beliefs about counterfeit consumption when their luxury brand attitudes serve a value-expressive function than when they serve a social-adjustive function.

Preference Change for Real Brand

Some recent research (Nia and Zaichkowsky 2000) questions the assumption implicit in most anti-counterfeiting efforts that the availability of counterfeit brands diminishes demand for the real brands. Based in part on consumer surveys, these researchers argue that in certain cultural, social and market contexts counterfeits can even enhance demand for the real brands. Our individual-level psychological perspective suggests that changes in consumers' preference

for the real brand, if any, upon exposure to a counterfeit brand will depend, again, on the social functions underlying their luxury brand attitudes.

How might exposure to a counterfeit brand alter consumers' preference for the real brand? When two products look alike, such as the counterfeit brand and its real counterpart, they are often perceived to be similar (Shocker, Bayus and Namwoon 2004). However, research on goal-derived categorization suggests this is not always the case: personal goals can have a strong influence on how consumers categorize and compare products (Ratneshwar et al., 2001). When two products fulfill a salient personal goal, consumers judge them to be similar. However, when only one of the two products satisfies the salient goal, they seem less similar. Interestingly, even when the surface resemblance between the products is high, the lack of goal fulfillment by one product has a negative effect on similarity judgments.

When consumers' attitudes serve a social-adjustive function, self-presentation related goals are likely to be salient. Since both a counterfeit brand and its real counterpart fulfill these important goals, the two products are likely to be perceived to be similar. Thus, the presence of the counterfeit brand will likely diminish preference for the real brand because the former dominates the latter on price. When consumers' attitudes serve a value-adjustive function, on the other hand, their self-expression related goals are likely to be salient. Because a counterfeit brand does not satisfy these important personal goals, it is unlikely that consumers will perceive counterfeit brands to be similar to luxury brands. Consequently, the dissimilarity between two products makes it less likely that they will be compared on attributes such as price even though they may have high surface resemblance. In such a case, we expect that exposure to counterfeit brands will influence preference for the real brand to a lesser degree, if at all. More formally:

- H3 Exposure to a counterfeit brand will have a more negative effect on consumers' preferences for the real brand when their luxury brand attitudes serve a social-adjustive function than when the attitudes serve a value-expressive function.

Influencing Attitude Functions and Counterfeit Consumption

What determines the social function served by an attitude? Much research (DeBono 1987; see Shavitt 1989 for a recent review) points to the individual consumer (i.e., personality traits) as the primary driver of the functions served by attitudes in a specific consumption context. Notably, however, situational characteristics such as the product category, brand positioning, promotional cues and the social context can play an important role as well (Shavitt, Lowry and Han 1992). If consumers' propensity for counterfeit luxury goods varies with the social functions underlying their attitudes, insights into the situational determinants of these functions could allow a luxury brand marketer to go beyond the relatively immutable personality traits of its consumers to influence their demand for counterfeit brands through the marketing mix. Next, we discuss the roles of two specific aspects of the marketing mix, brand conspicuousness and advertising copy, in determining the attitude function-driven demand for counterfeit brands.

Brand Conspicuousness. Luxury brands vary in the extent to which their brand emblem or logo is conspicuous, in easy sight of the user and, more importantly, relevant social others. The logos of some brands (e.g., Gucci) are prominent and ubiquitous, whereas that of others (e.g., Marc Jacobs) are less discernible visually. We propose that the hypothesized attitude-function based differences in consumers' preferences for both the counterfeit and the real brand

(H1-H3) will be greater when the luxury brand's products have greater brand conspicuousness.

Why might this be so? Shavitt, Lowrey and Han (1992) suggest that because product categories vary in the extent to which they help consumers achieve their goals, the category in a particular consumption context restricts the functions that can be served by consumers' attitudes. At the same time, they point to certain brand-level features, such as a brand's unique attributes or positioning within a category, as potential determinants of the function served by consumers' product judgments or attitudes. Given that over time the social and cultural aspirations associated with a luxury brand come to reside in its emblem or logo, we propose that the extent to which a luxury brand fulfills a consumer's social goals (i.e., value-expressive and social-adjustive) is likely to depend on brand conspicuousness (Bearden and Etzel 1982). In fact, luxury and exclusivity often exists at the brand (e.g., Rolex) rather than the product category (e.g., watch) level, making the conspicuousness of a brand a particularly important determinant of the social functions that can be served by attitudes towards it. Specifically, when the brand is inconspicuous, consumers' attitudes towards it are going to be less able to serve a social function. As a result, the social attitude function based differences in counterfeit consumption are likely, in such cases, to be minimal. More formally:

H4a The attitude function-based difference in consumers' counterfeit purchase likelihood (i.e., H1) will be greater when the brand is more conspicuous.

H4b The moderating effect of consumers' moral beliefs about counterfeit consumption on the attitude function – counterfeit purchase likelihood relationship (i.e., H2) will be stronger when the brand is more conspicuous.

- H4c The attitude function-based difference in the negative effect of exposure to a counterfeit brand on consumers' preference for the real brand (i.e., H3) will be greater when the brand is more conspicuous.

Advertising Copy. Advertising is a crucial vehicle for building a luxury brand's image and communicating its social/cultural meaning. We propose that the copy used in such luxury brand advertising can also influence the primacy of the social function underlying consumers' brand judgments or attitudes. Support for this assertion comes from research documenting the influence of advertising-based contextual primes on the salience of consumption goals (Labroo and Lee 2006) and, more specifically, the functions performed by attitudes (Shavitt and Fazio 1991). This is also consistent with the broader literature on identity salience (see Forehand, Deshpande and Reed 2002 for recent review), a state characterized by heightened sensitivity to identity-relevant information, that underscores the role of environmental cues, such as visual images, words and identity primes in the media context, in differentially activating specific social identities and associated consumption goals (e.g., self-expression versus self-presentation) within a consumer's social self-schema.

Together, these research streams suggest that exposing consumers of a luxury brand to advertising messages that differentially prime the social goals associated with value-expressive versus social-adjustive attitudes could influence their preference for counterfeits. We expect that when consumers view an advertisement that primes social-adjustive goals (i.e., a social-adjustive advertisement) they will be more likely to purchase a counterfeit version of the brand than when they view a similar advertisement that primes value-expressive goals (i.e., a value-expressive advertisement). We also expect the previously discussed moderating effect of consumers' moral

beliefs about counterfeit consumption (i.e., H2) to only occur when consumers are exposed to a value-expressive, as opposed to a social-adjustive, advertisement. Additionally, the counterfeit-based adverse change in consumers' preference for the real brand (i.e., H3) should occur when consumers are exposed to a social-adjustive, as opposed to a value-expressive, advertisement.

- H5a Consumers' likelihood of purchasing counterfeit brands will be greater when they are exposed to a social-adjustive advertisement for a luxury brand than when they are exposed to a value-expressive advertisement for that brand.
- H5b Consumers' counterfeit purchase likelihood will be more sensitive to their moral beliefs about counterfeit consumption when they are exposed to a value-expressive advertisement for a luxury brand than when they are exposed to a social-adjustive advertisement for that brand.
- H5c Exposure to a counterfeit brand will have a more negative effect on consumers' preferences for the real brand when they are exposed to a social-adjustive advertisement for a luxury brand than when they are exposed to a value-expressive advertisement for that brand.

Next, we present three studies designed to test our predictions. In study 1, we measure participants' attitude functions towards luxury brands to demonstrate attitude function-based differences in their responses to counterfeit brands. In study 2, we replicate the study 1 findings in an experimental setting and examine the moderating effect of brand conspicuousness. The third study examines the efficacy of an advertising-based manipulation of attitude function in obtaining the predicted differences in counterfeit and real brand preferences.

STUDY 1: THE INFLUENCE OF ATTITUDE FUNCTIONS ON COUNTERFEIT PURCHASES

The purpose of this study was to test hypotheses one and two in a naturalistic, externally valid context. To do so we measured rather than manipulated the social functions underlying participants' attitudes towards luxury brands and examined the relationship of these functions, in interaction with participants' moral beliefs about counterfeit consumption, to their likelihood of purchasing a counterfeit version of a product by their favorite luxury brand.

Method

Participants and Procedure. Seventy-nine undergraduates (56% female) at a large North Eastern university took part in the study as part of a course requirement. First, we elicited participants' attitude functions towards luxury brands to assess the extent to which their attitudes served value-expressive (Value-Expressive Function) and social-adjustive (Social-Adjustive Function) functions. They were then asked to tell us their favorite luxury fashion brand. We restricted participants' responses to fashion brands to prevent them from selecting a luxury brand from an infrequently counterfeited category such as luxury cars. Participants were then asked to rate how likely they would be to purchase a counterfeit version of a product by their favorite luxury fashion brand. Finally, participants were asked to provide their moral beliefs about counterfeit consumption (Moral Beliefs).

Measures. Participants' attitude functions towards luxury brands were assessed on seven-point Likert scales (Appendix A). These included a four-item measure of Value-Expressive Function (e.g., "Luxury brands help me express myself," $M = 3.44$, $\alpha = .89$) and a four-item

measure of Social-Adjustive Function (e.g., “Luxury brands help me fit into important social situations,” $M = 3.73$, $\alpha = .74$), adapted from Grewal, Mehta and Kardes (2004). The presentation order of the two sets of measures was counterbalanced. Purchase Intent for the counterfeit brand was assessed on a seven-point scale (1 = “Would definitely not purchase” and 7 = “Would definitely purchase,” $M = 3.04$). Moral Beliefs were measured in terms of participants’ beliefs about people who purchase counterfeit products on a three-item semantic differential scale (1 = “Immoral” and 7 = “Moral”; 1 = “Unethical” and 7 = “Ethical”; 1 = “Insincere” and 7 = “Sincere,” $M = 4.09$, $\alpha = .79$) to minimize the likelihood of socially desirable responses (Fisher 1993) to a potentially sensitive issue. Since all multi-item measures were reliable, we averaged the items to form a composite measure of each construct.

Results

The three most favorite luxury brands, in order, were Louis Vuitton, Gucci and Rolex. Not surprisingly, some participants’ attitudes towards luxury brands appeared to serve both social functions: the correlation between the Value-Expressive Function measure and the Social-Adjustive Function measure was 0.64 ($p < .05$). The correlations between these measures and the Moral beliefs measure, on the other hand, were low (Value-Expressive: -.22 and Social-Adjustive: -.09). To test hypotheses one and two, Purchase Intent was regressed on Value-Expressive Function, Social-Adjustive Function, Moral Beliefs, the Value-Expressive Function X Moral Beliefs cross-product and the Social-Adjustive Function X Moral Beliefs cross-product ($F = 7.42$, $p < .05$, $R^2 = .33$). All variables were mean-centered (Aiken and West 1991).

In line with hypothesis 1, Social-Adjustive Function was a significant positive ($b = .42$; $t = 2.01$, $p < .05$) predictor of Purchase Intent whereas Value-Expressive Function was not ($b = -.09$; $t = .56$, ns). As well, the interactive effect of Moral Beliefs and Value-Expressive Function was significant ($b = .31$; $t = 2.11$, $p < .05$) whereas that of Moral Beliefs and Social-Adjustive Function was not ($b = .04$; $t = .20$, ns)². To better understand the nature of the Value-Expressive Function X Moral Beliefs interaction, we probed the slopes of two regression lines (Aiken and West 1991): one for strong Value-Expressive Function (one standard deviation above the mean) and one for weak Value-Expressive Function (one standard deviation below the mean). As expected, Moral Beliefs was a positive predictor of Purchase Intent when the Value-Expressive Function was strong ($b = 1.07$; $t = 3.35$, $p < .05$) but not when it was weak ($b = .36$, $t = 1.39$, ns). These results support our prediction (H2) that participants' Purchase Intent will be more likely to vary with their Moral Beliefs when their luxury brand attitudes serve a value-expressive function than when they serve a social-adjustive function.

In sum, this study provides evidence for our central contention that consumers' likelihood of purchasing counterfeit brands varies predictably with the social functions served by their luxury brand attitudes. In the next study, we undertake a more internally valid examination of our predictions by controlling for both the brand participants respond to and the primary social function served by their attitudes. In addition, we examine both how exposure to a counterfeit brand affects consumers' preferences for the real brand (hypothesis 3) and the moderating effect of brand conspicuousness (hypothesis 4).

STUDY 2: THE MODERATING EFFECT OF BRAND CONSPICUOUSNESS

In line with the objectives of this experiment, all participants responded to counterfeit and real versions of the same luxury brand. Additionally, because our theorizing pits the two often correlated social attitude functions against each other, we chose to isolate the effects of each of these functions by measuring a trait-based determinant of the primary social function served by a consumer's attitudes, including those towards luxury brands. Specifically, prior research suggests that in social contexts the attitudes of low self monitors serve predominantly a value-expressive function whereas those of high self monitors serve predominantly a social-adjustive function (DeBono 1987, 2006; Spangenberg and Sprott 2006). Therefore, in this study we contrasted the two social attitude functions of interest by examining differences between high versus low self-monitoring participants (Snyder 1974).

Method

Participants and Design. One hundred thirty-eight female undergraduates at a large North Eastern university participated as part of a course requirement. The experiment had a 2 (Brand Conspicuousness: Logo vs. No Logo) x 2 (Attitude Function: Value-Expressive vs. Social-Adjustive) x 2 (Moral Beliefs: Unfavorable vs. Favorable) between-subjects design.

Stimuli. Participants responded to color images of a Louis Vuitton handbag. The stimuli for both Brand Conspicuousness conditions were created from the same image of an actual Louis Vuitton handbag, which was digitally altered to have no discernible logo in the No Logo condition and a large, prominent logo in the center of the product's exterior in the Logo condition (Appendix B). We selected handbags because it is a widely consumed, relevant category for our participant population wherein counterfeiting is extremely prevalent (Thomas

2007). As well, this category is a public one so the role of social attitude functions in the luxury brand purchase decision is likely to, a priori, be high (Bearden and Etzel 1982). We selected Louis Vuitton as the brand because it is not only one of the most widely known luxury brands but also the most frequently mentioned favorite luxury brand among the female participants of study 1. Finally, because this brand has handbags with both highly visible and subtle logos, our Brand Conspicuousness manipulation was realistic and credible.

Procedure. Participants were randomly assigned to one of the two Brand Conspicuousness conditions wherein they viewed an image of the Louis Vuitton handbag, with or without a logo. Participants in both conditions were informed that the handbag was a counterfeit version of an actual Louis Vuitton handbag that had been designed to look exactly like the genuine version. Participants were also told that the counterfeit handbag was being sold at a price that they could afford and asked, subsequently, to provide their purchase intent. We then assessed the effect of being exposed to the counterfeit brand on participants' preferences for the luxury brand (H3) by having them indicate how the information they had just learned (i.e. the availability of the counterfeit) affected their desire to purchase a genuine Louis Vuitton handbag in the future. Finally, we elicited participants' moral beliefs towards counterfeit consumption and their primary social attitude function through self monitoring.

Measures. Purchase Intent was measured using the study 1 item ($M = 2.91$). Preference Change for Louis Vuitton handbags (i.e., the actual brand) was assessed on a seven-point scale ($-3 = \text{"Much less likely to buy," } 0 = \text{"No change" and } +3 = \text{"Much more likely to buy," } M = -.14$). Attitude Function was assessed using the 25-item Self Monitoring scale (Snyder 1974, $M = 11.45$, $KR-20 = .72$). Moral Beliefs were measured using the same three-item scale as in study 1 ($M = 4.11$, $\alpha = .88$). We obtained these two measures after participants' reacted to the luxury

brand to ensure that their mere elicitation did not influence the dependent variables³. Notably, there were no differences for either of the two measures (Self-Monitoring: $M_{\text{NoLogo}} = 11.40$, $M_{\text{Logo}} = 11.50$, $t = .14$, ns; Moral Beliefs: $M_{\text{NoLogo}} = 3.98$, $M_{\text{Logo}} = 4.16$, $t = .78$, ns) across the two Brand Conspicuousness conditions, confirming their integrity as independent variables. As well, there was no significant difference in Moral Beliefs across between low and high self-monitors (Moral Beliefs: $M_{\text{Low}} = 4.01$, $M_{\text{High}} = 4.13$, $t = -.47$, ns), verifying that respondents' responses to this socially sensitive issue did not vary with the extent to which they self monitor.

Results

Purchase Intent and Preference Change were analyzed using ANOVA and ANCOVA, respectively, with Brand Conspicuousness, Attitude Function, Moral Beliefs and their interactions as independent factors ($R^2_{\text{Purchase Intent}} = .19$, $R^2_{\text{Preference Change}} = .14$). Because the predicted changes in consumers' preference for the real brand (i.e., H3) are based on their broader, goal-based similarity assessments of the two brands (i.e., counterfeit and real) rather than on their actual consumption of a counterfeit brand, we controlled for the obvious effect of Purchase Intent on Preference Change by including it as a covariate ($F(1, 129) = 4.28$, $p < .05$) in the relevant analyses. We obtained two levels of Attitude Function (Value-Expressive and Social-Adjustive) and Moral Beliefs (Favorable and Unfavorable) by dividing the sample's self-monitoring and Moral Beliefs scores around their median values (Shavitt and Fazio 1991). Comparable analyses using the continuous measures of these factors yielded equivalent results.

Purchase Intent. Consistent with hypothesis 1, the Social-Adjustive participants had a higher Purchase Intent than the Value-Expressive ones ($M_{\text{ValueExpressive}} = 2.48$, $M_{\text{SocialAdjustive}} =$

3.31, $F(1, 130) = 8.91, p < .05, \omega^2 = .05$). As well, in line with hypothesis 2, the Purchase Intent of the Value-Expressive participants varied significantly with their Moral Beliefs ($M_{\text{Unfavorable}} = 1.83, M_{\text{Favorable}} = 2.95, F(1, 130) = 5.87, p < .05, \omega^2 = .04$) whereas that of the Social-Adjustive ones did not ($M_{\text{Unfavorable}} = 3.29, M_{\text{Favorable}} = 3.42, F(1, 130) = .09, ns$). Given our prediction regarding the moderating effect of Brand Conspicuousness (i.e., H4), however, it is not surprising that the overall (i.e., across the Logo and No Logo conditions) Attitude Function X Moral Beliefs interaction was not significant at the .05 level ($F(1, 130) = 2.35, ns$).

As expected (H4a), the main effect of Attitude Function on Purchase Intent was qualified by a significant Attitude Function X Brand Conspicuousness interaction ($F(1, 130) = 3.97, p < .05$). When the bag did not have a logo, there was no difference in the Purchase Intent of the Value-Expressive and Social-Adjustive participants ($M_{\text{ValueExpressive}} = 2.24, M_{\text{SocialAdjustive}} = 2.56, F(1, 130) = .48, ns$). However, when the bag had a logo, Purchase Intent was higher for the Social-Adjustive participants compared to the Value-Expressive ones ($M_{\text{ValueExpressive}} = 2.54, M_{\text{SocialAdjustive}} = 4.14, F(1, 130) = 12.23, p < .05, \omega^2 = .07$).

Hypothesis 4b predicts that Moral Beliefs will have a stronger effect on Purchase Intent of the Value-Expressive participants when the product has a logo than when it does not. Consistent with this hypothesis (figure 1), we obtained a significant interactive effect of Attitude Function, Brand Conspicuousness and Moral Beliefs on Purchase Intent ($F(1, 130) = 5.75, p < .05$). When the handbag had a logo, the Value-Expressive participants with Unfavorable Moral Beliefs were less likely to purchase the bag than those with Favorable Moral Beliefs ($M_{\text{Unfavorable}} = 1.53, M_{\text{Favorable}} = 3.55, F(1, 130) = 9.91, p < .05, \omega^2 = .06$). However, when the handbag had no logo, the Value-Expressive participants with Unfavorable Moral Beliefs were no different from those with Favorable Moral Beliefs in their purchase intent ($M_{\text{Unfavorable}} = 2.13, M_{\text{Favorable}} = 2.35,$

$F(1, 130) = .11$, ns). For the Social-Adjustive participants, on the other hand, the effect of Moral Beliefs on Purchase Intent was not significant in either Brand Conspicuousness condition.

Preference Change for Real Brand. In line with hypothesis 3, exposure to a counterfeit brand resulted in a more negative Preference Change when participants had Social-Adjustive Attitudes than when they had Value-Expressive Attitudes ($M_{\text{ValueExpressive}} = .00$, $M_{\text{SocialAdjustive}} = -.27$, $F(1, 129) = 5.20$, $p < .05$, $\omega^2 = .03$). Finally, as per hypothesis 4c, the main effect of Attitude Function was qualified by a significant Attitude Function X Brand Conspicuousness interaction ($F(1, 129) = 7.34$, $p < .05$). When the handbag had no logo, Preference Change did not vary across Social-Adjustive and Value-Expressive participants ($M_{\text{ValueExpressive}} = -.15$, $M_{\text{SocialAdjustive}} = -.09$, $F(1, 129) = .08$, ns). However, when the handbag had a logo, Preference Change was more negative for the Social-Adjustive participants than for the Value Expressive ones ($M_{\text{ValueExpressive}} = .25$, $M_{\text{SocialAdjustive}} = -.55$, $F(1, 129) = 11.75$, $p < .05$, $\omega^2 = .07$).

Insert Figure 1 about here

In sum, this study provided convergent evidence for our central contention that differences in the social functions performed by consumers' attitudes affect their responses to counterfeit brands. As well, the findings of this study were consistent with our assertion that the conspicuousness of the luxury brand determines the ability of both its counterfeit and genuine versions to serve the social goals of self-expression and self-presentation. The goal of our final study, described next, is to investigate the ability of another marketing mix variable, advertising copy, to alter the relative salience of the goals associated with each of the social functions underlying luxury brand attitudes (H5).

STUDY 3: PRIMING ATTITUDE FUNCTIONS FOR LUXURY BRANDS

In line with the objectives of this study, we manipulated the relative salience of the two focal social attitude functions through an advertising copy prime. Specifically, participants were shown an advertisement for a luxury brand that primed either their value-expressive goals or social-adjustive goals. We expect that priming the goals associated with the two different attitude functions would yield a pattern of results similar to the prior studies (H5).

Method

Pretest. Forty-six undergraduates (59% female) at a large North Eastern university participated as part of a course requirement. The pretest's objective was to develop two versions of an advertisement that would prime the goals associated with either value-expressive (Value-Expressive Ad) or social-adjustive (Social-Adjustive Ad) attitudes. We selected watches as the product category because it is consumed, publicly, by both genders and the prevalence of counterfeiting is high. To minimize the effects of brand familiarity on Purchase Intent, we selected a relatively unknown brand, Tissot, as our focal brand. This was confirmed by our pretest, where only six of the participants had heard of the brand prior to the pretest.

Participants were randomly assigned to one of two Advertising Copy (Ad Copy) conditions where they reviewed either a Value-Expressive Ad or a Social-Adjustive Ad for a Tissot watch. Both advertisements contained a picture of a Tissot watch and a brief description of the company, after which the copy diverged by Ad Copy condition (Appendix C). In the Value-Expressive Ad condition, the advertisement urged participants to “wear a Tissot to express

yourself, showcase your individuality and communicate your values.” This was followed by the tagline, “*You* will know it is a Tissot.” In the Social-Adjustive Ad condition, participants were urged to “wear a Tissot to get noticed, be admired and enhance your social standing.” The tagline in this advertisement was “*They* will know it is a Tissot”. Each of the two advertisements had male (i.e., picture of a male watch) and female (i.e., picture of a female watch) versions, which were matched with respondent gender.

To gauge the effectiveness of our manipulation in priming the goals associated with the two social functions we assessed participants’ attitude functions towards the focal luxury brand, Tissot, using the same four-item Value-Expressive Function ($M = 3.45, \alpha = .89$) and Social-Adjustive Function ($M = 3.48, \alpha = .90$) measures used in study 1 (Appendix A). As expected, participants who viewed the Value-Expressive Ad rated the Tissot brand higher on the Value-Expressive Function scale than those who saw the Social-Adjustive Ad ($M_{\text{ValueExpressive}} = 3.84, M_{\text{SocialAdjustive}} = 3.07, t(44) = -2.07, p < .05$). Conversely, participants who saw the Social-Adjustive Ad rated the brand higher on the Social-Adjustive Function scale than those who saw the Value-Expressive Ad ($M_{\text{ValueExpressive}} = 2.81, M_{\text{SocialAdjustive}} = 4.15, t(44) = 3.31, p < .05$). We also elicited participants’ attitudes toward the advertisements using four semantic differential scales (1 = “Likeable” and 7 = “Not at all likeable”; 1 = “Believable” and 7 = “Not at all believable”; 1 = “Realistic” and 7 = “Not at all realistic”, “Convincing” and 7 = “Not at all convincing”, $M = 4.06, \alpha = .76$). As desired, participants’ attitude towards the advertisements did not vary across the two Ad Copy conditions ($F(1, 44) = .09, ns$).

Participants and Design. One hundred seventy-six undergraduates (55% female) at a large North Eastern university participated in the main study as part of a course requirement. The

experiment had a 2 (Ad Copy: Value-Expressive vs. Social-Adjustive) x 2 (Moral Beliefs: Unfavorable vs. Favorable) between-subjects design.

Procedure. Participants were randomly assigned to one of two gender-appropriate Ad Copy conditions where they were shown either a value-expressive or social-adjustive advertisement for a Tissot watch. After reading the advertisement, participants were shown a different picture of the same Tissot watch and told that it was a counterfeit which was being sold at a price they could afford. They were then asked to indicate their Purchase Intent for the counterfeit and the change, if any, in their preference for Tissot watches. Participants then completed the moral beliefs and brand familiarity measures. Finally, because previous research (Nia and Zaichkowsky 2000) suggests that counterfeit consumption is often associated with positive feelings of fun and excitement, we measured these associations to control for their potential effect on the dependent variables of interest.

Measures. Purchase Intent was measured as in prior studies ($M = 2.88$). Preference Change for the Tissot brand was measured by asking participants to indicate how the counterfeit changed their attitude towards Tissot (7-point scale; - 3 = “Much more negative,” 0 = “No Change,” and 3 = “Much more positive,” $M = -.09$). We measured change in attitude rather than purchase intent (as in study 2) because, unlike in the case of the well known and desirable Louis Vuitton brand, we did not expect participants to have an a priori purchase intent for Tissot, an unfamiliar brand. Moral Beliefs were assessed using the same three-item measure as in prior studies ($M = 4.10$, $\alpha = .86$). There was no difference in Moral Beliefs across the Ad Copy conditions ($M_{\text{ValueExpressive}} = 4.05$, $M_{\text{SocialAdjustive}} = 4.15$, $t = .55$, ns). Brand familiarity was assessed by asking participants to indicate whether or not they had heard of the Tissot brand prior to this study (83% had not heard of the brand before). Finally, we measured respondents’

positive feelings towards counterfeit consumption on a two-item semantic differential scale (1 = “Not Fun” and 7 = “Fun”; 1 = “Not Exciting” and 7 = “Exciting”; $M = 4.76$; $r = .87$).

Results

Purchase Intent and Preference Change were analyzed using ANCOVAs with Ad Copy, Moral Beliefs and their interactions as independent factors ($R^2_{\text{Purchase Intent}} = .13$, $R^2_{\text{Preference Change}} = .10$). Whether or not participants had heard of the Tissot brand (Purchase Intent: $F(1, 170) = 2.89$, $p < .10$; Preference Change: $F(1, 169) = .98$, ns) and positive feelings towards counterfeiting (Purchase Intent: $F(1, 170) = 13.64$, $p < .001$; Preference Change: $F(1, 169) = 1.66$, ns) were included as covariates in both analyses to control for their confounding effect if any. As in Study 2, the Preference Change ANCOVA also included Purchase Intent as a covariate ($F(1, 169) = 4.50$, $p < .05$). We obtained two levels of Moral Beliefs (Favorable and Unfavorable) by dividing the measure around its median value. Parallel analyses using the continuous measure yielded equivalent results.

Purchase Intent. We anticipated that Purchase Intent for the counterfeit watch would be higher when respondents viewed the Social-Adjustive Ad compared to the Value-Expressive Ad (hypothesis 5a). We also expected the effect of Moral Beliefs on Purchase Intent to be greater when participants viewed the Value-Expressive rather than the Social-Adjustive Ad (H5b). Consistent with these expectations, we obtained a significant main effect of Ad Copy ($M_{\text{ValueExpressive}} = 2.69$, $M_{\text{SocialAdjustive}} = 3.07$, $F(1, 170) = 4.04$, $p < .05$, $\omega^2 = .02$) and a significant Ad Copy X Moral Beliefs interaction ($F(1, 170) = 5.58$, $p < .05$). As illustrated in figure 2, participants who saw the Value-Expressive Ad were less likely to purchase the counterfeit watch

when they had Unfavorable Moral Beliefs compared to Favorable Moral Beliefs ($M_{\text{Unfavorable}} = 2.14$, $M_{\text{Favorable}} = 2.95$, $F(1, 170) = 4.85$, $p < .05$, $\omega^2 = .02$). However, the Purchase Intent of participants who saw the Social-Adjustive Ad did not vary with their Moral Beliefs ($M_{\text{Unfavorable}} = 3.21$, $M_{\text{Favorable}} = 2.81$, $F(1, 170) = 1.27$, ns).

Insert Figure 2 about here

Preference Change for Real Brand. Hypothesis 5c predicts that priming participants with a Social-Adjustive Ad would result in a more negative Preference Change than priming them with a Value-Expressive Ad. As anticipated, there was a significant main effect of Ad Copy on Preference Change ($M_{\text{ValueExpressive}} = .05$, $M_{\text{SocialAdjustive}} = -.23$, $F(1, 169) = 4.68$, $p < .05$, $\omega^2 = .02$). In other words, the availability of the counterfeit had a more negative effect on participants' preferences for Tissot watches when they were shown the social-adjustive advertisement than when they were shown the value-expressive advertisement.

GENERAL DISCUSSION

This article contributes to our incipient but growing understanding of why consumers buy counterfeit luxury brands. Through three studies, we provide convergent evidence that consumers' desire for counterfeit brands rests on the extent to which such brands fulfill the social goals guiding their luxury brand preferences. Importantly, this research suggests that by understanding these social goals, it is possible to influence people's counterfeit consumption behaviors. The theoretical and marketing implications of our findings are discussed next.

Theoretical and Marketing Implications

Counterfeit Consumption. This research advances our theoretical understanding of consumer responses to counterfeit brands by locating their desire for such brands in the social motivations underlying their attitudes towards luxury brands. Specifically, we go beyond the obvious financial motivation for buying cheaper versions of coveted brands to demonstrate that consumers' likelihood of knowingly purchasing a counterfeit brand varies predictably and systematically with the type of social function (i.e., value-expressive versus social-adjustive) served by their attitudes towards the genuine brands. An interesting question pertains, of course, to how these social motives or attitude functions relate to the person, product and contextual antecedents of counterfeit consumption articulated by Eisend and Schuchert-Guler (2006). While consumers clearly vary in the extent to which their attitudes serve a particular social function, our research also examines two product-related determinants: brand conspicuousness and advertising copy. A more comprehensive delineation of the antecedents of the social motives underlying counterfeit luxury brand consumption is clearly a fruitful future research direction.

Luxury Products. This article also contributes to our understanding of luxury brands by providing, for the first time (to the best of our knowledge), empirical evidence for the distinct social attitude functions that underlie their consumption. More specifically, by undertaking a theoretical examination of the role of such luxury brand-specific motivations in driving counterfeit consumption, this research has implications for how luxury brand marketers might curb the demand for counterfeits. Our research suggests that the manner in which a luxury brand's meaning is created through advertising and made accessible to consumers through product design can affect their desire for counterfeit versions of the brand. For instance, a

prominently displayed brand logo allows consumers to acquire and display to others the brand's aspirational associations, helping them fulfill their self-presentational goals even through counterfeits. Does this imply that marketers interested in reducing counterfeit consumption should make their brands less conspicuous? The answer depends, clearly, on the extent to which such a decision would also diminish demand for the real brand. Thus, what marketers need to do, at a minimum, is to explicitly consider the extent to which the pluses of brand conspicuousness to their success are offset by the minuses of counterfeit consumption. While we operationalized a brand's conspicuousness through its logo, it is affected, no doubt, by a broader set of stylistic elements (e.g., the ubiquitous Gucci horse bit or the brand's characteristic green and red colors) that are under marketer control. Thus, once marketers have determined the optimal level of brand conspicuousness, they can achieve it through a relatively broad set of creative product decisions.

This research suggests that marketers may also want to consider how the brand meaning they construct through their promotional activities influences counterfeit consumption. In the third study, we demonstrated that consumers' desire for a counterfeit brand varied systematically with the extent to which a luxury brand advertisement primed their social-adjustive versus value-expressive goals. Thus, the prevalence of advertisements linking luxury brands to aspirational lifestyles, connoting the brands' status, may actually encourage counterfeit consumption. However, because such messages are likely to be important motivators of luxury brand consumption as well, marketers need to, once again, find the optimal balance between establishing their own brand and inhibiting demand for counterfeits. This could be achieved through image-based advertisements that also appeal explicitly to the value-expressive motive for consuming luxury brands. For example, Louis Vuitton recently launched a "core values" advertising campaign (LVMH 2007) that uses images of iconic opinion leaders (e.g., Keith

Richards, Mikhail Gorbachev and Catherine Deneuve) to associate the brand with life's personal journeys.

More generally, marketers could uncover the distribution of social motives in their target population, identify psychographic segments that vary in such motives, and create segment-appropriate communications that trigger counterfeit-inhibiting goals. For example, individuals with social-adjustive motives may be less inclined to purchase counterfeit brands after viewing image-based advertisements that depict the damage counterfeit consumption can have on people's social standing, such as losing the favorable opinion of friends or being rejected by important reference groups. Similarly, individuals with value-expressive motives may be less likely to purchase counterfeit brands after viewing information-based advertisements that discuss the ethical issues associated with counterfeiting such as its links to narcotics, human trafficking and terrorism. These distinct campaigns could then be deployed through specific media outlets that appeal to predominantly social-adjustive or value-expressive segments such as the fashion media, which is more image-oriented, compared to the news media, which is more information-oriented.

Finally, this research represents a resolving step in the ongoing debate about whether or not the presence of counterfeits decreases consumer demand for luxury brands. Specifically, our findings suggest that the effect of counterfeiting on consumers' preference for a luxury brand is likely to depend, among other things, on the social functions served by their attitudes towards the brand. While the overall change in preference for the luxury brands in study 2 ($M = -.14$) and 3 ($M = -.09$) are consistent with prior findings regarding the nominal effects of counterfeiting (e.g., Nia and Zaichkowsky 2000), we find that exposure to a counterfeit does have a negative effect on consumers' preference for the luxury brand when their attitudes towards it serve a social-

adjustive function. More generally, our findings suggest that these adverse effects may not merely be in terms of immediate lost sales but also longer-term erosion in brand equity.

Attitude Functions. Finally, this article contributes to the functional theories of attitudes in two ways. First, we demonstrate that the functions served by attitudes towards one object (i.e., luxury brands) can influence consumers' preferences for other, albeit related, objects (i.e., counterfeit brands). The importance of this finding is underscored by its potential to inform theoretical inquiry into marketing domains such as that of brand extensions, brand alliances, and corporate branding. Second, we provide evidence that the functions served by consumers' attitudes in a specific consumption context are determined not just by the consumer (e.g., DeBono 1987) or the product category (e.g., Shavitt, Lowrey and Han 1992) but also by more subtle yet, importantly, controllable aspects of the marketing mix. While we implicate brand conspicuousness and advertising message as marketer-based determinants of attitude functions in the luxury counterfeit consumption context, it would be interesting for additional research to unearth other aspects of the marketing mix that can have a similar influence.

Limitations and Future Research

Most of the limitations of this research stem from the experimental context used to test our predictions. For example, all the studies involved student subjects, who may be more inclined to purchase counterfeit products both because of their financial situation and their greater susceptibility to social influences. However, counterfeit brands are not just attractive to low income consumers; those who can afford the genuine brands also buy counterfeits (Gentry, Putrevu and Shultz 2006). Moreover, there is little reason to believe that the relationship of

students' behavioral responses to the functions served by their attitudes, including the extent to which they rely on their moral beliefs, will differ significantly from other relevant populations. Additionally, participants were exposed to images of counterfeit brands rather than the actual products. Given the importance of sensory evaluation to consumers' preferences for luxury, aesthetic, hedonic products such as the ones in our research, this could be one reason why Purchase Intent was relatively low across all the studies. Again, however, this would not be expected to alter the attitude function-based pattern of results obtained. If anything, interaction with the actual product could be expected to bolster the goals associated with the different attitude functions, potentially strengthening our findings. Nevertheless, the external validity of our findings hinges on their replication with diverse populations using real products. Relatedly, it is unlikely that in the real marketplace, consumers' encounter with a luxury brand advertisement and their counterfeit purchase decision would occur in as quick succession as it did in study 3. Therefore, more naturalistic manipulations of consumers' attitude functions over the longer term may be needed before marketers are able to implement the lessons of this research. Finally, while we used an unfamiliar brand in study 3 for internal validity, the generalization of that study's findings to known, desired brands is an important future research goal.

More generally, our research on the social motives underlying counterfeit luxury brand consumption points to several theoretically interesting and managerially important research directions. For instance, research suggests that the symbolic or social functions served by brands varies with consumers' self-views and socialization (Aaker, Benet-Martinez and Garolera 2001). In other words, the extent to which consumers' attitudes towards luxury brands serve different social functions is likely to vary across cultures. For instance, compared to North America, Asia is home to not only more counterfeiting but also more collectivist (versus individualistic)

cultures wherein the social pressures to both conform and save face are greater. Thus, the dynamics of counterfeit consumption might be different in Asia, where the consumers are likely to utilize their greater expertise with counterfeit brands (e.g., the different grades of counterfeit quality) in the service of meeting the stronger social-adjustive demands of their culture. Research into the relationship between social attitude functions and cultural identity, both within and across cultures, in the counterfeit consumption context is essential to a richer understanding of the global demand for counterfeits.

The broader cultural context of counterfeit consumption also raises interesting questions about the potentially positive outcomes of counterfeiting to the genuine luxury brands. While our research demonstrates the detrimental influence of counterfeiting on consumers' desire for the genuine brand, it is possible, particularly in markets where the genuine brand is not available, that exposure to counterfeits could over time actually increase consumers' awareness and desire for the genuine brand, creating pent up demand for it. Thus, an elucidation of the micro- and macro-determinants of a positive spillover of counterfeiting to luxury brand demand would not only enrich theories of counterfeiting but also help marketers fine tune their global anti-counterfeiting efforts. As well, given today's geographical mobility, the same consumer may behave differently towards counterfeit brands depending on the culture they are in. For instance, a consumer that would not purchase counterfeits in her home culture may readily do so when traveling to exotic locations where counterfeiting is rife. Thus, a broader consideration of other motives for counterfeit consumption such as novelty, adventure and souvenir-seeking, examined perhaps through the lens of attitude functions social and otherwise, would provide a more complete understanding of this pervasive phenomenon.

Finally, how we define counterfeiting determines the scope and importance of this phenomenon. While our research only considers instances of illegal counterfeiting based on trademark infringement (i.e., products that have a luxury brand logo), many mass market brands particularly in the apparel industry (e.g., the Gap, H&M) typically derive their designs from innovative, higher-end brands. Expanding the notion of counterfeiting to include such essentially legitimate brands opens up a much broader and fascinating research domain, insights into which would be of much interest to marketers that suffer from such “trickle down” practices.

In conclusion, by examining the disparate social motivations underlying the consumption of counterfeit luxury brands, this research starts to articulate the individual and context-based influences on consumption behavior in this theoretically and managerially significant domain. In doing so, it also raises several interesting research questions, investigations of which are essential to winning the global war on counterfeiting.

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FOOTNOTES

1) Shavitt, Lowrey and Han (1992) suggest that consumers focus most on quality when their attitudes serve a utilitarian function rather than social ones. Our theorizing, on the other hand, pertains to the differences *among* social attitude functions in driving consumer focus on quality.

2) Because the attitude function measures were correlated, we also ran two separate linear regression models (one for value-expressive and one for social-adjustive function). The results replicated those of the full model.

3) To ensure that participants' purchase intent did not influence their moral belief responses we re-ran this study, counterbalancing the order in which participants provided their moral beliefs and purchase intent. Measurement order did not affect participants' moral beliefs or purchase intent and the hypothesis tests yielding equivalent results.

FIGURE 1

STUDY 2: THE INTERACTIVE EFFECT OF ATTITUDE FUNCTION, BRAND
CONSPICUOUSNESS AND MORAL BELIEFS ON MEAN PURCHASE INTENT

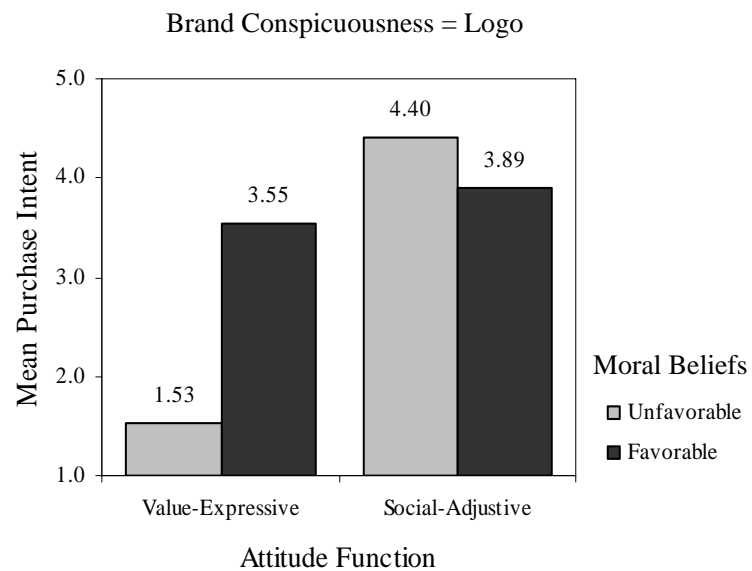
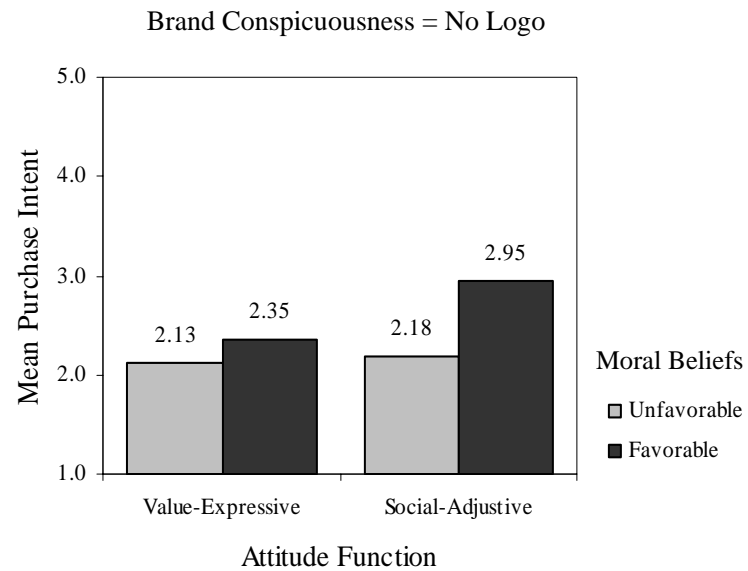
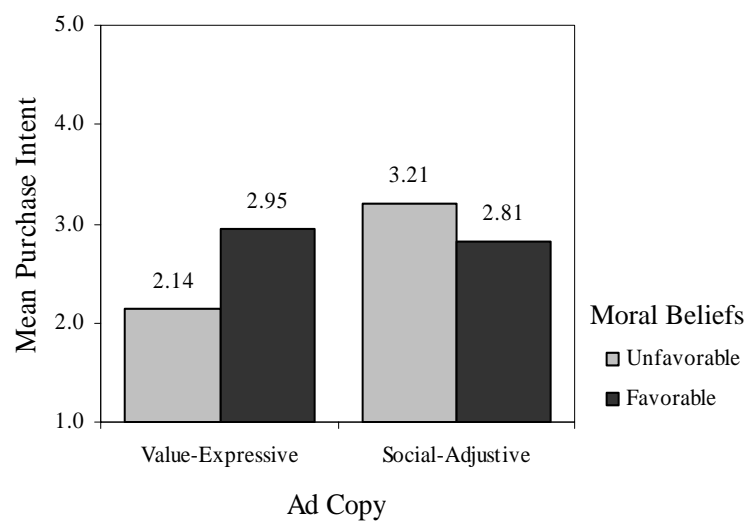


FIGURE 2

STUDY 3: THE INTERACTIVE EFFECT OF AD COPY AND MORAL BELIEFS ON MEAN
PURCHASE INTENT



APPENDIX A

STUDY 1 MEASURES

Value-Expressive Function (*1 = Completely Disagree, 7 = Completely Agree*)

Luxury brands reflect the kind of person I see myself to be.

Luxury brands help me communicate my self-identity.

Luxury brands help me express myself.

Luxury brands help me define myself.

Social-Adjustive Function (*1 = Completely Disagree, 7 = Completely Agree*)

Luxury brands are a symbol of social status.

Luxury brands help me fit into important social situations.

I like to be seen wearing luxury brands.

I enjoy it when people know I am wearing a luxury brand.

STUDY 3 MEASURES

Value-Expressive Function (*1 = Completely Disagree, 7 = Completely Agree*)

A Tissot watch would reflect the kind of person I see myself to be.

A Tissot watch would help me communicate my self-identity.

A Tissot watch would help me express myself.

A Tissot watch would help me define myself.

Social-Adjustive Function (*1 = Completely Disagree, 7 = Completely Agree*)

A Tissot watch would be a symbol of social status.

Wearing a Tissot watch would help me fit into important social situations.

I would like to be seen wearing a Tissot watch.

I would enjoy it if people knew I was wearing a Tissot watch.

APPENDIX B
STUDY 2: STIMULI



No Logo




Conspicuous Logo

APPENDIX C

STUDY 3: STIMULI



Tissot – a leading producer of luxury watches.
Innovative timepieces to suit every person.




Wear a Tissot to...


- ... express yourself
- ... showcase your individuality
- ... communicate your values

You will know it's a Tissot!

Value-Expressive Ad Copy



Tissot – a leading producer of luxury watches.
Innovative timepieces to suit every person.



Wear a Tissot to...

- ... get noticed
- ... be admired
- ... enhance your social standing

They will know it's a Tissot!

Social-Adjustive Ad Copy