

COUNTERFEITS AND THEIR COSTS

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ABSTRACT

Counterfeiting is increasing and becoming a complicated issue across different countries in the world and Vietnam is not exceptional, so the policy makers and managers always try to find ways to face with the counterfeiting and reduce counterfeit products in the market. This paper attempts to investigate determinants that impact on consumers' attitude toward non-deceptive counterfeit products and behavioral intention to purchase them. Using a data set collected from a sample of 176 consumers we found that social cost has an impact on consumers' attitude and purchase intention toward counterfeit products. Moreover, the result indicates that intention to buy counterfeit products is influenced by consumers' attitude toward these products. These findings suggest that companies should rely on the social cost as the main component of marketing communication messages to discourage consumption of fake products by implying the seriously harmful consequences of these goods to society and economy.

Key words: counterfeit products, consumers' attitude, purchase intention, social cost

INTRODUCTION

Counterfeiting issue started since 1970s and is continuously spreading over the world as the result of the globalization and lowering the trading barriers in international transactions. Most of the countries have been influenced by counterfeit products and their economies have faced to the high crisis. According to the International Chamber of Commerce, the international trade in counterfeit products is worth \$650 billion. Vietnam is ranked fifty third globally about the size of its counterfeit market with total pirated market value of US\$ 122 million (Cheng *et al.*, 2011). According to Lai and Zaichowsky (1999), counterfeit products are identical copies of authentic brands and products. A product that has the same brand name or logo with legitimate one but without the permission of the registered owner is considered as a counterfeit or "fake" product. According to the World Customs Organization, counterfeit products account for roughly from 7 to 10 percent of the world's trade and their sales revenue are rising up (Aroq Limited, 2008). As the statement from the International Chamber of Commerce, pirated goods are manufactured and consumed in virtually all global economies and have a big effects on trade, foreign investment, employment, criminality, innovation, and the environment (Kozar and Marcketti, 2011). The International Anti-Counterfeiting Coalition forecasted that counterfeiting caused losses of about US\$200 billion a year in lost jobs, unpaid taxes and lost sales. According to the Organization for Economic Co-operation and Development (Kozar and Marcketti, 2011), traded counterfeit products occupies over US\$250 billion worth of internationally traded goods in 2007. In front of the high demand of consumers about buying counterfeit products and the high profit for counterfeit traders and manufacturers, counterfeiting continues to emerge globally (Amine and Magnusson, 2007). Counterfeiting has spread in every type of consumer goods, in luxury brands market and products, such as electronics, airplane and auto parts, pharmaceuticals, clothes, cosmetic and watches.

Counterfeiting is a worldwide issue across different industries in general and specifically in Vietnam. In Vietnam, the manufacturing and trading counterfeit products have developed more and more sophisticated in some recent years. Most of the high quality products which have high sales revenues have been faked. The counterfeit products appear across different provinces, from big center to small shops, from big cities to small towns in Vietnam. Moreover, counterfeit products can be found in street vendors as well as legally

sold in stores. In recent years, many stores trading faked products have become well organized and imitate to set up a store the same as selling genuine products. Furthermore, with the development of internet, now counterfeit products are increasingly sold online making consumers misunderstand about buying genuine products at discounted price products. Business organizations have lost billions of dollars and reduced their brand reputation due to pirated goods, for example with LG Vina's situation. According to Nguyen (2011), LG Vina, the owner of cosmetic brands of Essance, Ohui and Whoo, just reached about 70-75 percent of the expected level due to counterfeit products in 2010. The combat of the government to counterfeit goods become tougher and challenged because the technology of making counterfeit products becomes more complicated, low awareness from consumers and high profit for counterfeit merchandises. According to the Market Management Bureau (2013), the State found out over 13.101 cases with pirated goods, punished up to 53 billion VND in 2012. The first 6 months in 2013, in the total imported counterfeit goods, there were over 2100 cases and punished more 1960 cases which estimated about 37.544 billion VND.

Recently, much of research about counterfeiting has been deployed on the supply side of the issue, blaming the manufacturers, suppliers and governmental policy for liberation of pirating (Kozar and Marcketti, 2011). However, as a basic economic reason that if no demand for fake goods exist, supply will disappear automatically, consumers are also important participants in the consumption of fake goods and existence of counterfeit trade (Bian and Moutinho, 2009). Therefore, it is necessary to understand clearly potential determinants affecting their attitudes and purchasing behaviors toward counterfeit products. Scholars have investigated the counterfeit problems from the consumers' perspective in different countries such as the research about the consumer's role in the growth of trade mark piracy of Wee *et al.* (1995) or the consumer attitudes toward counterfeit goods in the paper of Cordell *et al.* (1996). Cordell *et al.* (1996) discovered three motivators for using pirated goods: the status symbolized by brand, the channel of the distribution and price. Another example is the research about the impact of non-price factors on purchase intention counterfeits of (Hanzaee and Jalalian, 2012). Furnham and Valgeirsson (2007) studied the effect of life values and materialism on buying counterfeit products in the UK and Phau *et al.* (2009) examined the consumers' attitudes toward the counterfeit luxury goods in Singapore. In Vietnam, little research has been investigated this issue. For example, Dinh (2012) researched about factors influencing purchase behavior of counterfeit products that focused on determinants of attitude function and conformity in counterfeit luxury goods.

The rapid development of counterfeit products make it actually become the top concern of business managers as well as policy makers. Beside of initiatives in reducing counterfeiting from the supply side, the other would address the demand side of counterfeit products. The structure and mechanisms of the counterfeit market is still limited (Koklic, 2011). Therefore, knowing the determinants of the person's attitude and intention to perform a certain behavior regarding to the counterfeit purchase is very important. One of the key constructs that indicates in consumer behavior is perceived risk. On the other hand, counterfeiting is a harmful and risky business that has big impact on society as declaration of Pollinger and Lewis (cited in Cat, 2010). Thus, it is necessary to investigate the relationship between the factor of social cost that implies the consumers' perception about the risk and loss of counterfeiting to society with consumers' attitude as well as purchase intention toward counterfeit products. Along with this point, Cordell *et al.* (1996) also proposed to conduct more research on the factor of social cost. However, several studies have been conducted to investigate this problem in the world but there is a few number of the research about the determinants of consumers' attitudes toward counterfeit purchase intention. In Vietnam, the number of studies about this issue is still limited. Therefore, this study attempts to fulfill this gap by examining the relationship among perceived risk, social costs, attitudes towards counterfeits and purchase intention of counterfeit goods. The concepts of perceived risk and social costs need to investigate in this study because they can be considered as two sets of perceived consequences of counterfeit purchases and critical factors affecting ethical decision making (e.g., Koklic, 2011). Social cost means the unexpected consequences of counterfeits for society at large while perceived risk mentions the perceived consequence for the individual who buys fake goods.

The focus of this study is on non-deceptive counterfeiting because consumers' perceptions of counterfeits might create their demand for these goods only under non-deceptive counterfeit circumstances (Bian and Moutinho, 2009). To be different from the deceptive counterfeiting where consumers believe they have bought an authentic product while in fact it is a counterfeit product, the non-deceptive counterfeits indicate the situations when consumers are fully known that they are purchasing a fake product at the time of buying (Grossman and Shapiro, 1988). The objective was to investigate determinants that affect consumers' attitude toward non-deceptive counterfeit products and behavioral intention to purchase them.

RESEARCH METHOD

Hypothesis formulation

A conceptual model is depicted in Figure 1. In this model, perceived risk and social costs are antecedents of both attitude toward purchasing counterfeits and intention to purchase counterfeits.

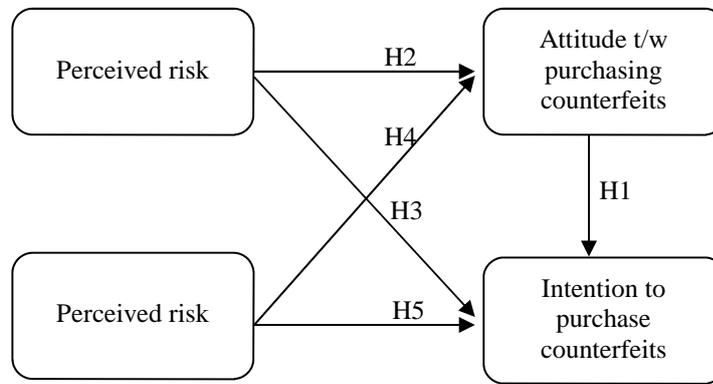


Figure 1: Conceptual model

Counterfeits

There are many ways to define the meaning of counterfeits. In this study, counterfeiting means the manufacturing of copied products with appearance, trademarks, labels the same as the authentic items. Moreover, counterfeiting is involved an illegally manufactured copy of the genuine item (Wee *et al.*, 1995; Phau *et al.*, 2009). There is the difference between deceptive and non-deceptive counterfeiting. Deceptive counterfeiting happens when the consumer is unaware that she/he is purchasing a product that carried the brand name or logo without permission of the authentic owner (Grossman and Shapiro, 1988). Non-deceptive counterfeiting, consumers realized that products are not genuine through different information such as price, distributing channels, used materials (Carpenter, 2011) or consumers purchase counterfeit products intentionally. However, this research will focus on non-deceptive counterfeiting in which consumer is fully known that purchased product is a fake one at the time of purchasing (Nia and Zaichkowsky, 2000).

Purchase intention

In the marketing literature, the relationship between attitude and behavioral intentions has been widely researched. Ajzen and Fishbein (1980) proposed the Theory of Reasoned Action that is built up of three determinants namely behavioral intention, attitude and subjective norm. The theory supposes that an individual’s behavioral intention is a function of the individual’s attitude toward performing the behavior and subjective norm related to performing the behavior. The behavioral intention has discussed as individual’s relative strength of intention to do a behavior. The attitude includes different beliefs about the results of doing the behavior multiplied by the evaluations of these results. The subjective norm is a person’s belief about if others feel that she or he should perform the target behavior (Ajzen and Fishbein, 1980). In briefly, the individual’s attitude and the subjective norm perform the behavioral intention (Hanzaee and Zalalian, 2012). Moreover, according to Ajzen and Fishbein (1980), attitude is positively correlated with behavioral intentions, which in turn becomes a determinant of the real behavior. There also were the numerous number of research about the positive relationship between attitude and purchase intent among different products and services (e.g., Fitzmaurice, 2005). According to Bellman *et al.* (2009), the buying intentions to the fashion accessories in young female shoppers are influenced by their attitudes towards purchasing fashion accessories. Yoo and Lee (2009) also stated that there is a positive relationship between consumers’ attitude towards purchasing counterfeits and their buying intentions.

Consumer attitude toward purchasing counterfeits

Attitude towards deploying a behavior is considered as an evaluation of the level to which a person likes or favors doing the behavior (Finlay *et al.*, 2002). According to Hayes (as cited in Hanzae and Jalalian, 2012), attitude influences on the way in which we perceive or know the world around. In marketing theories, attitude also is one of the most important concepts that marketers usually apply to understand consumers. Consumers' attitude shows how people's beliefs and knowledge lead to attitudes and how their information integration process establishes attitudes toward actions and impact on people's intentions to perform behaviors (Xiao and He, 2011). Moreover, attitude is often used as a predictor of consumer intentions and behaviors in which attitude is considered to be highly correlated with one's intentions and it is a direct predictor of the consumers' intention and behavior in the decision making process (Phau *et al.*, 2009). Therefore,

H1: *Consumers' attitude toward purchasing counterfeit products is positively related to purchase intention to counterfeit products.*

Perceived risk

Perceived risk is a risk in terms of the consumers' perceptions about the uncertainty and adverse consequences of purchasing a product or service (Dowling and Staelin, 1994). Moreover, consumers judge what are the possibilities that a problem might happen and also what will be the negative consequences of such a problem, and this assessment will affect every stage of the consumer decision making process. As Albers-Miller (1999) points out that the risk factor has a significant role on purchasing of counterfeits. In this circumstance, a consumer likely considers that the product will not perform as well as an authentic one and there will be no guaranty from the seller; selecting a counterfeit will not bring the best possible monetary gain; the item might not be as safe as the original one; the choosing of a pirated product will impact in an inverse way how others perceive them; and consumer will waste time, lose convenience or waste effort in having to repeat a purchase. Perceived risk was the most important variable to predict consumers' attitude toward fake products (Matos *et al.*, 2007). Moreover, Chiou *et al.* (2005) reveal that perceived risk negatively impacts on the attitude of illegal copy and counterfeited music product buying. In addition, perceived risk has also led to diminishing consumers' favorable attitude toward purchasing pirated products. Albers-Miller (1999) indicates that perceived risk decreases the willingness to make purchasing on faked color televisions. On the other hand, there are some studies found that perceived risk has been a factor reducing the purchasing intention of counterfeits (e.g., Koklic, 2011). Thus,

H2: *Perceived risk is negatively related to consumers' attitude toward counterfeit products.*

H3: *Perceived risk is negatively related to purchase intention to counterfeit products.*

Social cost of counterfeits

The social cost of counterfeits is the consequence counterfeiting brings to the society (Cat, 2010). Consumers usually buy pirated products to get the benefits from a well-known brand name without paying for it. Consumers' attitude toward counterfeiting purchasing is more favorable when the good is a luxury item with intention using in public, such as a counterfeit Rolex watch, compared to a necessity fashion good like tennis shoes (Carpenter, 2011). Consumers who are more aware of global issues might be less interested in purchasing counterfeit products (Carpenter 2011). In order to assess the social cost of counterfeit, the consequences were frequently mentioned: (e.g., the OECD report, 2008, the BASCAP report, 2009, Pollinger, 2008).

- *Funding of international crime.* The counterfeiting seems the most attractive to terrorists compared to other illegal businesses such as drug smuggling and human trafficking. There are many pirated organizations that are linked to terrorist groups and organized crime (IACC, 2007, Carpenter *et al.*, 2011). Basing on the counterfeiting activities, terrorists can get money easily without taking the risk a lot. Moreover, pirating has become a means of funding for radical fundamentalist groups such as Al Qaeda and Hizbullah (Carpenter *et al.*, 2011).
- *Job losses.* Counterfeiting is one of the causes of job losses at a large scale in authentic companies.

- *Loss of taxes:* The government faces to the huge losses of tax revenues because the production and sales of fake products usually evade the duties of paying business tax.
- *Child and forced labour:* The counterfeit producers do not follow the current labor legislations. According to the International Labor Organization, that millions of children are forced to work in pirated manufacturers in China, where most of counterfeit products are produced to serve the US market (Goodwin, 2006).

Therefore, informing consumers to understand the social consequences of counterfeiting can be used to send potential consumers of faked products the negative cues. Salembier, an editor of fashion magazine Harper's Bazaar, said, "If people knew where their dollars were directed when they buying a fake watch or fake handbag, there is no question that they would think twice about purchasing a fake" (Harper's Bazaar, 2007, as cited in Carpenter *et al.*, 2011). In addition, Penz *et al.* (as cited in Carpenter *et al.*, 2011) found that when consumers know more about the specific negative business practices associated with counterfeits, they will be harder in purchasing counterfeits. Consumers may buy counterfeit products without considering public welfare issues (Carpenter *et al.*, 2011). In some situations, it might be that consumers are not aware of the social issues associated with pirates. Thus,

H4: *Social cost of counterfeits is negatively related to consumers' attitude toward purchasing counterfeits.*

H5: *Social cost of counterfeits is negatively related to intention to purchase counterfeits.*

Research process

The research comprised two phases, a pilot study and a main survey. The pilot study was undertaken by a qualitative method and a main survey by a quantitative method. In a qualitative study, a preliminary questionnaire which originally designed in English was pre-tested through in-depth interviewing with 10 people in Ho Chi Minh City. The purpose of this qualitative study is to check the contents and meaning of words that previously developed in advanced economies to make them more suitable and understanding in the context of Vietnam.

The main survey was conducted by using a convenience sample which collected from consumers in Ho Chi Minh City. All respondents were asked to know about counterfeits before answering the questionnaire. In order to be more convenient for respondents, the questionnaires were also broadcasted via the internet by Google docs. By this way, the authors sent the survey link to respondents via gmail, Facebook and yahoo chat. The respondents could answer the questionnaire by clicking on the link and keying their answers and submitting the link to the researcher. To make sure respondents understanding clearly at the beginning of interviews, counterfeits were defined as products that bear a brand name or logo without the permission of the registered owner or an illegally manufactured copy of the genuine item. A convenience sample of 240 consumers (120 online questionnaires and 120 paper questionnaires) in Ho Chi Minh city was collected. Two hundred twenty three questionnaires were completed of which 176 were usable.

Measurements

All scales (perceived risk, social cost, attitude toward purchase counterfeits, and purchase intention of counterfeits) used were multi-item scales to measure the constructs in the proposed model. All of the measures were available in the literature and were adapted to suit the particular context. To measure perceived risk, we used two items, used by Hanzae and Jalalian (2012). Social costs were measured by three items used by Carpenter and Lear (2011). Attitude toward counterfeits was measured by three items used in Hanzae and Jalalian (2012). Finally, purchase intention was measured by two items used in Zhang and Kim (2013). All items were measured by a five-point Likert-type scale anchored by 1: strongly disagree, and 5: strongly agree.

Sample characteristics

The sample included 87 (49%) male consumers 89 (51%) female consumers. In terms of age, most consumers were from 18 to 45 years of age (81%). Only 33 (19%) consumers were more than 45 years of age. In terms of income, there were 82 (47%) consumers had a monthly income from VND 10 millions or less and 94 (53%) consumers have a monthly income higher than VND 10 millions.

RESULTS AND DISCUSSION

Measurement validation

We used CFA to assess the final measurement model including perceived risk, social costs, attitude toward purchasing counterfeits, and purchase intention. The final CFA model received an acceptable fit to the data: $\chi^2 [29] = 36.750$ ($p=0.000$), GFI = 0.959, CFI = 0.989, and RMSEA = 0.039. All factor loadings were high (> 0.05) and significant ($p<0.001$). These findings indicate that the scales measuring perceived risk, social costs, attitude toward purchasing counterfeits, and purchase intention of counterfeits were unidimensional and the within-method convergent validity was achieved. Table 1 sets out the Cronbach alphas, composite reliability, and AVE value for each constructs, showing that all of them are greater than the established reference value, and Table 2 for the covariance and correlation between constructs.

Table 1. Mean, standard deviation, standardized CFA loading (λ) of items

Items	Mean	SD	
<i>Perceived risk: Composite reliability (r_c) = 0.71, average variance extracted (r_{vc}) = 0.55</i>			
The risk that I take when I buy a counterfeited product is high.	4.20	1.239	0.711
There is high probability that the product does not work.	3.79	1.138	0.771
<i>Social risk: $r_c = 0.85$; $r_{vc} = 0.66$</i>			
Counterfeits hurt the companies that manufacture the genuine product.	4.41	1.021	0.737
Counterfeits hurt the world economy.	3.88	1.107	0.883
Counterfeits discourage investment in innovation and brand building.	4.15	1.116	0.814
<i>Attitude t/w counterfeits: $r_c = 0.70$; $r_{vc} = 0.44$</i>			
I like shopping for counterfeits.	2.56	1.347	0.581
Counterfeits generally benefit the consumer.	1.69	.9545	0.645
Generally speaking, buying counterfeits is a better choice.	1.93	1.048	0.759
<i>Intention to purchase counterfeits: $r_c = 0.90$; $r_{vc} = 0.82$</i>			
I would like to buy counterfeits.	2.31	1.189	0.888
I intend to purchase counterfeit goods within the next year.	2.31	1.227	0.920

Table 2. Covariance and correlations

Relationships	Cov	SE	Corr	CR	p-value
Attitude 1 Purchase Intention	0.584	0.115	0.710	5.072	0.000
Perceived risk 1 Attitude	-0.118	0.074	-0.172	-1.585	0.113
Perceived risk 1 Purchase Intention	-0.232	0.091	-0.252	-2.558	0.011
Social risk 1 Attitude	-0.176	0.072	-0.249	-2.427	0.015
Social risk 1 Purchase Intent	-0.323	0.088	-0.338	-3.66	0.000

Structural model

The proposed model was tested via structural equation modeling. Overall, the results indicated a satisfactory fit to the data. Although the $\chi^2 [30] = 80.357$ was significant ($p<0.001$), other fit measures indicated relatively satisfactory performance, such as: GFI = 0.921, CFI = 0.929, and RMSEA = 0.098. In the following, we will test our hypotheses and consequently report the unstandardized and standardized path coefficients. As shown in Table 3, three out of five hypotheses were significant. Hypotheses H2 and H3 were not significant.

The main focus of this study was to examine the effects of perceived risk and social costs on attitude towards counterfeits, and subsequently on purchase intention of counterfeits. A secondary focus was to investigate the relationship between attitude towards counterfeits and intention to purchase counterfeits. The results indicate that perceived risk has no relationship with both consumers' attitude toward and intention

Table 3. Unstandardised and standardised beta coefficients

Hypotheses	Unstd beta	SE	Std beta	t-value	p-value
H1: Attitude→ Purchase intent	0.900	0.16	0.669	5.634	0.000
H2: Perceived risk →Attitude	-0.083	0.11	-0.069	-0.757	0.449
H3: Perceived risk → Purchase intent	-0.082	0.112	-0.051	-0.738	0.461
H4: Social risk → Attitude	-0.189	0.084	-0.220	-2.242	0.025
H5: Social risk → Purchase intent	-0.177	0.086	-0.154	-2.058	0.040

to purchase counterfeits, thus rejecting H2 and H3 ($p > 0.05$). This finding suggests that consumers feel more or less risky about counterfeits. A post hoc interview with 10 respondents in the market reveals that consumers are fully aware of the risk associated with buying counterfeits. However, they still buy these products when they are in need and these products can satisfy them in some situations. Moreover, this outcome is also reasonable in a real life especially in Vietnam market because Vietnamese consumers could know clearly about the risk when buying counterfeits but they could accept this risk in a balance with price. Therefore, consumption of counterfeits is still more and more developed in Vietnam. Obviously, all consumers are known about the bad consequence that counterfeits could harm to their life and activities.

The empirical results support hypotheses H4 and H5, namely, social costs effect attitude as well as intention to purchase counterfeits. Hypothesis H1 is also confirmed by the data and shows that consumers attitude toward counterfeits is a predictor for purchase intention in buying these goods. The research makes the contribution to the existing body of knowledge in terms of counterfeiting. It has been shown that social cost negatively impacts on consumers' attitude toward counterfeits. Furthermore, intention to purchase pirated products is also effected by consumers' unfavorable attitude toward counterfeits and their perceptions about social cost that counterfeits could bring to society.

The finding reveals that social cost is a significant variable to predict consumers' attitude and purchase intention toward counterfeited products. Consumers are more aware of social cost of counterfeits, they have more unfavorable attitude toward counterfeits and do not support in planning to buy these goods. This finding is in line with previously empirical work which indicated that consumers do not care about social problems or social welfare issue when purchasing counterfeits (Carpenter *et al.*, 2011). This means that Vietnamese consumers bring ethical factors into their decision making of purchasing counterfeits. When Vietnamese consumers are informed more about the negative benefits that counterfeits could create bad consequences to society, they will have unfavorable attitude and are reluctant to buy these goods. The result also shows the relationship between social cost and attitude ($\beta = -.220, p < .05$) is higher than the relationship between social cost and purchase intention ($\beta = -.154, p < 0.05$). This means that the impact of social costs on consumers' attitude toward purchasing counterfeits is stronger than on purchase intention of these goods. Therefore, increasing the level of awareness of Vietnamese consumers about illegal business practices of counterfeit manufacturers and stressing the enormous impact of the buying counterfeits on society will be useful in campaigns of reducing counterfeit demands (Bascap, 2009).

The results also indicate that attitude toward purchasing counterfeits negatively affects consumers' purchase intention of such goods. This finding is consistent with the previous research. Attitude towards counterfeits was found to be one of positive predictors of intention to purchase counterfeits (e.g., Zhang and Kim *et al.*, 2013). This can be explained that Vietnamese consumers who hold a (un)favorable attitude toward counterfeits will also have (weaker) stronger purchase intentions toward these products. In other words, consumers who have bought counterfeits have more favorable attitudes when made a compare with those who do not have. This a real threat for the genuine brands/ products because once consumers have experience in using the counterfeits, they tend to have a favorable attitude and then have a positive behavioral intentions. So, producers of genuine brands/ products could face more difficulties to change the attitude of those groups.

CONCLUSION

Trafficking and selling counterfeit goods is considered as illegal activities in the society. There would be no market for counterfeits if consumers are not willing to buy these products. Thus, purchasing of non-deceptive counterfeits is considered as supporting to the sellers' crime. The finding of this study suggests solutions for mitigating consumers demand for purchasing counterfeits.

Firstly, based on the finding that social cost has negatively related to consumers' attitude and intention to purchase counterfeits and the change in customer attitude may lead to the change in purchase intention. In addition, some consumers can consider social costs from their decision making. Therefore, our suggestion is to rely on social costs as the main component of marketing communications messages to discourage counterfeits consumption. Moreover, instead of persuading consumers not using counterfeits by presenting risks of buying counterfeits in advertising messages, brand owner should imply the seriously harmful consequences of these goods to society and economy.

Secondly, brand owners and retailers of genuine products need to focus on handling the growing trend of counterfeits and educate consumers about the illegality of counterfeits via many channels such as online communications media. Thirdly, it is proposed that manufacturers of genuine goods should associate with law enforcement in waging a public information campaign. This activity may be helpful in educating consumers about unlawfulness of fake products and the serious types criminal activities in which trafficker and seller of counterfeits are involved. Perhaps being informed more about the legal implications associated with counterfeits would strengthen consumers' resistance to counterfeits.

Finally, manufacturers and retailers should try to educate consumers about the different harmful outcomes of counterfeiting to society, including the child labor issues in some countries as well as established links to terrorist organizations. Presenting to consumers the tangible victims of counterfeiting may make them to reconsider their opinions for supporting counterfeits. By communicating the specific negative practices of these criminals, consumers could re-consider the rationalization for supporting counterfeits and this leads to change consumers' attitude and intention to purchase these products.

Limitations and future research

Previous studies on non-deceptive counterfeiting from consumers demand side are scarce, the current study extends the growing body of literature in terms of consumers purchase intention toward counterfeits by investigating the effect of social cost, perceived risk and consumers attitude toward these products among a sample of Ho Chi Minh consumers. However, there are some limitations of this study that should be acknowledged for future research.

Firstly, the research was conducted only with respondents who are living in Ho Chi Minh at the time of researching. Although that is one of the big cities of Vietnam but it may not present for all consumers in Vietnam. Moreover, the sample of this research mainly focused on office staffs with 82 percent of the sample and most of them are research's colleagues. The use of most of colleagues at working place may cause a limitation of findings' generalizability. Therefore, future research needs to investigate consumers in other provinces, different working class respondents and other environments to gain greater representative of the research results. Secondly, the research only investigated respondents who have known about counterfeits. This perhaps leads to different attitudes and intention to purchase of counterfeits. A comparison between two groups of respondents who not only know about counterfeits but also consume these products will be worth undertaking in future research.

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