

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.