Determinants of Turkish Consumer Attitudes towards Counterfeit Luxury Goods

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Abstract: - Purpose *The purpose of this paper is to examine the motivational factors of Turkish consumers' attitudes towards counterfeits of luxury goods and their purchase intentions in the context of non-deceptive counterfeiting. Research is particularly limited in understanding the factors that determine the purchase behavior of counterfeited luxury goods. Counterfeiting is a global phenomenon that is negatively impacting the luxury industry. Turkey is the second largest counterfeit product market in the world, with $20 billion of goods produced and smuggled fuel and tobacco per year according to the O.E.C.D./E.U.I.P.O. report (2019).*

Design/Methodology/Approach
The present paper used a quantitative approach based on questionnaire and regression analysis. Data was collected over a one-month period where 258 respondents provided complete and valid responses.

Findings
The results suggest that consumers' purchase intentions of counterfeit luxury goods are dependent on their attitudes toward counterfeits. Furthermore, this study identifies fashion consciousness, ease of access, and ethical judgment as key factors that influence consumers' attitudes toward counterfeit luxury goods.

Originality
Contrary to the findings of similar studies, the regression analysis revealed that brand consciousness, value consciousness, price-quality inference, social influence, and personal gratification are not significant predictors of attitude toward counterfeits of luxury goods.

Key words: - *Counterfeiting, attitudes, motivation, Turkish market, luxury brands*

I.   Introduction

Counterfeiting is a global phenomenon that is negatively impacting the luxury industry with a loss of 30.3 billion dollars (Brandao & Gadekar, 2019). The aim of this paper is to understand how attitudes towards counterfeited luxury goods affect consumer purchase intention. This is achieved using evidence from the Turkish market, the second largest counterfeit market in the world according to the O.E.C.D./E.U.I.P.O. report (2019) with a representation of $20 billion of goods produced, smuggled fuel and tobacco per year. The prevalence of counterfeit manufacturing, the wide availability of counterfeit goods, and the increase in sales of counterfeits in the Turkish luxury brand market, make it imperative to address the demand for counterfeits of luxury goods. Despite the seriousness of the counterfeiting problem, there is limited research on Turkish attitudes and motivational factors toward counterfeits of luxury brand goods. Previously, focus group data and research relating to consumer attitudes and intentions to counterfeit consumption were mainly centered on China and Brazil. However, governmental statistics have identified Turkey as being one of the largest markets of counterfeit consumption, supporting further investigation into this gap in the research. Ergin (2010) has one of the few published studies carried out in Turkey. Indications conclude that "consumers' decisions to purchase counterfeits are determined and influenced by the low prices of the counterfeited versions of the brands, perceived levels of prestige, the popularity of the brand in question, as well as the degree of product availability" (Ergin, 2010, p. 2185). A strong connection between the consumer's income level and the acquisition of counterfeit brands of luxury goods was equally established.

II.   Literature Framework

2.1 Counterfeit Market in Turkey

Counterfeit purchases continue to constitute a powerful market in Turkey. During the last decade, the Turkish counterfeit market size expanded to reach a profitable 20 billion dollars, in 2019. Popular counterfeit products include watches, jewelry, electronics, high fashion items, or those items with slight trademark alterations such as Pmua instead of Puma. The issue of counterfeit purchases in Turkey continues to increase. In order to combat this issue, it is important to isolate the factors that motivate consumers to buy counterfeits. Counterfeit products are sold for nearly one-third of the price of the original luxury good. There is a wide variety of counterfeit brands available in Turkey of which purchases are easily accessible through the Internet, street vendors, catalogs, or at women's social events (Futman & Aktas, 2020).The influx of technology has created an increase in opportunities to manufacture counterfeit products which has made counterfeits nearly identical to the original product (Ozdogan & Baklaci, 2010) making it difficult to identify the real product from the false. Trademark law can help reduce some of the counterfeit opportunities in Turkey (Sahin & Atilgan, 2011). Nevertheless, despite regulatory attempts to reduce counterfeiting, Turkey continues to be one of the largest markets for counterfeit production.

2.2 Effects of Counterfeiting on Luxury Brands

Luxury brands are primary targets for replicas and this counterfeit industry continues to thrive, representing a market worldwide figure of 281 billion euros in 2019 (O'Connell, 2020). The initial reason why luxury brands are successful for counterfeiters is simply, demand (Chen, Yu & Murray, 2013). "There is also research to support the idea that the presence of counterfeit goods on the marketplace actually promotes genuine product sales" *(*Yoo & Lee, 2009, p.68*).* According to research by Nia & Zaichkowsky (2000), the presence of counterfeit goods does not negatively affect original purchasing intentions as the image of the brand has actually been promoted rather than devalued by counterfeiting culture (Boonghee & Seung-Hee, 2009; Nia & Zaichkowsky, 2000). Indeed, some argue that luxury brands do not lose sales because consumers of fake products are doing so, as they might possibly buy the genuine ones someday. Most of them save money, driven by the craving to purchase the authentic products, thus emphasizing that counterfeit products might be perceived as a free advertisement promoting the luxury brands (Walls, 2016).

Why do consumers support the counterfeit industry? Nia & Zaichowsky (2000), suggest that the selection process of what gets counterfeited follows a simple formula. Their proposed theory is that the harder the item is to obtain due to price or availability, the higher its retail value, and the stronger its global recognition is, the more likely it is to be replicated.

2.3 Exploring Consumers Intentions to Purchase Counterfeit Luxury Goods

There has been a large shift in consumer behavior as a result of the Internet (Hennigs, Wiedmann & Klarmann, 2012) which is used as a channel for promoting and selling luxury products. Subsequently, "if consumers search for a certain luxury product online, hundreds of fakes are presented to them as authentic" (Hennigs, Wiedmann & Klarmann, 2012, p. 31). Therefore, not only are luxury industry leaders providing a quintessential *'*how-to guide*'* for counterfeiters, their merchandise is being sold side-by-side and marketed as authentic, and undercut prices are enticing consumers away from legitimate purchasing strategies; moreover the shoppers may buy without any pangs these counterfeit articles, and with a "peace of mind" (Thaichon & Quach, 2016).The distribution of counterfeit goods through the Web is indeed a complex presentation of various forms of deceit and trickery. Counterfeit suppliers have increased the accessibility of fake luxury goods, reaching into, and benefiting immensely from mass consumption (Radon, 2012). Many of their knock-offs are well manufactured and more than half the cost of the original (Gentry & al., 2006) as shipping methods are quick and inexpensive (O.E.C.D./E.U.I.P.O., 2019). Most of the studies surrounding the issue of counterfeiting have concluded that price has proven to be the most influential, in terms of industry growth (Wiedmann, Hennigs & Siebel, 2007). However, Value consciousness and consumption status directly influence purchase intentions of counterfeited luxury brands (Phau &Teah, 2009).

2.4 Hypothesis Construction: Linking attitudes to the intentions of Purchasing Counterfeit Luxury Brands

The theory of planned behavior (TPB) is developed from the theory of planned action (TPA) in that perceived behavioral control, or the personal ease or difficulty of a behavior, can predict the occurrence of the behavior (Ajzen, 1991). To justify the decision to purchase a counterfeit of a luxury brand, TPB proposes that both personal and social factors influence a consumer's decision to purchase a counterfeit product. Based on this concept, the following hypotheses adopted from Phau, Teah, & Lee, (2009) research will be measured.

Brand Consciousness

Individuals concerned about the way they are perceived by others are more conscious of their appearance, fashion, social norms and are overall more sensitive to rejection on social levels (Phau, Teah & Lee, 2009; Bush, Bloch & Dawson, 1989). Brands enhance self-image, they possess the fundamental ability to associate and gain acceptance with higher social classes (Bian & Moutinho, 2011; Wee, Tan & Cheok, 1995). Research carried out by Phau, Teah & Lee (2009), reported no correlation between brand consciousness and the actual purchasing of counterfeit luxury goods. It will therefore be hypothesized that, since brand conscious consumers show a higher probability of intolerance, in terms of attitude towards counterfeited products and goods, they are less likely to consume non-genuine luxury items (Gentry, Putrevu & Shultz, 2006). Based on the above discussion the following hypothesis can be formulated:

Hypothesis 1: Brand consciousness has a negative influence on the attitudes toward counterfeits of luxury brands.

Fashion Consciousness

Fashion consciousness relates to one's "interest in clothing, fashion and in appearance" (Tatic & Cinjarevic, 2012. p.396); Wee, Tan & Cheok, 1995) demonstrated a link between fashion consciousness and the intention to purchase counterfeit products based on how authentic they appear compared to their original counterparts. Similarly, Gentry, Putrevu & Shultz (2006), and Garibaldi, Zeng & Pilcher (1998) found that counterfeits offered an alternative to fashion conscious consumers with less purchasing power. Therefore, the following hypothesis can be formulated:

Hypothesis 2: Fashion consciousness has a positive influence on the attitudes towards counterfeits of luxury brands.

Value Consciousness

Value consciousness represents the awareness of price in relation to quality (Lichtenstein, Ridgway & Netemeyer, 1993; Lichtenstein & Burton, 1989). Research has shown a correlation between increased illicit purchasing behaviors when financial motivators, such as saving money, are present (Phau, Teah & Lee, 2009). Furnham & Valgeirsson, (2007, p. 677) identified that "perceived values are higher for value conscious consumers in relation to unauthentic products". However, Bloch, Bush & Campbell (1993), showed that when offered a choice, consumers will choose a counterfeit as opposed to a genuine luxury good due to its distinct price advantage. Turkyilmaz & Uslu (2014, p.263) add that luxury consumers seek "prestige and image benefits but may be unwilling to pay a high price for them". According to Hidayat & Diwasasri (2013) and Phau, Teah & Lee (2009) consumers want value for money and are willing to compromise both quality and integrity for monetary gains. Therefore, the following hypothesis can be formulated:

Hypothesis 3: Value consciousness has a positive influence on the attitudes towards counterfeits of luxury brands.

Personal Gratification

The need to feel successful and to be recognized on a social level, as well as a general desire for enjoyment in life can all be described as being linked to personal gratification (Phau, Teah &Lee, 2009, Wang & al., 2005, Ang &al. 2001). According to Nill & Shultz (1996), individuals generally follow certain ethical principles, which are thought to be collectively shared on a relatively, global level. Bloch, Bush & Campbell (1993) found that when pitted against consumers purchasing authentic luxury goods, counterfeit consumers lacked confidence and did not reach the same levels of personal success as their counterparts. Therefore, it could be argued that since these characteristics are typical of those who seek accomplishment, social recognition, and a higher standard of living, these consumers will not be interested in cheap, poor quality copies of status-boosting brands. Based on this analysis of prior research, the following hypothesis can be formulated:

Hypothesis 4: Personal gratification has a negative influence on attitudes towards counterfeits of luxury brands.

Price Quality Inference

According to Grossman & Shapiro's (1988) research findings, variations of counterfeit consumers exist and differ in relation to price and quality. The first type of consumer views both forged and authentic goods as comparable in all aspects, aside from price (Börekçi, 2013). The second category of consumer prides himself on the notion that paying the higher price tag is worth it, given the longevity and performance they are likely to receive with a higher price/higher quality good (Börekçi, 2013). Price quality inference is essential in predicting consumer behavior, regardless of the product category, higher price tags are believed to indicate higher quality (Lichtenstein, Ridgway & Netemeyer, 1993). Based on these findings, the following hypothesis can be formulated:

Hypothesis 5: Consumers who are more concerned about price over quality have more negative attitudes towards counterfeits of luxury brands.

Social Influence

Research carried out by Phau, Teah & Lee, (2009) indicates that there is a correlation between a consumer's spending habits and buying behavior, in relation to their status in society. An inherent longing to belong to a socially wealthier class fosters support for branded products, displaying status and wealth (Klein, 1997; Mellott, 1983). Based on a strong need to display 'brand status' consumers often use counterfeiting as a means to this socially-driven purpose (Bearden, Netemeyer & Teel, 1989; Snyder & DeBono, 1985). This is supported by Basu, Basu& Lee (2015) who have since confirmed that social recognition drives purchasing behavior and that everything is inherently linked to how others perceive and rank individuals on a social level. Overall, consumers buy branded goods to gain acceptance, admiration and increase societal placement. Therefore, the following hypothesis can be formulated:

Hypothesis 6: Social influence has a positive effect on attitudes towards counterfeits of luxury brands.

Ease of Access (degree of availability)

Availability is directly related to the motivation and ultimate consumption of counterfeit goods (Stumpf, Chaudry & Perretta, 2011; Penz & Stöttinger, 2005). With an emphasis on non-deceptive products, they are purposely placed in locations often trafficked by consumers (Chaudry, Ahmed, Gill &Rizwan, 2014) including street vendors, outdoor markets. Deceptive counterfeit items can be found just about anywhere and even retailers are unaware of the fact, they are technically accessories to the distribution of counterfeit goods (Chaudhry, Cordell & Zimmerman, 2005). Both availability as well as easy access affects the appeal of counterfeit consumption. Open markets have made it easier now than ever, especially in Turkey where not only availability but also variety is ramped, (Ergin, 2010). In conclusion, the following hypothesis can be formulated:

Hypothesis 7: Ease of access has a positive effect on attitudes towards counterfeits of luxury brands.

Ethical Judgment

Ethical judgment is a process in which our brains help us indicate whether something is morally right or wrong (Tatić & Činjarević, 2012; Nguyen & Biderman, 2008; Penz & Stöttinger, 2005, Ethical attitudes have been identified as a key factor influencing purchasing behavior in relation to counterfeit goods in that the more idealistic the consumer, the more likely they are to have a negative attitude toward counterfeits (Basu, Basu & Lee, 2015, Tatić & Činjarević, 2012). The presence of guilt negatively influences purchasing intentions towards counterfeit goods and positively influences moral judgment across product sectors. After investigating on how consumer ethics are linked to purchasing behaviors, the following hypothesis can be formulated:

Hypothesis 8: Ethical judgment has a negative effect on attitudes towards counterfeits of luxury brands.

Attitudes towards counterfeits of luxury brands

An attitude is "a learned predisposition to behave in a consistently favorable or unfavorable manner with respect to a given object" (Schiffman & Kanuk, 1997, p. 167). According to the Theory of Planned Behavior, intentions are antecedents to purchasing behaviors, which are ultimately established through attitudes (Koklic, 2011; Phau, Teah & Lee, 2009; Ang& al, 2001; Wee, Tan & Cheok, 1995; Fishbein & Ajzen, 1975). Two factors that aid in the development of positive attitudes towards counterfeit consumption illustrate both economic and hedonic benefits (Ergin, 2010; Yoo & Lee, 2009). The lower-price, lower-quality rationale does not affect these consumers since the economic benefit is so strong that the product is perceived to be equal and have overall good value (Gentry, Putrevu & Shultz, 2006; Nia & Zaichkowsky, 2000). In terms of benefiting hedonically, these consumers wish to demonstrate their ability to afford luxury goods and establish a sense of 'belonging' to a certain social group (Ergin, 2010). The purchasing habits of luxury products rely on a perceived behavior of the goods rather than the product itself (Penz & Stöttinger, 2005; Yi, 1990; Fishbein & Ajzen, 1975;). However, after the option of purchasing counterfeit goods has been presented as a viable alternative, buying habits are determined largely by attitudes (Ang& al, 2001; Chang, 1998; Wee, Tan & Cheok, 1995). The

more favorable the consumers' attitudes, the more likely counterfeited product consumption will triumph genuine brand purchases and vice versa (Phau, Teah & Lee, 2009; Wee, Tan & Cheok, 1995). Based on the above research, the following hypothesis can be formulated as such:

Hypothesis 9: Consumers with positive attitudes towards counterfeits of luxury brands have higher intention to purchase counterfeits of luxury brands.

III.   Research Methodology

3.1 Description of Sample and Data Collection

A random sampling method was used to obtain a representative sample of the target population and minimize sampling bias. To further target an appropriate sample population the questionnaire was distributed through online social networks. Data was collected over a one-month period where 364 respondents completed the survey. 106 responses out of the 364 were eliminated due to incomplete information, leaving 258 usable responses as the sample size. Analysis was made using IBM SPSS version 2.0 and Excel 2010

3.2 Research Instrument

The self-administered electronic questionnaire used in this study was distributed via an established rudimentary electronic survey platform. The research instrument was also reviewed by one of the co-authors for relevance and appropriateness in relation to the research aim and hypotheses. The questionnaire consists of three sections and begins with the definition of 'counterfeit'. This was done in order to establish the focus of the survey and prevent misunderstandings. The second section of the survey measures nine factors that are hypothesized to influence Turkish consumer attitudes toward purchasing counterfeit luxury brands. The last section of the questionnaire assesses demographic factors to better segment and analyze the data sets. These demographic factors include gender, age, education, marital status, employment, working position, and monthly income. These demographic factors allow further opportunity to divide the data based on various demographic information and create data analysis to compare and to contrast all data elements across various demographic populations. To measure the results, attributes were taken from previous studies, shown in Table I.

Table I: Attributes Used in the Study

Measured Attributes	Sources	Number of Items
Brand Consciousness	Sprotles & Kendall, 1986	4
Fashion Consciousness	Shim & Gehrt 1996, Tigert & al., 1976	5
Value Consciousness	Lichtenstein & al., 1990	7
Personal Gratification	Ang & al., 2001	3
Price-Quality Inference	Lichtenstein & al., 1993	3
Social Influence	Hsu & Shiue, 2008; Van den Putte & al., 2005	5
Ease of Access	Workman & Lee 2011, Yoo & Lee 2009, De Matos 2007	4
Ethical Judgment	Cordell & al., 1996, Phau & al., 2009	5
Attitude toward Counterfeit	Wang & al., 2005	8
Purchase Intention	Ang & al., 2001	3

3.3 Description of Data

Both exploratory and confirmatory factor analysis were performed for testing nine constructs and the scale dimensionality. According to the results of both the Kaiser-Meyer-Olkin Measure of Sampling Adequacy of the factor test (0.793) and the Bartlett's Test of Sphericity significance the sample size was found satisfactory to perform factor analysis. The commonalities of almost all items are higher than 0.50. The items that were less than 0.50 were excluded and factor analysis was repeated. After the factor analysis, reliability and correlation analysis along with regression analysis were performed on the new model. For almost all of the factors, Cronbach's Alpha values were more than 0.7, demonstrating reliability. One factor, brand prestige, was below 0.6. This factor was removed from the model and excluded from further analysis as it may influence the reliability of the whole model. See Table II.

Table II: Reliability of factors

Variables	Reliabilities
Brand Consciousness	0,714
Fashion Consciousness	0,735
Brand Prestige	0,211
Value Consciousness	0,824
Price Quality Inference	0,734
Social Influence	0,774
Ease of Acces	0,662
Attitudes	0,618
Personal Gratification	0,791
Ethical Judgment	0,884

IV.   Results and Discussion

Results demonstrated that brand consciousness have an influence over the attitudes of Turkish consumers toward purchasing counterfeits of luxury brands. Turkish consumers appeared influenced by brand consciousness or brand prestige. As a result, hypothesis 1 did not yield sufficient support to draw direct conclusions to say that brand consciousness is a contributing factor to consumer attitudes towards counterfeits of luxury brands. (see Table III)

Findings conclude that fashion-conscious consumers have more favorable attitudes toward counterfeits of luxury brands, and therefore are more likely to purchase counterfeits of luxury brands in the Turkish market. Much of this evidence could be contributed to the fact that most luxury fashion products will go out of fashion, season over season, putting substantial financial burden on consumers who want to keep up with current fashion trends. Consequently, consumers may choose to invest in a less expensive, counterfeit version of a high-fashion brand which will be sufficient until it can be replaced with a new counterfeit, high-fashion item in the next fashion season. In this case, counterfeit high-fashion brands permit consumers to imitate the latest fashion styles and indicate a higher form of social class or prestige despite their true counterfeit nature. Thus, hypothesis 2 is supported. (see Table III).

Although Bloch &al. (1993), showed in their research that consumers selected counterfeits of luxury brands due to price advantage, value consciousness did not present the same results in the Turkish context. It is interesting to note that in contrast to previous studies (Bloch and al., 1993; Ang & al., 2001; Phau & Teah, 2009; Phau &Ng, 2010), value consciousness did not play a significant role in influencing consumers' attitude toward CLFBs and purchase intention of CLFBs. Past research did show, however, that price was not the only determinant in consumers' decisions to purchase counterfeited products (Wee & al., 1995), being consistent with our results. Value consciousness, then, does not have a direct correlation on Turkish consumer's attitudes toward counterfeits of luxury brands. Therefore, Hypothesis 3 is not supported(see Table III).

Turkish consumers revealed that personal gratification did not play a significant role on Turkish consumers' attitudes toward counterfeits of luxury brands. This result is similar to findings of De Matos (2007). Hypothesis 4 is not supported(see Table III).

As outlined in previous research studies, price quality inference predicts consumer behavior regardless of product category, as higher price tags are perceived to indicate a higher quality product. Hypothesis 5 is not supported. (see Table III).

Previously, authors (such as Ang & al., 2001; Phau, Teah &Lee., 2009), demonstrated the positive impacts of social influence on the favorable attitudes of consumers toward purchasing counterfeits of luxury brands. In the context of this research, however, social influence, defined as the external influences – including society,

friends, and family – that surround consumers, did not have a significant influence on Turkish consumers' attitudes towards counterfeits of luxury brands. Therefore, Hypothesis 6is also not supported(see Table III).

Availability of counterfeits, as well as the ease at which consumers can access counterfeit products, affect the appeal of counterfeit consumption. Based on Lee and Yoo's (2009) findings, open markets have made it easier now than ever, especially in Turkey, to purchase counterfeits. According to Ergin (2010), not only has availability increased, but variety of counterfeits has also grown. Consumers have ample opportunities to purchase counterfeits of luxury brands as these products can be easily found in local markets and shops scattered across most urban cities in Turkey. Therefore, the ease of access to counterfeits strengthens the link between attitudes towards counterfeits of luxury brands and purchase intention, thus supporting Hypothesis 7 (see Table III).

The findings support previous studies demonstrating that ethical judgment has significant influence on attitudes toward counterfeits of luxury brands and a consumer's purchase intentions. Authors Tatić and Činjarević, (2012) and Basu, Basu and Lee, (2015) identified ethical attitudes as a key factor influencing purchasing behavior of counterfeit goods. According to their findings, the more idealistic the consumer, the more likely the consumer is to have a negative attitude toward counterfeits. The research revealed the same conclusion on the influence of ethical judgment toward counterfeits of luxury brands in the Turkish context, therefore sustaining the validity of Hypothesis 8. (see Table III).

Table III: Regression Analysis of A based on independent variables

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	1,273	,265		4,805	,000					
BC	-,053	,042	-,088	-1,257	,210	,054	-,080	-,072	,674	1,484
FC	,120	,037	,214	3,239	,001	,233	,201	,186	,754	1,327
VC	,072	,039	,110	1,828	,069	,142	,115	,105	,917	1,091
PKI	,055	,034	,105	1,625	,105	,134	,103	,093	,791	1,263
SI	,038	,037	,067	1,027	,306	,160	,065	,059	,777	1,286
PG	,031	,046	,048	,676	,500	,213	,043	,039	,641	1,560
EA	,116	,036	,213	3,267	,001	,253	,203	,188	,776	1,289
EJ	,104	,047	,157	2,198	,029	,214	,138	,126	,645	1,551

a. Dependent Variable: A

R Square 0.183

Adjusted R Square 0.157 (significant at p< 0.05)

According to the findings, individuals with positive attitudes toward counterfeits of luxury brands are more likely to purchase counterfeits of luxury brands. The results are coherent with previous studies, (Ang et al., 2001; De Matos, 2007; Phau and Teah, 2009), using TPB[1] as theoretical foundation, which similarly concluded that there is a linkage between attitudes and intentions. The study provided evidence to support that in the context of consumers purchasing illegal products such as pirated CDs, software, and counterfeit fashion products. Thus, supporting Hypothesis 9,As shown in Table IV.

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[1]Theory of Planned Behavior

Table IV:Regression Analysis of PI based on attitudes

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	1,437	,425		3,384	,001					
A	,362	,141	,158	2,565	,011	,158	,158	,158	1,000	1,000

a. Dependent Variable: PI

R Square 0.025

Adjusted R Square 0.021 (significant at p< 0.05)

In conclusion, the findings from this research on Turkish consumers' attitudes toward counterfeits of luxury brands concludes that fashion consciousness (Hypothesis 2), ease of access (Hypothesis 7), and ethical judgment (Hypothesis 8) are significant predictors of Turkish consumers' attitudes towards counterfeits of luxury brands. On the contrary, brand consciousness, value consciousness, price-quality inference, social influence, and personal gratification are not leading indicators of attitudes toward counterfeits of luxury brands. Results demonstrate that there is enough statistical evidence to support Hypothesis 2 (fashion consciousness), Hypothesis 7 (ease of access), and Hypothesis 8 (ethical judgment), but the remaining hypotheses are rejected based on lack of statistical correlation between these factors and their influence on attitudes toward counterfeits of luxury brands is not established.

V.   Conclusions, implications, limitations and recommendations

5.1 Conclusions

Counterfeiting of luxury branded products has become a severe, global economic problem. Despite numerous regulations, the demand for counterfeit luxury goods is increasing day by day in many parts of the global marketplace. Anti-counterfeiting Trade Agreement (October 1st 2011) was signed by Japan, U.S., and China to protect intellectual property rights; unfortunately, these efforts have not proven to be effective countermeasures because governments fail to take a united stance, afford the same level or urgency and have yet to overcome cultural divergences (Chen, Zu and Murray, 2013).In conclusion, it has been established that consumers' attitudes toward counterfeits of luxury brands play an important role in influencing consumers' purchase intentions. The present research supports the existing body of literature in the field of counterfeiting, but also demonstrates the influence of counterfeiting in the global marketplace. Through the research and analysis presented in this study, fashion consciousness, ease of access, and ethical judgment were found to have significant influence on Turkish consumers' attitudes toward intentions to purchase counterfeits of luxury brands. Contrary to expectations, research findings revealed that brand consciousness, value consciousness, price-quality inference, social influence, and personal gratification are not useful predictors of consumers' attitudes and purchase intentions for counterfeit luxury brands.

5.2 Managerial implications

As mentioned earlier [2], Turkey has the second largest counterfeit market in the world behind China. In other words, the increased presence of counterfeits in Turkey has become a critical problem threatening luxury brands success and profitability. To dissuade both buyers and sellers from committing counterfeit activities, it is suggested that the government enforces a policy where both parties incur penalties for participating in the sale or purchase of counterfeit goods (Ergin, 2010). In Turkey, specifically, trademark law prohibits the use of a counterfeit trademark and the trademark owners can initiate legal action to stop infringement as well as claim actual and immaterial damages (Ozdogan and Baklaci, 2010). Legal action, however, can be a lengthy and costly process and will not single-handedly reduce counterfeiting of luxury brands. Manufacturers have focused on developing technologies to make counterfeiting more difficult, but these tactics are mostly relevant to businesses and do not entirely deter consumers. Luxury, brand-name manufacturers need de-marketing techniques to "promote" buying counterfeits as a *crime*. Much of this same logic has been applied to consumption of illegal drugs, weapons, and music downloading. An approach like this should focus on creating

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[2] OECD /EUIPO report 2019

strong negative *social stigma* around counterfeit consumption. Manufacturers should pursue this measure to create fear among consumers to help promote negative attitudes toward buying counterfeits, consequently, reducing the desire to buy counterfeits. *Counterfeit buying behavior should be emphasized as an anti-social, illegal, and unethical behavior* (Yoo & Lee, 2009). Marketers must also contribute to eradicating counterfeiting, by increasing consumers' perceived risks of buying and consuming counterfeit brands. An extensive advertising campaign to educate consumers about the social, legal and financial risks of counterfeits would be one method to increase awareness and potentially reduce consumer desire for counterfeits of luxury brands. According to Nia & Zaichkowsky, (2000) as consumers buy these counterfeits to satisfy a desire for symbolic meanings, such as social and financial status, recognition, respect and superiority, they would stay away from counterfeits when convinced they cannot impress others with this kind of products.

Another approach to dissuading and reducing counterfeiting of luxury brand goods would be to emphasize the *impact of counterfeiting on personal image* (Zhou & Belk, 2004). For consumers who value the opinion of their peers and care greatly about the perception of their personal image, it would be both embarrassing and disconcerting if they are found to be using fake designer goods (Wee & al., 1995). This negative impact to their personal image is a deterrent to purchasing counterfeits of luxury goods. The emphasis on personal image also propels luxury brand designers to become more exclusive and inventive with their designs to not only meet their customer's needs and reinforce the belief that consumers are paying high prices for innovation and quality, but also making counterfeiting their products more difficult. These tactics implemented at corporate levels are attempting to make original brands harder to copy and easier to properly identify as authentic (Chaudhry, Cordell & Zimmerman, 2005).

Luxury brand designers must be as innovative as possible and accentuate differentiation in the marketplace to avoid being easily imitated (Gentry & al., 2006). In addition, luxury brands should also emphasize customer service programs as part of the quality and image of their designer product. Service programs such as life-time guarantees or warranty programs will promote the value of purchasing an authentic luxury brand versus the counterfeit option. Thus, focusing on personal image and quality as a means to diminish counterfeiting could be a useful tactic from both the consumer and the supplier perspective. Education, marketing or advertising, legal action, focusing on *social stigma* as well as social responsibility will help reduce the counterfeit market. Most importantly, switching attitudes and influences to view manufacturing, distributing, or purchasing counterfeits, as an immoral, unethical, and criminal act will negatively impact attitudes toward counterfeits of luxury goods.

An additional practical recommendation would be a marketing strategy to deter the fashion conscious and fashion addict consumers to purchase counterfeit luxury goods. One approach to reduce this type of counterfeit consumption is for luxury brand designers to offer a branded product that specifically targets a group of consumers who desire luxury brand fashions but have a lower price tolerance. For example, as mentioned in the study of Tatić & Činjarević (2012), Vera Wang has a brand extension called Simply Vera that targets young middle to upper middle-class consumers who cannot afford the luxury line of Vera Wang. Simply Vera shares a similar concept with the parent brand, but it still maintains an affordable option for young consumers who have a taste for style and status but have a lower income.

Luxury fashion companies, however, need to be aware that more affordable brand extensions may erode the brand value to consumers (Wee & al., 1995; Phau& al., 2009). Mass prestige or *Masstige* could be responsible of the brand dilution. Nevertheless, fashion consciousness contributes to Turkish consumer's attitude toward counterfeits of luxury brands and influences the continued market for these counterfeit products, that is why marketers should look for renewed consumers strategies.

Therefore, all these measures and strategies could be self-defeating if they do not have a systemic and holistic approach of this issue; *According to multiple sources of research, the counterfeit luxury brand market "relies on consumers' desire for real luxury brands"* (Hoe, 2003, p. 60; Penz & Stöttinger, 2005, p. 583; Lai & Zaichowsky, 1999, p. 189). Society appears to support this industry for a variety of reasons that may be rooted at a deeper psychological level.

Indeed, advertising campaigns of genuine luxury brand products convey messages and images which strike a chord with some *unconscious desires* of many consumers and become *drives* for their consumption; by saying that *"you are an outstanding person and you deserve the best products/services"* the implied message is that they are *ontologically different* from the other people: this is the process of "starification" (Kapferer, 2015).

Jiang and Cova (2012, p. 1) explain the *"motivation of luxury counterfeit and the association between original luxury and counterfeit luxury consumption"* and stated that "*a good counterfeit can be regarded as the substitute good of luxury, which provides social meanings (conformity/status seeking/face saving), whereas it may also operate on a personal level (brand experience/fashion/adventure)*. Authors refer specifically about the "Thrill of Hunt" and the desire "to be part of a secret society" as motivational factors of hedonic shopping experience behind the purchase of fake products (Smith, 2020; Bian and al, 2016). Another study conducted by Jiang and Cova (2012), identifies social *status requirements* as a primary motivation in the consumption of luxury brand goods. The same authors concluded that consumers essentially receive the same satisfaction from the purchase of authentic goods as they do from those that have been duplicated.

5.3 Research limitations and recommendations for further research

The main limitations of this research arguably could be found in the pertinence of the tools used in measuring the supporting or rejecting of the hypothesis. However, much effort was made in addressing the research questions and supported previous research as presented in the literature review. Another path could be to replicate the research in different cultural settings to understand the possibility of additional determinants. Studying how the threat of being caught by others when possessing or purchasing a counterfeit good may also be an interesting area for further research, as would be measuring how social risk affects purchasing behaviour.

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