



**A STUDY OF THE CUSTOMER PERCEPTIONS AND ATTITUDE
TOWARDS COUNTERFEIT PRODUCTS**

SHARON ANAK JOEL JIMBAI
2008342429

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA SAMARAHAN**

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ABSTRACT

The purpose of the research is to test the customer perception and attitude towards counterfeit products based on attitudes, subjective norms and price quality inference. The sample in this research was the staff of AARGYP Scientific and people who are working along Jalan Keretapi that had knowledge and experience about counterfeit products. A survey of 132 respondents was conducted in AARGYP Scientific Sdn Bhd and offices along Jalan Keretapi, Kuching. Reliability analysis and descriptive statistics test were used to test the objective obtain and research question. It is discovered that customer attitudes, subjective norms and price quality inference are the independent variables that strongly influence customer perception and attitudes towards counterfeit products. By having a better understanding of consumers' behavioural 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 products and not the counterfeit version. Theoretical contribution of this study is an extension of knowledge of consumers' attitudes with regards to counterfeit products.

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CHAPTER 1

INTRODUCTION

1.0 Product Counterfeit

Product counterfeiting is a form of consumer fraud: a product is sold, purporting to be something that it is not. This is different from the crime of copy-right violation, which involves the unauthorized transfer of licensed material, such as the sharing of music or video files electronically.

Product counterfeiting is typically an organized group activity, because the manufacturing of goods takes people and time, and the goal is invariably profit. Many jurisdictions take the offence quite seriously, for reasons described below. As a result, most product counterfeiting would be considered organized crime under the Convention.

Lesser goods have been passed off as high-quality merchandise since the dawn of organized commerce, but the practice has taken on new meaning and proportions in the latest wave of globalization. With the advent of “outsourcing”, companies in developed countries are responsible for the research, design and marketing of products, while the actual manufacturing of the goods takes place in countries with a productive, yet cheaper, workforce. These manufacturing countries are also generally poorer, and so have lower capacity for oversight. This is usually not a problem, because the licensing company provides quality control – shoddy workmanship or substandard materials mean loss of contracts and possibly legal action.

But this same lack of regulatory capacity makes unauthorized production possible. Products in high demand can be manufactured based on the same or similar designs, often packaged and branded in ways to make them indistinguishable from the original. The counterfeit goods can then be sold through parallel markets, or even introduced into the licit supply chain.