

Consumer Behaviour
towards Counterfeit Product:
A Study on Urban Malaysian Consumers

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1996

Submitted to the Faculty of Business and
Accountancy
University of Malaya, in partial fulfillment of the
requirements for the Degree of Master of
Business Administration

February 2000

Perpustakaan Universiti Malaya



A510146844

ABSTRACT

Counterfeiting is the production of copies that are identically packaged, including trademarks and labelling, copied so as to seem to the consumer the article is genuine. Product counterfeiting has become a serious problem for a number of industries. United States companies alone lose approximately \$200 billion in sales annually as a result of counterfeiting. In Malaysia, very little study has been done on counterfeiting despite numerous studies claimed that the developing countries such as Asian countries were the paradise for counterfeiters.

The present study intends to examine counterfeiting from the demand side perspective, consumer behaviour related to counterfeit purchases will be the focus of this study. Specifically, it attempts to explore the attitude of consumers towards counterfeit products, product attribute importance and satisfaction of consumers with respect to counterfeit version of products and lastly individual traits in predicting a willingness to buy counterfeit products.

Data for the study was collected through self-administered questionnaire. The sample consisted of 290 postgraduate students from local universities or private colleges. The majority of the respondents were Chinese, followed by Malay and Indian respondents. They were mainly from the age group of 20 to 49 years. The proportion of male respondents was slightly higher than female respondents. Most of the respondents were single and were private sector employees. For those working respondents, majority had personal monthly income of between RM2000 to RM3999.

The study reveals that majority of the respondents has the experience of knowingly purchased the counterfeit products selected for this study, i.e., software / VCD / CD, leather products, wallet / purse / handbag, watch and clothing. They normally get their copies from shopping malls, stalls at roadside and night market. Besides that, close to 90 percent of them were with intention to purchase counterfeit products in the near future. On average, the respondent found to purchase around 5 times of counterfeit product in the past one year.

With respect to the analysis of intention to purchase counterfeit product in the near future, the findings indicates that there were significant differences across frequency groups as well as ethnic groups in determining if they intend to purchase counterfeit product in the near future.

In relation to attitudes towards counterfeiting, the findings indicate respondents tend to agree that counterfeit products hurt the companies that manufacture the legitimate products. With respect to the legality of counterfeiting, the respondents found to hold different judgment towards those who manufacture or sell counterfeit products as oppose to those who buy. They were more lenient to buyers than sellers or manufacturers. In terms of Anti-big business attitude, it seems that the respondents have less anti-big business

sentiment. For quality assessment dimension, the respondents think that the quality of counterfeit products are just average only. The results also illustrate that out of the 13 attitude statements, only 4 were found to have significant differences across frequency groups. With respect to the relationship with ethnic groups, only 4 were found to be significant.

In the study of attribute importance of counterfeit products, in general, the respondents were more concern on the pricing and functionality of the counterfeit product. ANOVA test revealed that 7 attributes were significantly different across frequency groups. On the other hand, all the attributes were found to have significant relationship with ethnic groups.

The analysis of consumer satisfaction with counterfeit products discerns that the respondents generally give higher satisfaction level to attributes such as price and purpose compared to the rest. The results show that only 3 attributes were to have significant association with frequency groups. In terms of comparison with ethnic groups, 6 attributes were found to be significant.

The analysis of individual traits discloses that there were not much differences in the perception of individual traits across frequency groups. In addition, it is interesting to realise that those who has the intention to purchase counterfeit products were more adventuresome and outgoing compared to those who don't.

The results of the study implies that a significant proportion of the population who had ever knowingly purchased the counterfeit products have the intention to continue the counterfeit purchases. In addition, it also discloses that the counterfeit products selected for this study are popular and widely available. Hence, more efforts are needed to curb the counterfeiting problems.

ACKNOWLEDGEMENTS

During the preparation of this report, many people have rendered me invaluable assistance. First of all, I would like to express my most sincere appreciation to my supervisor, Prof. Madya Dr. Md. Nor bin Othman for this assistance and guidance. Without his supervision, this study would not be successfully completed.

I would also like to thank all my friends and coursemates who have assisted me in the fieldwork. In particular, Miss Cheng Po Yee, Miss Jee Ai Lee, Miss Lim Vivi, Cik Nor Aizurawati Aminuddin and Mr Ng Kim Wah.

Last, but not least, I am grateful to my family, for their love, support and understanding through out my MBA course and the entire period of this study.

TABLE OF CONTENTS

ABSTRACT
ACKNOWLEDGEMENT
LIST OF TABLES
LIST OF FIGURES

<i>Chapter</i>		<i>Page</i>
1	INTRODUCTION	1
1.1	Overview on Counterfeiting in Malaysia	3
1.1.1	Laws and Regulations	3
1.1.2	Counterfeiting in Malaysia	4
1.1.3	Impact of Counterfeiting to the Foreign Direct Investment	7
1.2	Nature of the Study	8
1.3	Objective of the Study	9
1.4	Significance of the Study	9
1.5	Scope of the Study	10
1.5.1	The Products	10
1.5.2	The Subjects	10
1.6	Organisation of the Study	10
2	LITERATURE REVIEW	12
2.1	Type of Counterfeit Products' Buyers	12
2.2	Counterfeiting Strategies	13
2.2.1	Direct Counterfeiting Strategies	13
2.2.2	Indirect Counterfeiting Strategies	15
2.3	Aberrant Consumer Behaviour	16
2.4	Supply Side Dimension of Counterfeiting	18
2.5	Demand Side Dimension of Counterfeiting	19
2.5.1	Motivation to Purchase Counterfeit Products	19
2.5.2	Consumer Accomplices in Product Counterfeiting: Some Empirical Studies	22

3	RESEARCH METHODOLOGY	27
3.1	Type of Data	27
3.2	Questionnaire Design	27
3.3	Sampling Design	31
3.3.1	Sampling Size	31
3.3.2	Data Collection Techniques	31
3.3.3	Data Analysis Techniques	32
3.4	Limitation of the Study	32
4	RESEARCH RESULTS	
4.1	Description on the Demographic Characteristic of the Respondents	34
4.2	Experience of Respondents Related to Counterfeit Purchases	37
4.2.1	Type of Counterfeit Products	37
4.2.2	Place of Purchasing the Counterfeit Products	38
4.2.3	Frequency of Counterfeit Purchases	40
4.2.4	Intention to Purchase Counterfeit Products	41
4.2.5	Crosstabulation of Intention for Future Purchase	41
4.3	Attitudes towards Counterfeiting	43
4.4	Attribute Importance of Counterfeit Products	52
4.5	Evaluation on the Respondents' Satisfaction with Counterfeit Products	55
4.6	Self-image Rating of the Respondents	58
4.6.1	Mean Score of Self-image across Frequency Groups	58
4.6.2	Means Score of Self –image across Intention to Purchase in the Future	59
5	CONCLUSIONS AND RECOMMENDATIONS	62
5.1	Overview of the Study	62
5.2	Implications of the Study	65
5.3	Recommendations for Future Research	67

BIBLIOGRAPHY

APPENDICES

APPENDIX A: ESTIMATION OF PIRACY LOSSES AND PIRACY LEVEL OF APPROXIMATELY SIXTY COUNTRIES

APPENDIX B: QUESTIONNAIRE FOR CONSUMERS

LIST OF TABLES

<i>Table</i>		<i>Page</i>
1.1	Malaysia: Estimated Trade Loss Due to Piracy and Level of Piracy in 1998	5
1.2	Country Comparison on Intellectual Property Protection Level	7
4.1	Demographic Characteristics of the Respondents	35
4.2	Experience of Knowingly Purchased the Counterfeit Products	38
4.3	Place of Purchasing the Counterfeit Products	39
4.4	Frequency of Counterfeit Purchases in the Past One Year	40
4.5	Intention to Purchase Counterfeit Products	41
4.6	Intention for Future Purchase by Frequency Groups	42
4.7	Intention for Future Purchase by Ethnic Groups	43
4.8	Mean Score of Attitudes towards Counterfeiting by Frequency Groups	44
4.9	Mean Score of Attitudes towards Counterfeiting by Ethnic Groups	49
4.10	Mean Score of Attribute Importance by Frequency Groups	52
4.11	Mean Score of Attribute Importance by Ethnic Groups	54
4.12	Mean Score of Attribute Satisfaction by Frequency Groups	56
4.13	Mean Score of Attribute Satisfaction by Ethnic Groups	57
4.14	Mean Score of Self-image by Frequency Groups	59
4.15	Mean Score of Self-image by Intention to Purchase in the Future	60

LIST OF FIGURES

<i>Figure</i>		<i>Page</i>
1.1	Comparison on Overall Country Attractiveness	8
2.1	Direct Theft: Manufactured in Third Country, Sold in Counterfeiter's Market	14
2.2	Theft in Originator Company: Manufactured in Counterfeiter's Market, Sold in Originator's Market	14
2.3	Intermediate Theft: Manufactured in Counterfeiter's Market, Sold in Third Market	15
2.4	Intermediate Theft: Manufactured in Third Market, Sold in All market	16
2.5	The Communication of Self to Others Via Symbolic Products	20