THE SURVEY ON CONSUMERS ATTITUDE TOWARDS COUNTERFEIT PRODUCTS IN MALAYSIA

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ABSTRACT

The study aims to investigate which of the personality social factors affects the attitude of the consumers towards counterfeit products. The study is also set out to examine the relationship of consumers' attitude towards counterfeit product with purchase intention. A survey of 111 respondents was conducted in the Malaysian market. It is discovered that price consciousness, perceived risk, integrity and information susceptibility are the independent variables that strongly influence consumers' attitude towards counterfeit product. Attitude towards counterfeit product was also found significant in influencing purchase intention. This reinforces the mediator role of attitude in its relationship with purchase intentions. By having a better understanding of the consumers' behavioral intentions of buying counterfeit products, the manufacturers and marketers of the genuine brand products can make better marketing strategies to entice the consumer to buy the original product and not the counterfeit version. Theoretical contribution of this study is an extension of knowledge of consumers' attitude with regards to counterfeit products.

1. Introduction

1.1 Background and scope of study

By definition, counterfeits are those products bearing a trademark that is identical to, or impossible to tell apart from, a trademark registered to another party, thus infringing the rights of the owner of the trademark. (Chaudhry and Walsh, 1996; Bian and Veloutsou, 2007) Usually, successful branded products have the highest level of attractiveness to counterfeiters. It is so, because products that do not have a trademark are less appealing and would not be highly sought after, and efforts of counterfeiting the products are futile. It appears that all product categories are affected. Counterfeits of almost anything can be found, from apparels to pharmaceuticals, electrical goods, bleach and dyes, books, food and the list goes on. Clearly, counterfeiting has become a significant economic phenomenon. Past researches have revealed that about one-third of consumers would knowingly purchase counterfeit goods (Tom et al., 1998; Phau et al., 2001). Since demand is always the key driver of a market, a number of researchers have argued that consumer demand for counterfeits is one of the leading causes of the existence and rise in growth of the counterfeiting phenomenon (Gentry et al., 2001; Ang et al.,2001). As a direct result of these arguments, a good deal of research has focused on identifying important factors that influence consumers' attitude towards counterfeit products.

According to the International Anti-counterfeiting Coalition (IACC, 2005) and the International Intellectual Property Institute (IIPI, 2003), considering the countries worldwide, almost five percent of all products are counterfeit. The IACC also estimated that counterfeiting is responsible in at least $200 billion a year for lost jobs, taxes and sales (Furnham and Valgeirsson, 2007). This indicates that the problem, which is already very serious, is growing and is likely to cause much more damages in the future. There seems to be some conscious efforts to eradicate the problem, including implementing processes to trace, detect and prosecute counterfeiting offenders (Nill and Shultz, 1996; Chow, 2000; Prendergast et al., 2002). However, the attempt seems fruitless with the increasingly sophisticated counterfeit syndicates, the intensification in world trade and emerging new markets, fast paced technology advancements, and also

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