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Determinants Influencing Pakistani Consumers to Purchase  
Counterfeit Products

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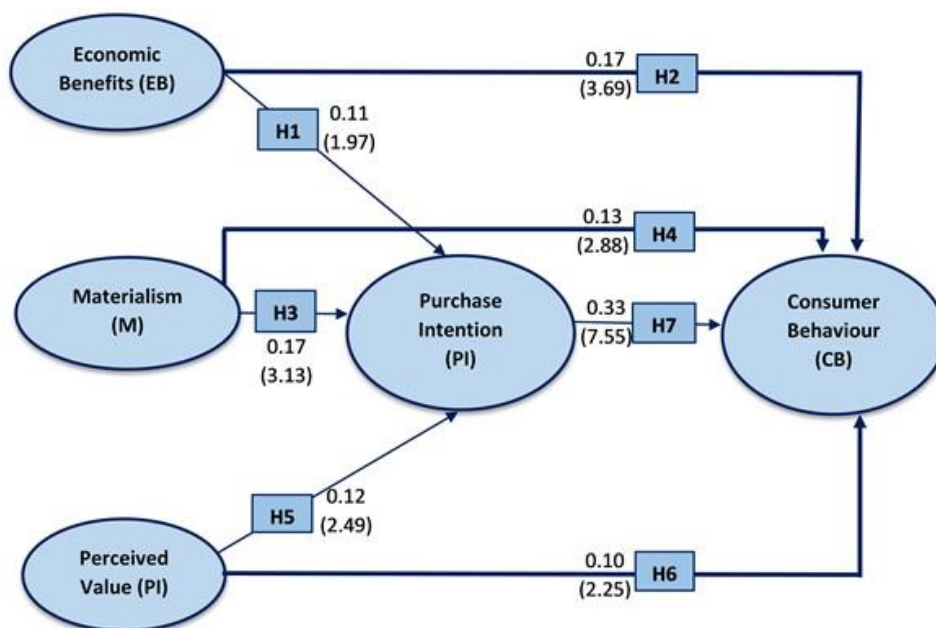
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## Research Highlights

The present study analysed the determinants which encourage Pakistani consumers to willingly purchase counterfeit products. Total five variables were selected and out of five three were independent variables i.e. economic benefits, materialism, and perceived value. The purchase intention was used as mediating variable and consumer behaviour was taken as a dependent variable. A theoretical model was developed by combining these variables and empirically tested as shown in figure 1. The theory of planned behaviour provided bases for theoretical support to the proposed model which resulted in the development of seven hypotheses. The results confirmed that all independent variables positively related to purchase intention and consumer behaviour. Furthermore, purchase intention also had a mediating effect on independent variables. The model was found satisfactory from the goodness-of-fit point of view and all values are in the range of accepted fit and based on these results, all proposed hypotheses were accepted positively.

## Graphical Abstract



**Figure 1** The Structural Model



## Research Objectives

The growth of counterfeit products is alarming and not limited to a few countries. Estimates confirmed that global sales of counterfeit goods are in billions of dollars (OECD, 2008). This un-ethical practice creates a serious concern to the original manufacturers, retailers, and the world economy. According to Phau and Teah (2009), forty-six percent of the world's population knowingly purchase counterfeit products. Due to the ever-increasing growth of counterfeit products, there is an emphasis to investigate the determinants that encourage consumers to knowingly purchase counterfeit products. Main objectives of the study are: (i) To analyse some key determinants in order to understand the counterfeit purchase behaviour of Pakistani consumers (ii) Investigate the significance and the relationship of the selected variables (iii) Suggest some remedies to those who want to overcome this problem. The results of the study will be beneficial for all the stakeholders and provide them with a platform to understand the factors that influence consumer behaviour towards counterfeit products. The findings also suggest some solutions to control the widespread problem of counterfeiting. The results provided some insights and generate interest among future researchers to explore these constructs further in different contexts.

## Methodology

The self-administered questionnaire was used to collect the data. The constructs were extracted from the relevant scales selected after doing a thorough literature review. All the respondents were Pakistani and approached by using a snowball sampling technique. The data was collected through an online survey as well as a self-administered questionnaire. The sample size consists of 402 respondents. The SPSS 21.0 and AMOS 21.0 software was used for data analysis. First, the collected data was checked for missing values by using listwise deletion method then scores of skewness and kurtosis of the data were obtained through SPSS. The ultimate objective was to make sure that the data is normally distributed and symmetrical in nature before proceeding to structural equation modelling (SEM) analysis. Proposed hypotheses were tested with the help of two-steps SEM procedure i.e. measurement model and structural model. This two-step procedure is a widely accepted practice to test the proposed hypothesis (Gerbing & Anderson, 1988; Kline, 2005). The results of fit statistics confirmed the model fitness.





## Results

One of the important factors that lead to the purchase of counterfeits is price and economic advantages (Nia & Zaichkowsky, 2000; Gentry, J. W., Putrevu, S., & Commuri, 2001). The results strongly supported that economic benefits positively affect consumers towards counterfeit products with the value of standardized regression Co-efficient ( $\beta=0.169$ ) with  $p<0.05$ . Materialistic means the importance a person gives to the possessions that he owns (Belk, 1984). Materialistic consumers will be more inclined toward counterfeit goods (Sharma & Chan, 2011; Swami, Chamorro-premuzic, & Furnham, 2009). Research results ( $\beta=0.131$ ) with  $p<0.05$  confirmed the fact that materialism positively affects the consumers towards counterfeit goods. The result confirmed that materialistic consumers will buy counterfeit goods to gain prestige and social status without spending a substantial amount of money on genuine brands. The perceived value of counterfeit goods is an important factor for consumers to purchase or not to purchase a counterfeit product. The consumer will prefer counterfeit goods if the difference between counterfeit and the perceived value of genuine goods is negligible. The results supported this ( $\beta=0.092$ ) with  $p<0.05$  that perceived value is one of the factors that influences consumer while they took the decision to purchase a counterfeit product. The results of mediating analysis of purchase intention confirmed that purchase intention mediated with all three independent variables.

## Findings

This research is one of the very few studies investigating the Pakistani consumers' willingness to purchase counterfeit products from economical and behavioural perspectives. The research findings will help marketers to obtain a thorough understanding of what motivates Pakistani consumers to buy counterfeit products. Similarly, brand managers can develop more effective tools for their marketing communications and brand promotion. The outcome of the study will be beneficial for law enforcement agencies, public sector organisation, brand manufacturers, managers and the policymakers who are devising strategies to control counterfeit activities. The findings will help genuine brand manufacturers and anticounterfeit organisations to modify consumers' complicity in a more appropriate way.





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