



ASSESSING THE ROLE OF DEMOGRAPHIC DETERMINANTS ON CONSUMPTION OF COUNTERFEIT PRODUCTS IN DELHI

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Abstract

The prevalence of counterfeiting is a global phenomenon that is spreading quickly throughout all nations. This study investigates the problem of counterfeiting in Indian context from consumers point of view. The study has taken fashion products and assessed the role of demographic factor in counterfeit consumption of a consumer. The study took Age, Income and education role and checked their effect on counterfeit purchase intention. Responses of 120 individuals were taken from different market of Delhi. Findings of the study reveals that Income level has significant effect on the purchase and consumption intent of counterfeit products but age and education have no significant role in counterfeit consumption.

Introduction

Product counterfeiting is a global challenge that has serious economic and societal consequences (Gilgoff, 2004). In today's economy, counterfeiting is on the rise and shows no signs of slowing (Zhang, Guo and Yue, 2012). The Agreement on Trade-related aspects on Intellectual Property Rights (the TRIPs Agreement) defines counterfeiting as "Counterfeit trademark goods shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation". It has been reported by the International Trademark Association and the International Chamber of Commerce that the value of counterfeiting and piracy was 1.7 USD trillion and is estimated to reach USD 2.3 trillion in 2022 (Samaddar and Menon, 2020). Counterfeiting is of two types deceptive and non-deceptive (Phau, Sequeira and Dix, 2009). Deceptive counterfeiting is one in which consumers are unaware of the nature of the product, while in the case of non-deceptive counterfeiting, consumers know about the product despite their demand for that product (Bian and Veloutsou; Grossman and Shapiro, 1986). Initially, only a few costly industries were affected by counterfeiting (Eisend and Schuchert-güler, 2006), but nowadays no industry is left out; every sector is under threat of counterfeiting, even pharmaceutical, food and beverage industry are affected by counterfeiters (Walker, 1977). A severe threat to consumer safety and health has evolved from counterfeiting, which has become an international issue; this issue also costs legitimate brands and economies in the form of substantial economic losses (Kenavy, 2013). Despite these problems, consumer purchases these products knowingly and sometimes unknowingly.

Literature Review

It is clear from previous studies that consumers used to form likes, preferences and dislikes about specific counterfeit products at a very young age. These likes, preferences and dislikes continue to change with time, so it is crucial to comprehend consumers' intentions regarding counterfeit products in order to identify the main drivers of counterfeit consumption. In reality, there is a dearth of studies that outline



consumer demographics. This study will try to assess the role of demographic factors on the counterfeit consumption of consumers, which might help businesses come up with a strategy to overcome this issue. According to a study by Kemp & Mackenzie, consumers who are young, less educated, and from lower socioeconomic status groups are more inclined towards counterfeit goods (Cheung and Prendergast, 2006). Staake and Fleisch, (2008) found in their study that people with low incomes who cannot buy premium brands are more likely to purchase counterfeit goods. Studies also showed that largely young buyers, such as students, see counterfeit items favorably because they have less income with them to spend on branded products, so they opt for counterfeit products. (Ergin, 2010) says that the main factor influencing a consumer's propensity for counterfeit goods is their income level. As consumers become wealthier, they purchase a more authentic, original brand, which reduces the demand for counterfeit goods. They also found no significant relationship between the gender factor and counterfeit brand purchases. Customers believe that because actual designer goods are so expensive, they cannot afford to purchase them. When faced with such financial limits, consumers do not perceive low-quality and subpar materials as inferior options, therefore they are unaffected. Contrarily, the majority of these customers enjoy the benefits that counterfeit products offer them (Ang *et al.*, 2001).

Objective

This study's primary objective is to examine the relationship between consumer intention regarding the purchase of counterfeit fashion products and demographic factors.

Hypotheses of the Study

H1: There is no significant relationship between age and counterfeit consumption

H2: There is a significant relationship between income level and counterfeit consumption.

H4: There is no significant relationship between Education and counterfeit consumption.

Research Methodology

The current study focuses on consumers who consciously buy fashion-counterfeit products. The fashion segment consists of a wide variety of products like clothes, footwear, caps, handbags, eyewear, cosmetics, jewellery and different accessories. The reason behind taking this industry for the study is that consumers mostly consume these types of products despite knowing the nature of the product.

Area of the study

The current study is being carried out in Delhi, India. Delhi was chosen because it has become the centre for these illicit goods in India. Different markets from Delhi like Palika Bazaar, Sarojini nagar market, Lajpat nagar market, Nehru place market, Karol Bag market were identified from Delhi as the counterfeit market in Delhi. These venues were chosen because they are well-known for being the places where counterfeit fashion products are sold in Delhi.

Data Collection

Both primary and secondary data are used to support the current study. The necessary secondary information was gathered from several articles and documents of FICCI (Federation of Indian Chambers of Commerce and Industry) and other articles on India's counterfeiting. Questionnaires were used to get the required primary data. For this study, 150 individuals were asked to fill out a survey, and 120 of those responses were chosen. The present study used quantitative methods and the respondents were selected by using purposive sampling. In order to capture respondents' views in real-world shopping scenarios, the responses were gathered using the mall-intercept approach.



Questionnaire

A two-part questionnaire was developed based on the review of literature. Part I of the questionnaire included questions regarding consumer demographic profiles such as Gender, Age, Education level, and income. Second part of the questionnaire contained statements related to consumer purchase intentions of counterfeit products based on 5-point Likert scale (1=Strongly Agree, 2= Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree).

Reliability Analysis

Number of Respondents- 120

Number of statements of Purchase Intention Scale- 3

Cronbach Alpha- 0.764

The Cronbach alpha is 0.764 which means that the scales adopted for measuring purchase intention is reliable.

Findings and Interpretation

Age group, education level, monthly income and respondents' Gender were the demographic variables taken into account for the study.

Age

* 18-25 – 82

* 26-40 – 32

* 41-50 – 6

Table 1 attached below shows that maximum individuals are between the age of 18-25. One Way ANOVA is done in the study for the analysis and same is shown in table 2 which says that F-value of the data is 2.862 and Sig. value is .039 ($p > 0.05$), which means that there is no significant relation between age group and counterfeit consumption of a consumer. Hence hypothesis H1 is accepted.

Income Level

* Below- 20,000 - 83

* 20,000- 30,000 - 28

* 31,000- 40,000 - 6

* 41,000 and above – 03

After analysing the data, it can be seen from the table that maximum individuals who responded to our questions lie in the income range of below 20,000 with a mean of 2.6035 as shown in the table 3. One Way ANOVA as shown in table 4 says that with the F-value of the data 22.584 and Sig. value of .000 ($p < 0.05$), which means that there is significant relationship between consumer purchase intention towards counterfeit fashion products and their Income level. Hence our 2nd hypothesis is accepted, which make it clear that people who are having low income will have more favourable intention towards purchase and consumption of counterfeit fashion products.

Education Level

* Up to Metric – 12

* Graduation – 72

* Post Graduation and Above- 36

After analysing the data, the result shows that maximum respondents fall in the bracket of graduation level of education as shown in table 5. One Way ANOVA result is shown in table 6 which shows the link between a consumer's education level and their intention to buy counterfeit fashion products. The hypothesis is accepted because the data demonstrate that there is no significant relationship between



consumers' education level and their intention to purchase counterfeit fashion products, with a Sig. value of .154 ($p > 0.05$) at the 5% level of significance.

Table.1, Descriptive

Age Group	N	Mean	Std.Deviation
18-25	82	2.3003	.41054
26-40	32	2.3906	.53118
41-50	4	2.55626	.38512
Above 50	2	2.3332	.94281
Total	120	2.3626	.45598

Table.2, ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.738	3	.578	2.862	.39
Within Groups	39.633	196	.203		
Total	41.370	199			

Table.3, Descriptive

Income Group	N	Mean	Std.Deviation
Below 20000	83	2.7036	.32105
21000-30000	28	2.0052	.57435
31000-40000	6	2.8259	.62856
Above 40000	3	2.1043	.38111
Total	120	2.5344	.60606

Table.4, ANOVA

	Sum of Squares	df	Mean Squares	F	Sig.
Between Groups	18.776	3	6.258	22.584	.000
Within Groups	54.323	196	.276		
Total	73.098	199			

Table.5, Descriptive

Educaion level	N	Mean	Std. Deviation
Upto Metric	12	2.3641	.48368
Graduation	72	2.3160	.45694
Postgraduation and above	26	2.45567	.43815
Total	120	2.3626	.45597

Table .6, ANOVA

	Sum of Squares	df	Mean Squares	F	Sig.
Between Groups	.782	2	.391	1.892	.154
Within Groups	40.591	197	.205		
Total	41.371				



Conclusion and Discussion: The current study examines Delhi's counterfeit markets in terms of consumers' intention regarding counterfeit products, uncovering that consumer's intention toward counterfeit fashion products vary depending on a consumer's demographic background. Numerous inferences can be made based on the statistical analysis that has been conducted in the study. The respondents' income demonstrates a significant relationship with regard to how they view counterfeit goods. Conclusion can be drawn from the study that consumers having less income have more favourable purchase intention of counterfeit products as they want to fit in the society by using those fake premium brands because they cannot afford branded as they are relatively costlier than the counterfeits. From the findings of the study, it can be concluded that demographic factor like age and education does not play that much role in deciding whether a consumer will purchase and consume a counterfeit product or not.

Implications: Marketers should try to persuade consumers of counterfeits that buying genuine goods has advantages over buying counterfeits in order to encourage them to switch to genuine goods. Consumers should be made aware about the special quality of the genuine product like durability and material quality of the product because it is easy to copy other aspects of a product but not its special feature and quality like durability and material quality. Manufacturers and brand owner must work on price point as counterfeiter mostly target the price and they take away the consumer as price is one of the main reasons of counterfeit consumption. Majority of the respondent were of view that they will purchase branded product if they can afford that. So manufacturers must work on that.

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