OTS Master's Level Projects & Papers
STEM Education & Professional Studies

2011

Counterfeit Designers Merchandise's Influence on Consumer's Choice

Jessica Robinson
Old Dominion University

COUNTERFEIT DESIGNER MERCHANDISE'S

INFLUENCE ON CONSUMER'S CHOICE

A Research Paper

Presented to the Graduate Faculty of the Department of Stem Education
and Professional Studies

Old Dominion University

In Partial Fulfillment of the Requirements for the Masters of Science in
Occupational and Technical Studies

By

Jessica J. Robinson

August 2011

SIGNATURE PAGE

Jessica J. Robinson prepared this research study under the direction of Dr. John M. Ritz in SEPS 636, Problems in Occupational and Technical Studies, at Old Dominion University. It was submitted to the Graduate Program Director as a partial fulfillment of the requirements for the degree of Masters of Science in Occupational and Technical Studies.

Approved by: _____ Date:_____

Dr. John M. Ritz

Research Advisor and

Graduate Program Director,

Stem Education and Professional Studies,

Old Dominion University

ACKNOWLEDGEMENTS

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INTRODUCTION

Fashion is an ever evolving trend where daily clothing selection could positively or negatively shape others' opinions or attitudes. For many, brand selection or the choice of designer could have an impact on one's impression of social status. The prelude to any major award show on television where celebrities walk the red carpet is covered by hosts asking the stars one major question: "who are you wearing"? The answer will vary, but most responses will be fashion designers such as Alexander McQueen, Louis Vuitton, Coach, Giorgio Armani, Chanel, Gucci, Fendi, Tiffany, Dolce and Gabbana, Marc Jacobs, Prada, and Versace. These designer names are expected responses from top paid celebrities. But what impact do these designers have on the general public who cannot afford to pay the expensive prices to purchase these brands? Some people want to dress like their favorite celebrities. Carrying a designer handbag is a status symbol. However, many who cannot afford to purchase authentic designer merchandise may purchase a knock off, as long as no one else knows it may not be real (Barbieri, 2004). Some people are complacent with the idea that they will never be able to pay hundreds or even thousands of dollars for certain brands; whereas others find ways around the expense of the goods and purchase these designer labels illegally.

Counterfeit merchandise has been an issue for designers for years. If something gets hot, and expensive, cheaper copycat versions are likely to follow

(Barbieri, 2004).   This allows mainstream America to purchase replicas of their favorite items for a small fraction of the retail price. Luxury apparel companies argue that the sale of illegal product has driven up the price for legitimate consumers. Counterfeit replicas are usually lower in quality than the originals and are likely to break, rip, or fade long before the original product does (Barbieri, 2004).

The downtown area of any major city that has street vendors is likely to be a hotspot for selling counterfeit goods. In Norfolk, Virginia, every year at Afr'Am Fest, buyers can find designer replicas. These replicas do not have the exact symbols that designers use, but they are very similar. Outside smaller cities such as Norfolk, a popular location one can purchase knockoffs is New York City. There has been an ongoing effort to stop counterfeiters for years.

This research study will examine buyers' attitudes toward purchasing counterfeit fashion merchandise. It will measure the attitudes of female college students of Old Dominion University in Norfolk, Virginia, who have purchased counterfeit fashion merchandise and why. It will survey undergraduate female students to see if there are factors that influence their purchase of these designer fashion goods.

STATEMENT OF THE PROBLEM

The problem of this study was to determine the relationship between Old Dominion University's female students who have purchased counterfeit fashion merchandise and the factors that influenced their decision to purchase or not to purchase counterfeit fashion merchandise.

RESEARCH GOALS

This study was completed to answer the following research objectives:

RQ1: Are there pressures to wear fashion merchandise?

RQ2: Does brand consciousness affect the desire to wear expensive designer merchandise?

RQ3: Are there income factors that motivate female students to buy counterfeit designer merchandise instead of paying full retail price?

RQ4: Are female students aware that selling and purchasing counterfeit fashion merchandise is illegal?

BACKGROUND AND SIGNIFICANCE

The trade and trafficking of counterfeit designer merchandise has been an ongoing problem for designers, government, and the economy for years. Counterfeiting is a multibillion-dollar industry, a global crime, and a serious threat (O'Donnell, 2009). Famous trademark owners, and in particular, luxury goods manufacturers, have done an incredible job of promoting their trademarked products and the quality associated to them. Consumers attribute such value to these goods that in certain instances, they will purchase a poorly assembled counterfeit version just to give the appearance of being able to afford the real thing (Slocum, 2010). This has become such a major problem that designers have had to seek law enforcement in order to keep up with the illegal trafficking of their brands. This has resulted in legislation and common law rulings that attempt to address the degree of urgency that trademark owners face. They are forced to protect their trademark rights, or they risk losing the valuable

investment costs accumulated through the development in the brand (Slocum, 2010).

This study is important in determining the impact of the problem that counterfeiting has become. Tired of watching their brands become synonymous with counterfeiting, manufacturers are stepping up their trademark enforcement (O'Donnell, 2009). Gucci is suing Woodforest National Bank in Texas for processing credit cards for counterfeiters. Tiffany is appealing a counterfeiting case it lost against eBay, which claimed it was the jeweler's, not the auction site's responsibility to weed out fakes. And LVMH, parent company of brands including Louis Vuitton and Fendi, is suing an Internet service provider, Akanoc Solutions, alleging it knowingly allowed online counterfeiting sales. Coach alone filed 100 lawsuits in 2008 (O'Donnell, 2009).

The significance of this study of Old Dominion University's undergraduate female students addresses how large this problem is, even with a select group of students. It provides reasoning behind student's desire to purchase these goods. After all, most commercials and advertisements are targeted at young women. For those who have participated in the selling or purchasing of counterfeit designer merchandise, it provides insight on problems they are engaging in which affect larger businesses and our economy. This study also allows for a clearer understanding of the social pressures on undergraduate college women to fit in and be accepted, while examining consumer attitudes toward the problem.

LIMITATIONS

The following were limitations to this research study:

1. The participants in this study were undergraduate female students of Old Dominion University majoring in fashion merchandising.
2. This study was conducted during the Summer 2011 semester at Old Dominion University when the least amount of undergraduate fashion classes are held.
3. The designers mentioned in this study were limited to Alexander McQueen, Louis Vuitton, Coach, Giorgio Armani, Chanel, Gucci, Fendi, Tiffany, Dolce and Gabbana, Marc Jacobs, Prada, and Versace.

ASSUMPTIONS

The following assumptions were made in this study:

1. Students participating in this study were familiar with one or more designers mentioned in the study.
2. Students participating in this study were aware of the production and selling of counterfeit designer goods.
3. Students participating in this study were more brand conscious than the general population.

PROCEDURES

This study was conducted using a confidential survey. The survey questions were developed and linked to the research objectives. The questions

inquired about students' consumer behavior and attitudes toward counterfeit fashion merchandise. The questions contained designers and their fashion lines. There were twelve designers named in the survey. There were additional questions based on the consumer's attitude toward counterfeit merchandise. The participant was asked to read the survey and answer each question carefully. Questions pertained to pressures to wear fashion merchandise, the effect of brand consciousness on consumer choices, income factors that affect purchase decisions, and the awareness that selling and purchasing counterfeit products are illegal. If the participant had purchased counterfeit fashion merchandise, then the participant was to provide an explanation of the motivating factors to purchase these goods based on options given. If the participant answered no, they were asked to answer why they did not make a purchase, based on the options given.

DEFINITION OF TERMS

The following definitions were important to the area the researcher was studying:

1. Afr'Am Fest- Produced by the Southeastern Virginia Arts Association (SEVAA), Afr'Am Festival is the organization's largest annual project. Afr'Am Fest is an African-American cultural festival held annually during Memorial Day weekend in Norfolk, Virginia.

2. Counterfeit Fashion Merchandise- Merchandise that is illegally replicated, manufactured, and sold for a profit without the original designer's consent.

3. Counterfeiting- The process of manufacturing and selling a product as an original in order to deceive someone that it is real (Wall & Large, 2010).

4. Fashion- Something, such as a garment, that is in the current popularity (Nellis, 2011).

5. Hotspot- a place of more than usual activity or interest.

6. Must Have Items- Items viewed as necessities that one cannot do without.

7. Snob Effect- Consumers who buy luxury branded products do so to position themselves in order to stay ahead of others in the fashion industry (Wall & Large, 2010).

OVERVIEW OF THE CHAPTERS

Chapter I introduced the significance of the pressures to wear the latest fashion trends. It gave insight into how celebrity figures in the media serve as role models and how they play a huge part in onlookers' desires to keep up with what they are wearing. It showed how much influence fashion has on the lives of people. Along with these problems came limitations which included the research study being based only on undergraduate female students majoring in fashion merchandising. The researcher's assumption was that the participants in this study were familiar with all the fashion designers mentioned in this study. Definitions were also listed to familiarize the reader with important terms related to the study. This study was essential to determine if illegal counterfeit product trafficking is still an issue, even amongst small cities.

In Chapter II, the researcher conducted a review of literature to gain knowledge of the background of counterfeiting and how it has escalated into a major problem for fashion designers all around the world. This chapter provided a clearer understanding of consumer's attitudes toward brand image and self perception. It also provides an understanding of why consumers purchase counterfeit fashion merchandise and how it has grown into the problem it is today.

In Chapter III, the researcher used the information gained from the review of literature to develop a survey that would determine attitudes of undergraduate female college students toward purchasing counterfeit fashion merchandise. This chapter provided further details regarding the methods used to conduct the research.

In Chapter IV, the findings from the data collected were reported. The survey data helped to answer the research goals. Chapter V includes a summary, conclusion, and recommendations, which were drawn from the research data. Conclusions were drawn about consumers who have purchased counterfeit fashion merchandise. Recommendations were made regarding the general findings from the study.

CHAPTER II

REVIEW OF LITERATURE

When looking at the relationship between consumer behavior and counterfeit fashion merchandise, it was important to review research on these topics. This review was performed to provide a deeper understanding of consumer's attitudes toward purchasing counterfeit fashion merchandise and how the purchase of these items has grown into the problem it currently is. Chapter II was divided into three sections where the following topics were discussed: 1) consumer behavior and self perception, 2) consumer attitude toward brand image, and 3) counterfeiting, the problem and prevention.

CONSUMER BEHAVIOR AND SELF PERCEPTION

For the purpose of this research, it is important to understand the relationship between designer fashion brands, consumer behavior, and self perception. Clothing is no longer used only to cover the body. Instead, fashion trends have taken on a life of their own and to some, what a person wears is a depiction of their very being. People use an individual's consumption behaviors to help them make judgments about that person's social identity (Solomon, & Rabolt, 2004).

Social status is of extremely high importance. What one wears can have an impact on the way others see them, as well as the way they see themselves. In the fashion industry, those who belong to higher social status groups tend to look down upon those who do not. This is known as the 'snob effect', where elite

consumers pride themselves on knowing what is and what is not authentic designer merchandise. The 'snob effect' applies to the purchase of authentic luxury products, bought at a high cost, to position the purchaser as part of a separate social elite and distanced from other social groupings (Wall & Large, 2010). In the 2006 movie, *The Devil Wears Prada*, the main character played by Meryl Streep was part of the social elite and proudly positioned herself above those who were not.

Why consumers choose certain fashion items can show how delicate brand identity is. Items are chosen for the personal expression of taste and style and represent how one wishes others to perceive them (Kendall, 2009). The use of consumption information to define the self is especially important when an identity is yet to be adequately formed. The symbolic self-completion theory suggests that people who have an incomplete self-definition tend to complete this identity by acquiring and displaying symbols associated with it (Solomon, & Rabolt, 2004). This theory is relevant to this research study because college aged women use clothing as a strategy for acquiring social status and as a way to identity amongst their peers. What they buy and wear is heavily influenced by the opinions and behaviors of the people around them. Counterfeiting can have an extreme effect on this group of young adults as it allows them to experience the ownership of a luxury fashion brand at a lower cost (Phau & Cheong, 2009).

It is important to see how consumer behavior is affected by counterfeiting. Counterfeiting is being driven by trends in the consumption of both authentic and counterfeit luxury goods.

Market research commissioned in 2005/06 by Davenport Lyons (Ledbury Research) and repeated the following year usefully outlines trends in the consumption of counterfeit luxury goods. Drawn from a survey of over 2,000 consumers and a series of focus groups, Ledbury estimated that over two-fifths of all consumers (43 per cent) annually buy some form of luxury goods. Their purchases typically constituted clothing (28 per cent), shoes (22 per cent), watches (12 per cent), jewelry (11 per cent) and leather goods (10 per cent). Their brand preferences were, in order: Yves Saint Laurent (11 per cent), Chanel (11 per cent), Burberry (6 per cent), Gucci (6 per cent), Dior (6 per cent), Prada (4 per cent), Tiffany (3 per cent), Bulgari (2 per cent), Louis Vuitton (2 per cent), Cartier (2 per cent) and Hermes (1 per cent). (Wall & Large, 2010, p. 1100)

In 2007, the Ledbury survey estimated that up to 3 million consumers may have bought a counterfeit item and the statistic went unchanged from the previous year. Ledbury also concluded that contrary to popular belief, counterfeit items are not mainly bought on visits to foreign countries, but that most counterfeit goods are consumed in the United Kingdom and brought to the United States after having been imported.

The result of the Ledbury survey indicated that while most consumers of counterfeits appear to deliberately seek out fakes, almost a third appear to have been deceived into buying counterfeit items they believed where real at the point

of purchase (Wall & Large, 2010). This leads to the realization that buyers who purchase counterfeits are spread across a wide spectrum of demographics, lifting the assumption that they are only low-income consumers.

CONSUMER ATTITUDE TOWARD BRAND IMAGE

The power of the fashion brand influences consumer attitude toward brand image and fashion brands, also known as consumer brands (Kendall, 2009). Fashion brands can exhibit characteristics intended to differentiate them from similar goods. They are intended as means of expression of personal taste or acknowledgement of prevailing style trends. Those responsible for developing and managing fashion brands seek to imbue tangible, but sometimes nondescript or even highly similar items, with emotion and feeling. They do so in order to elicit positive consumer responses (Kendall, 2009).

There are certain brand elements to different designer fashion brands that make them unique, must have items. These elements are specific to each brand and include visible aspects such as logos, emblems, particular brand names, terms, and phrases used in connection with them. They are the building blocks of brands because they establish brand identity and other characteristics (Kendall, 2009).

In December of 2009, New York Mayor Michael Bloomberg's Office of Special Enforcement worked with the police department to shut down the city's primary avenue to purchase counterfeit merchandise on Canal Street. Retailers and small business owners have found ways around not being able to sell their

goods, however. The quality of the merchandise is not the main concern for someone with intentions to purchase counterfeit goods. For example, buyers who continue to purchase counterfeit fashion accessories on Canal Street in New York will buy a regular, generic handbag with nothing on it. Once the purchase is made, the seller will discretely pin on a designer logo to the merchandise, instantly giving the illusion of a designer handbag. These logos make consumers feel like they are a part of a social status that they can be proud of and identify with.

Brand identity has transformed itself from simply what one can associate their values, to a source of entertainment. Consumers want to do more than just wear branded fashion items. They want to enjoy doing so and feel part of something larger and more exciting (Kendall, 2009). So, if one cannot afford designer merchandise, one may go for the next best thing in order to be socially accepted. Why pay expensive prices for authentic fashion merchandise, when one can achieve the same social status by opting to purchase counterfeit merchandise? It is illegal to sell counterfeit goods, but it is not illegal for consumers to buy them. Thus, consumers purchase cheap copies of designer merchandise on streets and in flea markets (Solomon, & Rabolt, 2004). Decisions to do so make it evident that the consumer attitude toward brand image is held at a high regard.

The professional discipline of marketing is concerned with defining and enhancing the power that fashion brands can have over consumers. Brand image encompasses feelings brands seek to evoke, as well as those feelings

actually brought to the minds of consumers when they encounter the brand. When the brand is worn, it has influence over the consumer and their actions. The more expensive a brand is, the higher regard one has when wearing it. Pricing also has a lot to do with brand imaging, as pricing is one way marketers and merchandisers establish exclusivity to a product (Kendall, 2009).

The more one learns about brand image, one can find that brands are somewhat like people. Brands have personalities that reflect how people feel about them as a result of what one thinks the brand is or does. These brand personalities are created by product advertising, packaging, branding, and other marketing strategies that focus on positioning a product a certain way (Solomon, & Rabolt, 2004).

COUNTERFEITING: THE PROBLEM AND PREVENTION

With low levels of perceived risk, the counterfeited goods industry has expanded considerably in recent years because of globalization and changes in consumer preferences (Wall & Large, 2010). More apparel products are available for consumers to purchase and manufacturers are now faced with more goods to sell than ever before. As a result, they seek ways by which consumers might identify their products. Because counterfeiting or copying successful products is so common, makers seek to saturate their products with characteristics that consumers can use to distinguish authentically produced goods from others (Kendall, 2009). One way companies achieve this is by building their brand image. In order to portray brand image, a brand should have psychological and

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functional attributes (Phau & Cheong, 2009) that allow its perception to be held in the consumer's memory.

The apparel manufacturing industry generates hundreds of billions of dollars annually (Tu, 2010) and if not for the production and selling of counterfeit goods, an even larger profit would be generated. There are a few different avenues for protecting a brand which include trademarks, copyrights, and patents. Of the three, trademarks are most used in fashion and most counterfeited. Counterfeiting is said to be a multibillion-dollar industry (Solomon, & Rabolt, 2004) and a real problem, as designers are continuously losing profit because of it. Counterfeiters are not concerned with the quality of their merchandise or reputation because repeat business is not the goal, so products are made as cheaply as possible. It has been estimated that more than 130,000 American jobs have been lost due to counterfeit merchandise (Solomon, & Rabolt, 2004).

At best, the protection extended to fashion designers under the United States law provides a spotty defense against counterfeit and knockoff designs (Tu, 2010) and counterfeiting seems to be an unstoppable crime. Given the lack of protection available under copyright law, many designers have turned to trademark law and secondary meaning in trademark as a means of circumventing the requirements of copyright law to receive some form of legal protection (Tu, 2010). The International AntiCounterfeiting Coalition (IACC) was formed in 1978 by Levi Strauss and fifteen other companies as a fight against counterfeiting. Currently, membership has grown to more than three hundred

corporations, and it is the largest multinational organization devoted solely to combating product counterfeiting and piracy. It offers several tips on how to avoid fakes. The consumer should pick a reputable retailer they can trust to purchase designer merchandise, avoid items with questionable, or lower than normal prices, look at the label closely to compare trademarks with ones that are real, check special tags and marks to see if other tags are sewn in or attached in certain ways, look over the merchandise carefully for cheap materials and poor construction, and check the packaging. Quality merchandise means quality packaging and there should be no smeared printing or uneven wrappings (Solomon, & Rabolt, 2004).

Not long after the International AntiCounterfeiting Coalition was formed, the Counterfeiting Act became law in 1984. For the very first time, trademark counterfeiting was criminalized. A person intentionally trafficking in goods and services that were known to be counterfeit could be sentenced to up to five years in prison and required to pay a fine of up to $250,000 for the first offense, and goods could be seized from store shelves (Solomon, & Rabolt, 2004). To find ways around being prosecuted and possibly jail time, retailers began to sell grey goods and knock offs. Today, fashion designs receive little protection under copyright laws because of the inherently utilitarian nature of clothing items (Tu, 2010).

Grey goods may be trademarked, but they are imported by companies who are not authorized to sell them. They are not imitations, like counterfeits, but they are sold in another country by someone other than the licensee. They are

purchased legally in the country of manufacture, and then brought to the United States for sale (Solomon, & Rabolt, 2004). Knockoffs, however, are less expensive copies of popular high fashions where the designer's work is copied, quickly manufactured, and sold to lower-end retailers, discounters, and mass merchandisers. They reinterpret high fashion with mass-productions in less expensive fabrications. For example, within a week after a runway debut, a $200 version of a $12,000 Versace dress can appear on the selling floor of any department store (Kendall, 2009). This is a major problem for designers because copyright arguably exists in fashion designs only to the extent that truly original texture is added to the basic design (Tu, 2010). As a result, the extension of protection to original fashion designs is extremely limited because of the generally useful nature of clothing and apparel (Tu, 2010).

In recent years, numerous legislative attempts have been made to either extend current protection or create special schemes to protect designs (Tu, 2010). Additionally, fashion designers have started taking their own approach at protecting the quality and exclusivity of their brands. One of the most popular designer fashion brands to be counterfeited or knocked off is Dolce and Gabbana. In 1997, the company decided to protect its lines against counterfeiting and introduced an anti-imitation system. The goal of the system was to hinder duplication of their products, safeguarding its clientele as well as the merchandise. This system of anti-imitation principally consists of the use of safety holograms together with a series of micro-texts that reproduce the trademark. So far, this system has proven to be very successful for the company,

which has substantially limited counterfeit goods in comparison to other luxury brands (Hancock, 2009). Although this system has proven to be successful, fashion designers still face the best odds of successfully protecting their designs when they have a well-established trademark such as an individual feature, symbol, name, or small group of features on a product (Tu, 2010). Because of this specific protection granted to trademarks, a fashion designer that incorporates a registered trademark into a fashion design may obtain indirect protection of the design itself from those who misappropriate the mark for use on counterfeit goods (Tu, 2010).

In conclusion, it is very important for fashion designers to put an end to the amount of counterfeiting that continues to take place. Consumers, whether or not they are aware, take place in counterfeiting every day and sellers of counterfeit goods know of the importance of brand image. Brand image is used to portray high social status which, in some cases, can be more important to consumers than knowing their merchandise may be counterfeit. A brand name is the most effective method of communicating the image and quality perceptions of a brand (Phau & Cheong, 2009).

SUMMARY

Chapter II explained the literature review on consumer behavior and their attitude toward brand image and its effect on self perception. The literature stated that consumers choose certain fashion items for their personal expression of taste and style, in representation of how they wish to be perceived. Self

perception and brand identity were explained, as well as why consumers purchase counterfeit merchandise. This chapter also gave insight as to what brought about the need for legal actions against counterfeiting, and what actions have been taken to prevent counterfeiting completely. Chapter III discusses the methods and procedures practiced by the researcher to obtain the needed data for the study.

CHAPTER III

METHODS AND PROCEDURES

The problem of this study was to determine the relationship between Old Dominion University's female students who have purchased counterfeit fashion merchandise and the factors that influenced their decision to purchase or not to purchase counterfeit fashion merchandise. This chapter covers the methods and procedures utilized in this research study. The following sections were included in this chapter: population, instrument design, methods of data collection, statistical analysis, and summary.

POPULATION

The population of this study were undergraduate female students attending Old Dominion University enrolled in the four fashion classes offered during the Summer 2011 semester. The classes included Buying, with 16 students, Workforce Supervision, with 27 students, Directed Work Experience, with 64 students, and Web Based Organization for Fashion, with 13 students. The students were participating in the chosen courses to fulfill program major requirements. There were 120 students enrolled in the four classes of the Fashion Merchandising degree program, therefore the population for this study was 120.

INSTRUMENT DESIGN

The instrument used to generate findings was a voluntary, confidential survey. The instrument was structured using closed formed questions pertaining

to students' consumer behavior and attitudes toward counterfeit fashion merchandise. The questions contained designers and their fashion lines. There were 12 fashion designers named in the survey. There were additional questions based on the consumer's attitude toward counterfeit merchandise. The participant was asked to read the survey and answer each question carefully. Questions pertained to pressures to wear fashion merchandise, the effect of brand consciousness on consumer choices, income factors that affect purchase decisions, and the awareness that selling and purchasing counterfeit products is illegal. If the participant had purchased counterfeit fashion merchandise, then the participant was asked to provide an explanation of the motivating factors to purchase counterfeit fashion merchandise based on options given. If the participant answered no, they were asked to answer why they did not make a purchase based on the options given. A copy of the survey is found in Appendix A.

METHODS OF DATA COLLECTION

Old Dominion University's undergraduate female students seeking fashion merchandising degrees were chosen to represent the female consumer population. The population provided a sampling of the female consumer population as the participants involved are consumer minded and fashion brand conscious.

The researcher provided each student with a voluntary survey attached to an email. The survey packet included a cover letter with instructions and a

survey. The students were instructed to read the cover letter and complete the survey. The participants also had the option of not participating in the study. Once the surveys were completed, the students saved a copy and the information was sent back to the researcher by reply email. Data would be kept confidential.

STATISTICAL ANALYSIS

After the collection of surveys, the data were tabulated and recorded. Number, percent, and mean were used to determine student's consumer behavior in relation to authentic versus counterfeit fashion merchandise.

SUMMARY

Chapter III explained the methods and procedures used to generate data to answer the research goals. The population of this study were students attending Old Dominion University, located in Norfolk, Virginia. The population consisted of undergraduate female students seeking fashion merchandising degrees. The instrument used to obtain findings was a closed-question survey. The survey contained questions pertaining to students' consumer behavior and attitudes toward counterfeit fashion merchandise. The questions contained designers and their fashion lines. There were 12 fashion designers named on the survey. There were additional questions based on consumer's attitude toward counterfeit merchandise. This chapter also included methods of data collection and survey distribution procedures. The surveys collected would be used to determine the findings on the problem. Number, percentage, and mean were

used to determine participant's consumer behavior in relation to purchasing counterfeit fashion merchandise.

Chapter IV reports the findings of the research. The findings will provide answers to whether students have purchased or have not purchased counterfeit fashion merchandise. It will provide an in depth look at why the participants did or did not make a purchase.

CHAPTER IV

FINDINGS

This chapter presents the findings on counterfeit fashion merchandise and their influence on consumer behavior. The problem of this study was to determine the relationship between Old Dominion University's female students who have purchased counterfeit fashion merchandise and the factors that influenced their decision to purchase or not to purchase counterfeit fashion merchandise. In this chapter the following sections of findings are presented: overview of responses, analysis of the data gathered, and a summary.

OVERVIEW OF RESPONSES

The participants in this study were undergraduate female students majoring in the Fashion Merchandising Program at Old Dominion University. Participants were selected from an email list of undergraduate fashion majors. A total of 120 surveys were distributed through email. Of the 120 surveys sent, 84 surveys were completed and returned to the researcher for an overall response rate of 70%. The 84 survey responses were used in the completion of this study. The overview of responses is presented in Table1.

Table 1

Overview of Responses

Students	Total Sent	Total Response	Percentage of Response
Undergraduate fashion students	120	84	70%

DATA ANALYSIS

The survey consisted of four questions about celebrity brands, brand consciousness, and their affect on consumer behavior. There were 12 designers named in the survey. There was an additional question based on the consumer's knowledge of counterfeiting.

Question 1: Have you ever purchased counterfeit Alexander McQueen, Louis Vuitton, Dolce and Gabbana, Coach, Giorgio Armani, Chanel, Gucci, Fendi, Tiffany, Marc Jacobs, Prada, or Versace merchandise? There was a 100% response rate to Question 1. Sixty-eight students or 80.95% responded that they had purchased counterfeit fashion merchandise of one of the brands listed in the survey. Sixteen students or 19.05% responded that they had never purchased counterfeit fashion merchandise. The mean score for Question 1 was 1.81, indicating that the average response to this question was yes, they had purchased counterfeit fashion merchandise of one of the brands listed in the survey. Of the 68 students who had purchased counterfeit fashion merchandise, eight or 11.76%, claimed that the determining factor of their purchase was based on their like of the brand name. Fourteen or 20.59% claimed they purchased the counterfeit merchandise because they were satisfied with the quality of the product. Forty-six or 67.65% claimed they were unable to afford the authentic version of the merchandise, and therefore they decided to purchase the counterfeit merchandise instead. Of the 16 students who had not purchased counterfeit fashion merchandise, four or 25.00% claimed they do not like designer merchandise, so they do not buy name brand items. Nine or 56.25%

claimed they do not like the quality of counterfeit fashion merchandise, so they do not buy it. Three or 18.75% claimed that they are able to afford authentic designer merchandise and do not need to buy counterfeit merchandise. Tables 2.1 and 2.2 present the survey data for Question 1.

Table 2.1

Question 1, Reason Consumers Purchased

Consumers who purchased	Purchase based on like of brand name	Percentage of purchase based on like of brand name	Purchase based on quality of the product	Percentage of purchase based on quality of the product	Purchase based on affordability	Percentage of purchase based on affordability
68	8	11.76%	14	20.59%	46	67.65%

Table 2.2

Question 1, Reason Consumers Did not Purchase

Consumers who did not purchase	Dislike of designer merchandise	Percentage of dislike of designer merchandise	Dislike of quality of counterfeit merchandise	Percentage of dislike of quality of counterfeit merchandise	Able to afford authentic merchandise	Percentage able to afford authentic merchandise
16	4	25%	9	56.25%	3	18.75%

Question 2: Do you feel pressured from society to wear fashion merchandise? There was a 100% response rate to Question 2. Out of 84 respondents, 73 or 86.90% claimed they do feel pressured by society to wear designer fashion merchandise. Eleven or 13.10% claimed they do not feel pressured from society to wear designer fashion merchandise. The mean score for Question 2 was 1.87, indicating that the average response to this question was yes, they do feel pressured by society to wear designer fashion merchandise. Table 3 presents survey data for Question 2.

Table 3

Question 2, Pressures to Wear Designer Fashion Merchandise

Number of consumers who feel pressured to wear designer fashion merchandise	Percentage of consumers who feel pressured to wear designer fashion merchandise	Number of consumers who do not feel pressured to wear designer fashion merchandise	Percentage of consumers who do not feel pressured to wear designer fashion merchandise
73	86.90%	11	13.10%

Question 3: Does brand consciousness affect your desire to wear designer fashion merchandise? There was a 100% response rate to Question 3. Out of 84 respondents, 62 or 73.81% claimed that brand consciousness had an effect on their desire to wear designer fashion merchandise. Twenty-two or 26.19% claimed that brand consciousness had no effect on their desire to wear designer fashion merchandise. The mean score for Question 3 was 1.74, indicating that the average response to this question was yes, the desire to wear designer fashion merchandise is effected by brand consciousness. Table 4 presents survey data for Question 3.

Table 4

Question 3, Desire to Wear Fashion Merchandise Effected by Brand Consciousness

Number of consumers who's desire to wear designer fashion merchandise is effected by brand consciousness	Percentage of consumers who's desire to wear designer fashion merchandise is effected by brand consciousness	Number of consumers who's desire to wear designer fashion merchandise is not effected by brand consciousness	Percentage of consumers who's desire to wear designer fashion merchandise is not effected by brand consciousness
62	73.81%	22	26.19%

Question 4: Are you aware that selling counterfeit fashion merchandise is illegal? There was a 100% response rate to Question 4. Seventy-one or 84.52% claimed that they were aware that selling counterfeit fashion merchandise is

illegal. The remaining 13 or 15.48% claimed that they were not aware that selling

counterfeit merchandise is illegal. The mean score for Question 4 was 1.85,

indicating that the average response to this question was yes, they were aware

that selling counterfeit fashion merchandise is illegal. Of the 71 respondents who

said they were aware, 39 or 54.93% said they would make the decision to

purchase anyway, while 32 or 45.07% said they would not. Of the 13

respondents who claimed they were not aware, two or 15.38% claimed they

would make the decision to purchase anyway. While the remaining 11 or 84.62%

said they would not purchase counterfeit merchandise now that they are aware it

is illegal. Tables 5.1 and 5.2 present the survey data represented in Question 4.

Table 5.1

Question 4, Consumers Aware that Counterfeiting Is Illegal

Number of consumers aware counterfeiting is illegal	Percentage of consumers aware counterfeiting is illegal	Number of consumers aware and would purchase anyway	Percentage of consumers aware and would purchase anyway	Number of consumers aware and would not purchase anyway	Percentage of consumers aware and would not purchase anyway
71	84.52%	39	54.93%	32	45.07%

Table 5.2

Question 4, Consumers Unaware that Counterfeiting Is Illegal

Number of consumers unaware counterfeiting is illegal	Percentage of consumers unaware counterfeiting is illegal	Number of consumers unaware but would purchase anyway	Percentage of consumers unaware but would purchase anyway	Number of consumers unaware but would not purchase anyway	Percentage of consumers unaware but would not purchase anyway
13	15.48%	2	15.38%	11	84.62%

SUMMARY

This chapter included the consumer behavior data collected from the confidential surveys. The surveys contained questions about consumers and their attitudes toward designer counterfeit merchandise. In this chapter, the results of the surveys were presented, reporting the frequency of responses to each question on a percentile basis. Responses were assigned numbers from one to two; the mean was then calculated and reported. The responses were interpreted to provide insight as to why the participants did or did not purchase counterfeit fashion merchandise, and if they would in the future. The findings will be used to determine the conclusions and recommendations in Chapter V.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The purpose of this chapter is to summarize what has been accomplished in this research. Conclusions will be derived to answer the research goals established for this study. Recommendations will be drawn from the findings.

SUMMARY

The problem of this study was to determine the relationship between Old Dominion University's female students who have purchased counterfeit fashion merchandise, and the factors that influenced their decision to purchase or not to purchase counterfeit fashion merchandise. To find the answer to this problem, research goals were established. They consisted of the following:

1. Are there pressures to wear designer fashion merchandise?

2. Does brand consciousness affect the desire to wear expensive designer fashion merchandise?

3. Are there income factors that motivate female students to buy counterfeit designer merchandise instead of paying full retail price?

4. Are female students aware that selling and purchasing counterfeit fashion merchandise is illegal?

A limitation to the research study was that the participants were students from Old Dominion University, located in Norfolk, Virginia. The population consisted of 120 undergraduate female students seeking Fashion Merchandising degrees.

CONCLUSIONS

Answering the research questions, the study revealed the following:

RQ1: Are there pressures to wear designer fashion merchandise?

Survey Question 2 addressed pressures consumers face when deciding to wear or not to wear designer fashion merchandise. Seventy-three respondents or 86.90% confirmed that they feel pressured when deciding to wear or not to wear designer fashion merchandise. The mean for Question 1 indicated that the average response was yes, there are societal pressures to wear designer fashion merchandise. What one wears is heavily influenced by the opinions and behaviors of the people around them and represents how they wish others to perceive them (Kendall, 2009).

RQ2: Does brand consciousness affect the desire to wear expensive designer fashion merchandise?

Survey Question 3 addressed consumer's desire to wear designer merchandise because of brand consciousness. Of the 84 respondents, 62 or 73.81% said brand consciousness has an effect on their desire to wear designer fashion merchandise. The mean for Question 3 indicated that the average response was yes, brand consciousness does affect the desire to wear designer fashion merchandise. Consumers respond positively to different elements that are specific to each brand. Designers purposely trademark their merchandise with brand elements and characteristics in order to provoke positive emotions and feelings from consumers (Kendall, 2009). These brand elements are the

building blocks of brands because they establish brand identity within consumers.

RQ3: Are there income factors that motivate female students to buy counterfeit designer merchandise instead of paying full retail price?

Survey Question 1 addressed income factors as a motivator to purchase counterfeit fashion merchandise. Of the 68 or 80.95% of respondents who had purchased counterfeit fashion merchandise, 46 or 67.65% said they did so because they were unable to afford the authentic version of the merchandise. Fourteen or 20.59% said they were satisfied with the quality and eight or 11.76% said they did so because of the like of the brand name. Of the 16 or 19.05% respondents who claimed not to have ever purchased counterfeit fashion merchandise, nine or 56.25% said they dislike the quality of counterfeit merchandise, four or 25% said they dislike designer merchandise, and three or 18.75% said they were able to afford authentic fashion merchandise and did not need to purchase counterfeit merchandise. The mean score for Question 1 was 1.81, indicating that the majority of respondents had purchased counterfeit merchandise. Results showed that income is an important factor in consumer's decisions to purchase counterfeit fashion merchandise. According to these findings, those who cannot afford authentic fashion merchandise are likely to purchase counterfeit fashion merchandise.

Counterfeiting has an extreme effect on young women as it allows them to own luxury fashion brands at lower costs. If one cannot afford to pay expensive

prices for authentic designer merchandise, they may buy counterfeit merchandise in order to be socially accepted (Phau & Cheong, 2009).

RQ4: Are female students aware that selling and purchasing counterfeit fashion merchandise is illegal?

Survey Question 4 addressed consumer knowledge on the illegal act of counterfeiting. The survey asked if students were aware that selling counterfeit fashion merchandise was illegal. Of 84 respondents, 71 or 84.52% said they knew it was illegal to sell and purchase counterfeit merchandise. Of those that were aware, 39 or 54.93% said they would purchase counterfeit items even though it was illegal. Thirty-two or 45.07% said they would not purchase counterfeit items. Of the remaining 13 or 15.48% of students who were not aware that counterfeiting was illegal, only two or 15.38% said they would purchase counterfeit items anyway. The remaining 11 or 84.62% said they would not purchase counterfeit items. The mean score for Question 4 was 1.85, indicating that the average response to this question was yes, the majority of students were aware that selling counterfeit merchandise was illegal. According to these findings, the consumers who were aware that selling counterfeit merchandise was illegal were likely to purchase and continue purchasing these items.

When it comes to counterfeit products, young women are among the first in consumer awareness (Slocum, 2010). In many cases, counterfeit merchandise is purchased knowingly—a trend known as non-deceptive counterfeiting where the consumer recognizes that the goods are not authentic through pricing,

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purchase location, and materials used. Those who knowingly purchase counterfeit goods are less likely to believe that their purchase will hurt the economy (Carpenter & Lear, 2011).

RECOMMENDATIONS

This study was undertaken to determine designer fashion merchandise's influence on consumer behavior. Since more students who were aware that counterfeiting was illegal would still purchase these items anyway, efforts should be made to inform these consumers that their counterfeit purchases will have a negative impact on the economy.

The researcher has developed recommendations for further study into designer fashion merchandise's influence on consumer behavior:

1. The participants for this study were selected through a convenient sample of 120 students by examining the female undergraduate fashion majors at Old Dominion University. The researcher recommends conducting the same research with a different female population. If all the participants were not fashion majors, then the outcome may be different because fashion majors tended to be more conscious about purchasing fashion items.

2. The researcher recommends surveying people from an age group older than the undergraduate population to determine their attitudes toward counterfeiting. If the participants were chosen from an older population

then the outcome may be different because they may not have the desire

to wear designer brands or purchase counterfeit merchandise.

3. The researcher recommends surveying males to determine if designer

    fashion merchandise has an influence on their consumer behavior as it did

    with females. The researcher could then determine if there was a

    difference in the response to counterfeit purchasing based on gender.

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APPENDICES

Appendix A- Cover Letter

Dear Consumer:

I am inviting you to participate in a research project of consumers to determine if they have purchased counterfeit fashion merchandise, and if so, why they are purchasing counterfeit products. This research will be used to determine motivating factors for consumers who have purchased counterfeit fashion merchandise. This research will also help determine if there are consumers who have not purchased counterfeit fashion merchandise, and if so, why they chose not to purchase counterfeit products. In this email I have attached a survey including different fashion brands, and motivating factors behind consumer choices. I am asking you to review the survey and, if you choose to do so, complete it and attach it to a reply email so that the surveys can be returned to me. You do have the option to not participate in the study and will you not be penalized if you choose not to participate. It should take you about five (5) minutes to complete.

There are no known risks for participating in this survey, and I guarantee that your responses will be kept confidential. I promise that I will respect your privacy.

The results of this project will be used for my graduate research paper. Through your participation I hope to understand the reasoning of consumer behavior in relation to counterfeit fashion merchandise and consumer choices. I hope you will take the time to complete this questionnaire and return it. Your participation is voluntary and the completion of this research cannot be executed without your willingness. To receive a summary of my study results, email me at jrobi052@odu.edu.

If you have any questions about the survey, or about being in this study, you may contact me at jrobi052@odu.edu. The Human Subjects Review Committee at Old Dominion University has approved this study. If you have any concerns about your rights as a participant in this study you may read about human subjects' participation at the Office of Research website at http://www.odu.edu/ao/research/.

Thank you for your time.

Sincerely,

Jessica J. Robinson
Graduate Student
Old Dominion University

Appendix B- Survey Document

Designer and Counterfeit Fashion Merchandise's Influence on Consumer's Choices

Purpose: The purpose of this survey is to determine if consumers have purchased counterfeit fashion merchandise and the reason behind their decision. The information in this survey will be kept confidential. I promise that I will respect your privacy.

Instructions: The following 4 questions contain 12 different fashion designers and motivating factors behind consumer choices. You are to read the survey and answer each question carefully. The questions pertain to your consumer behavior and attitudes toward counterfeit fashion merchandise. Additional questions pertain to pressures to wear fashion merchandise, the effect of brand consciousness on consumer choices, income factors that affect purchase your decisions, and the awareness that selling and purchasing counterfeit is illegal. If you answer yes, please provide why, based on either of the options given. If your answer is no, please provide why based on the options given.

1. Have you ever purchased counterfeit Alexander McQueen, Louis Vuitton, Dolce and Gabbana,

Coach, Giorgio Armani, Chanel, Gucci, Fendi, Tiffany, Marc Jacobs, Prada, or Versace merchandise?

YES

If yes, was the determining factor of your purchase based on your like of the brand name?

If yes, was the determining factor of your purchase based on the quality of the counterfeit product?

If yes, was the determining factor of your purchase based on your lack of affordability for the authentic version of the merchandise?

NO

If no, was this because you do not like designer merchandise, so you do not buy name brands?

If no, was this because you do not like the quality of counterfeit designer merchandise?

	If no, was this because you are able to afford authentic designer merchandise and do not need to buy counterfeit merchandise?

	If no, if given the opportunity, would you ever purchase counterfeit designer merchandise?

2. Do you feel pressured from society to wear designer fashion merchandise?

	YES

	NO

3. Does brand consciousness affect your desire to wear designer fashion merchandise?

	YES

	NO

4. Are you aware that selling counterfeit fashion merchandise is illegal?

	YES		If yes, would you make the decision to purchase anyway?

	NO		If no, now that you are aware, would you make the decision to purchase anyway?

THANK YOU FOR YOUR PARTICIPATION