

## Exploring the Consumers' Percept and Ethics of Counterfeit Products

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### Abstract

Counterfeits was hitchhiking and free use the reputation of authentic product, and that sell counterfeits products were less than the price of the authentic product. Most of consumers are aware that the counterfeit product affects the profits of authentic manufacturers. There are also certain degrees of awareness of the ethical considerations involved in buying counterfeit products. However, counterfeit products are still rampant, indicating that the market still has a certain degree of attraction to attract consumers to purchase.

This study explores the knowledge regard with counterfeit products and their ethics percept, and whether had a relationship between both. The study results presented the knowledge regard with counterfeit products and ethics percept had a significantly correlation. The recognition of counterfeit products by middle age groups are significantly different from others ages groups.

*Keyword: counterfeit products, ethics*

### Introduction

The rogue of counterfeit products, the main reason is the price much cheaper than authentic, more because of the difference in income by consumers. However, the purchase of personal ethical consumer behaviors of counterfeit goods has already severely hampered the innovation of manufacturers and the driving force for

the establishment of brands. This will cause economic losses in the country's society as a whole. Consumers who are willing to buy counterfeit goods are the main driver of counterfeiting. Therefore, the purpose of this research study is as follows:

1. To analyze whether different consumer age groups have difference cognition with counterfeit

distinguish awareness and ethics  
perceptive for counterfeit products?  
2. How is the correlation between  
consumer perceptions of counterfeit  
products and ethics issues?

### **Review Literature**

The definition of consumption ethics that provides consumers with a code of conduct, standard, practice, or principle of ethical behavior when they acquire, use, and dispose of products or services (Muncy and Vitell, 1992). Ferrel and Fraedrich (1991) were defining the business ethics as a guide to ethical principles and standards for business activities.

Hunt and Vitell (1986, 1992) indicated that culture affects how individuals perceive ethical issues, how to make choices, and how to interpret results. Many studies had pointed that the consumer ethical beliefs and behaviors are deeply influenced by the social or national cultural traits in which they are located (Bartels, 1967; Child, 1981; Rushton and Chrisjohn, 1981;

Allaire and Firsirotu, 1984; Bommer et al., 1987; Hunt and Vitell, 1986, 1992; Usunier, 1993).

2Most of the arguments on ethics issues in commercial activities focus on “sellers”. From the perspective of “consumer management” of customers, it is rare relatively to discuss the issue of ethics issues in business activities (Vitell, 2003). The study of Chan et al. (1998) proposed that the decline of consumer judgment standards, that may be the key factor leading to unreasonable consumer behavior. However, consumers are the main protagonists in the business exchange. If the ethics of consumers are not taken into consideration in the study of reasoning, the understanding of commercial ethics issues will not be complete (Al-Khatib et al., 1997).

According the different ages groups, study empirical present that there is no significant difference between the high age group and the low age group for the moral benefits of buying counterfeit products (Chang, Chen, and Lu, 2005).

Also there is no significant difference between the higher age group and the lower age group for the opportunistic gains of counterfeit products.

The results of many study show that a negative relationship with age and counterfeit goods of purchase intentions. That mains is due to the lower the age, the easier it is to buy counterfeit goods (Wee et al., 1995; Tom et al., 1998; Ang et al., 2001; Kwong et al., 2003).

### **Method and items design**

This study according the Chou (2017)'s study to explore the counterfeit items, to adopt the research items to discuss and analysis the relationship between the ethics issue and consumer respective the moral items. These items description as follow:

Knowledge regard with counterfeit products (K):

K1. I know that the produce or manufacture of brand name become the counterfeit goods is a tort.

K2. I know which brand names have counterfeit products.

K3. I can discern the difference between branded authentic and counterfeit products.

K4. I know that the sale of counterfeit products that will infringement the interests of branded authentic manufacturers.

Ethics items (E):

E1. In the supermarket, you drank a can of soft drinks did not checkout.

E2. In the supermarket, you drank a can of soft drinks did not checkout.

E3. When shopping, some people swap labels for high-priced items to lower ones.

E4. When you checkout, you find the clerk to find more change and you silent.

E5. The clerk misjudges your age, and you remain silent, did not correct him, and get product or service a more favorable price.

E6. You found that there was an extra unknowing amount in your account but did not take the initiative to ask about the source of the money.

E7. You deliberately use expired coupons to shopping.

E8. When buying a ticket, you will deliberately tell the age to get a discount.

E9. You will record the broadcast of the song, but will not go to buy this song album.

E10. After you usually shop, you use the item during the trial period, and then return it without purchasing it.

E11. You only willing to try the free computer game software, do have not intention to buy it.

E12. You only wants free to read book on the bookstore, but will not buy it

### **Analysis method**

This study will use the SPSS 12.0 software to in progress the data test. The analysis method is the ranking analysis, correlation analysis, ANOVA analysis, and Scheffe analysis.

### **Ranking analysis**

The ages are divide to five groups, there

are:  $\leq 25$ , 26-35, 36-45, 46-55, and  $>55$  groups. The mean scores analysis results, as shown in Table 1, point that cognition and to distinguish from the counterfeit that in related knowledge concept, the age group 36-45 percept the item “I know that the produce or manufacture of brand name become the counterfeit goods is a tort” is higher than others age groups.

The age group 26-35, they percept the items: “I know which brand names have counterfeit products”, “I can discern the difference between branded authentic and counterfeit products”, and “I know that the sale of counterfeit products that will infringement the interests of branded authentic manufacturers” are higher than others 4 groups. That implies the younger group although percept the knowledge related ethics issues, they also maybe purchase the counterfeit products.

Table 1 Means of different age groups and knowledge and ethics items

	Age group
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Items	$\leq 25$	26-35	36-45	46-55	$>55$
K1	4.32	4.48	4.55	4.20	4.20
K2	3.78	3.79	3.48	3.22	3.65
K3	3.16	3.21	2.76	3.02	2.90
K4	4.17	4.41	4.34	3.98	4.05
E1	4.10	4.17	4.34	3.95	3.65
E2	4.06	4.14	4.21	4.15	3.70
E3	4.00	4.31	4.10	4.07	3.80
E4	3.85	4.24	4.14	4.00	4.15
E5	3.54	3.72	3.83	3.83	3.85
E6	3.83	3.90	3.97	3.93	3.60
E7	3.79	3.93	3.86	3.90	3.60
E8	3.63	3.76	4.00	3.78	3.50
E9	3.39	3.28	3.62	3.56	3.20
E10	3.38	3.24	3.52	3.56	3.50
E11	2.90	2.66	2.93	3.07	3.55
E12	2.71	2.34	2.34	3.00	3.25

In the ethics issues, this study find that age 36-45 percept the items had higher than others groups, there are: “In the supermarket, you drank a can of soft drinks did not checkout”, “In the supermarket, you drank a can of soft drinks did not checkout”, “You found that there was an extra unknowing amount in your account but did not take the initiative to ask about the source of the money”, “When buying a ticket, you will deliberately tell the age to get a discount”, and “You will record the

broadcast of the song, but will not go to buy this song album”. The three items “When shopping, some people swap labels for high-priced items to lower ones”, “When you checkout, you find the clerk to find more change and you silent”, and “You deliberately use expired coupons to shopping” are the age 26-35 group cognitive the ethics issue scores higher than others groups.

The age 45-55 group percept the item “After you usually shop, you use the item during the trial period, and then

return it without purchasing it”, and the age >55 group percept the three items: “The clerk misjudges your age, and you remain silent, did not correct him, and get product or service a more favorable price”, You are only willing to try the free computer game software, do have not intention to buy it”, and “You only want free to read book on the bookstore, but will not buy it” the scores higher than others groups.

### **Correlation analysis**

In the Table 2, the knowledge items with the ethics items, the correlation analysis results present each two-two items had a significant and relevant relationship,

expect for items are present no difference: the relationship knowledge concept item K1 with K3, E11, and E12; the relationship K2 with E1, E9, and E11; the relationship K3 with K4, E2, E4, E5, E6, E7, E8, E9, E10; the relationship K4 with E9, E11, and E12. There are no significant relationships in ethics concept item: E1 with E11 and E12; E2 with E11 and E12; E3 with E11 and E12; E4 with E12; E6 with E12.

### **ANOVA analysis Scheffe analysis**

Further, this study used the Scheffe analysis method to test whether difference and significant perceptive between the different age groups with the knowledge items and ethics items.

**Table 2 The correlation analysis results**

Items	K1	K2	K3	K4	E1	E2	E3	E4	E5	E6	E7	E8	E9	E10	E11	E12
K1	1.00															
K2	0.38	1.00														
K3	0.08	0.40	1.00													
K4	0.55	0.23	0.08	1.00												
E1	0.26	0.09	(0.10)	0.30	1.00											
E2	0.26	0.14	(0.03)	0.27	0.61	1.00										
E3	0.26	0.09	(0.13)	0.23	0.57	0.72	1.00									
E4	0.27	0.11	(0.07)	0.22	0.47	0.54	0.58	1.00								
E5	0.15	0.10	0.03	0.18	0.35	0.43	0.48	0.63	1.00							
E6	0.13	0.12	(0.01)	0.22	0.46	0.51	0.54	0.57	0.54	1.00						
E7	0.24	0.16	0.03	0.31	0.41	0.50	0.53	0.52	0.53	0.57	1.00					

E8	0.24	0.16	0.05	0.29	0.42	0.47	0.48	0.56	0.56	0.54	0.69	1.00				
E9	0.11	0.08	0.07	0.07	0.16	0.18	0.22	0.37	0.39	0.32	0.40	0.43	1.00			
E10	0.13	0.13	0.00	0.13	0.19	0.26	0.28	0.29	0.27	0.26	0.30	0.35	0.30	1.00		
E11	(0.06)	0.07	0.13	(0.03)	0.01	0.01	0.04	0.13	0.25	0.21	0.16	0.17	0.38	0.45	1.00	
E12	(0.04)	0.09	0.19	(0.07)	(0.09)	(0.03)	(0.05)	0.06	0.20	0.08	0.10	0.12	0.31	0.28	0.64	1.00

The results shown in Table 3 that the age 46-55 group consumers perceive the K2 item, had a difference and significant with the  $\leq 25$  age group and 26-35 age group.

In addition, the age >55 group consumers had a difference and significant with the  $\leq 25$  age group, 26-35 age group, and 36-45 age group for percept the E11 item. And the age >55 group consumers also had a difference and significant with others four groups for their percept the E12 item.

Table 3 ANOVA and Scheffe test

Items	F test	P value	Scheffe test
K1	1.374	0.242	
K2	3.331**	0.011	(2>5) (3>5)
K3	1.316	0.263	
K4	1.522	0.195	
E1	1.563	0.183	
E2	0.875	0.479	
E3	0.847	0.496	
E4	1.962	0.099	
E5	1.650	0.161	
E6	0.470	0.758	
E7	0.435	0.783	
E8	1.101	0.356	
E9	0.828	0.508	
E10	0.501	0.735	
E11	2.365*	0.052	(6>3) (6>2) (6>4)
E12	3.907*	0.004	(6>3) (5>3) (5>4) (6>4) (6>2)

## Conclusion

Most of consumers almost percept to purchase the counterfeit products is belong with infringement. Also, their

very clear to understand and can to distinguish the counterfeit product, or purchase them will to erosion the profit of authentic company. However, these

attitude and cognitive to response to the ethics issue, present that the consumer if can free to do test, watch, flip through, use, etc, they consider these behaviors do not to violate ethics. Even, they agree to use and play the products then return during the warranty period.

Through the analysis results, shown that young people than older age group, they believe that things that do not violate ethics, such as ethics items in this study, so they consider they can do, due to do not violate ethics, especially those that related their own interests. Whether such results are related to culture, personal values, peer behavior, and family background, that is an issue that future can be explored.

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