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# A Study on Consumer Behaviour of Counterfeit Luxury Brands among Indian Consumers

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## 1. INTRODUCTION

**1.1Defining luxury brands:** Today, luxury is available not only to the elites and the rich but also to the masses. The meaning of luxury has changed a lot over the last few decades. Earlier, luxury was connected with smaller things like wines, cars, garments and watches. Now people have higher disposable income and they want to buy luxury brands to satisfy their personal needs and aspirations. Hence luxury can be associated more with emotional and experiential value (Kapferer & Bastien, 2008; Aaker, 2009; Yeoman &McMahon-Beattie, 2010; Siri Merethe Knag, 2012; Heine, 2012; Bhanot et al., 2014, 2015, 2016; Sunghyup Sean Hyun & Heesup Han, 2015; Supriti Agarwal &Sonia Singh, 2015; and Shan Chen & Lucio Lamberti, 2015; Mary M. Turner, 2016), rather than premium pricing. People also buy luxury products to display their status in society. Consumers want to derive pleasure and meet their aspirations and this leads them to buy luxury products. Israel (2003), Danziger (2005), Dijk (2009), Heine and Phan (2011) and Srivastava et al. (2014, 2015, 2016), Sunghyup Sean Hyun & Heesup Han (2015), Supriti Agarwal &Sonia Singh (2015), Shan Chen & Lucio Lamberti (2015), Mary M. Turner (2016), Beate Elizabeth Stiehler (2017) explain that people buy luxury brands to get admired by society and also get personal experience of pleasure and aesthetics. Luxury brands are those whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high. Hansen and Wänke (2011) and Siri Merethe Knag (2012) define luxury as something of excellent quality, which means that the ingredients or components of a luxury product are exceptional and superior to what is found in ordinary products. Heine &Phan (2011), Siri Merethe Knag (2012), Sunghyup Sean Hyun &Heesup Han (2015), Supriti Agarwal &Sonia Singh (2015) and Shan Chen & Lucio Lamberti (2015), Francisco J. Conejo (2016), Beate Elizabeth Stiehler (2017) explain that luxury products have the attributes of premium pricing, excellent quality, beauty and aesthetics, exclusivity and provide self-esteem and admiration from society. Dijk (2009), Danqing Yu (2014), Uzma Naz (2015), Samit Chakraborty(2016), Beate Elizabeth Stiehler (2017) explain that luxury goods are those whose consumption increases as income increases. This means that they have a high income elasticity of demand.

**1.2 Counterfeit products**: Counterfeits are fake replicas of any real product and these products are oftenproduced with the intention to take advantage of the superior value that the originalproduct possesses. These products have a trademark which is identical to, or verydifficult to differentiate from, a trademark registered to a different party, hence infringing on the rights that the owner of the trademark has. Counterfeits can befound for any product category, ranging from apparels to accessories and so on. It is observed that counterfeiting has become a very significant and importanteconomic phenomenon, and according to the researches that have been conductedearlier, it is observed that about one-third of customers would purchase the counterfeit goods intentionally (Phau *et al*., 2001). As it is considered that the demand that is existing is the key driver of any market, various researchers havesaid that the demand that customers are creating for counterfeit is one of themost important causes for the existence and rise in the growth of the existingcounterfeiting phenomenon (Ang *et al*., 2001).

With the growing market for counterfeits, it has gradually become very difficult to distinguish between the counterfeit and the original products available in the markets, and the new modern technology and machines used make it possible for the counterfeit goods to look exactly like the original ones. Studying the Indian market is extremely important due to the growing popularity of luxury branded goods. Counterfeits are a cheaper option and are quite accessible and easily available vis-à-vis the original luxury brands that are sold at premium outlets andare also priced at a premium. Along with this, the desire to be in tune with the fashion and the society also drives consumers to buy counterfeits. Since a lot of individuals are prestige-conscious, they believe in possessing branded items and therefore those who cannot pay the price of the original brand look forward to counterfeits of those luxury brands.



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Vol-22-Special-Issue-23-December-2019

Growth in the counterfeit market can be attributed to the increase in world trade and emerging markets. As a result of rapid technological progress, luxury goods are easier to forge, because technology is easily available; luxury brandsare vulnerable targets for counterfeiters because they are consumers' popular choices and incur very little research and development costs. They are also less expensive to manufacture. Luxury goods are even replicated to the smallest detail in colour, design and range as they come to the consumer at a fraction of the original price; therefore, they make a welcome alternative to the original luxury goods.

**1.3 Counterfeit luxury market in India**: Luxury counterfeits are growing at a breakneck speed of 40-45% and the luxury counterfeit market touched $1 billion-mark in 2018 as per FICCI-KPMG Report (2018-19). There are grades of these luxury counterfeit products and the best ones are called first copy. They are distinctly different from the so-called cheaper version of fakes that are easily available online or offline. The two most counterfeited brands are Rolex and Louis Vuitton. Some e-commerce sites sell counterfeits declaring them as authentic, at unbelievable discounts. The photographs used in all such cases are illegally taken from the official website of the luxury brand so as to create this myth of authenticity. There has been a surge in the growth of counterfeit market with the onset of e-commerce. While earlier these fakes were bought secretly in blind alleys, now they can be shopped from your mobile and delivered at home at your convenience.

They create an aspiration among the so-called 'have-nots' to own, rather possess these labels. Many consumers feel that it gives them a sense of entitlement. They assume that the people they are going to flaunt these labels to, also will not be able to figure out whether it is a fake or an authentic. Thus, the objective is to showcase, rather flaunt, to others, one's entitlement and purchasing power. This is the main reason for the rise of the counterfeit market.

Another view is that counterfeits give rise to democratisation of luxury. Even the 'have-nots' can now flaunt the labels of the 'haves', albeit the counterfeits, that the former only could aspire for earlier. Even luxury brands are exploiting this sentiment with their 'masstige' category.

It is also observed that the primary consumers of first-copy luxury goods are not the 'have-nots' but the 'haves'. This is a category which is a heavy consumer of luxury brands and prefers some first-copies on the side. They mix and match originals and first-copies, all for the eyes of the beholder, so that they don't have to repeat the brands they wear.

## 2. OBJECTIVES OF THE STUDY

This research will study factors that influence attitudes toward counterfeit luxury goods. This study will examine the effect of two types of factors i.e. factors that influence from outside and inside of consumer. The external factors are brand image, social influence, advertisements and country of origin. The internal factors are materialism, vanity, public self-consciousness, integrity and price consciousness.

The research will investigate the influence of these factors on the attitude toward buying counterfeit luxury brands and whether the purchase of counterfeit luxury brands varies for people of different age groups, gender, income, occupation and education.

## 3. LITERATURE REVIEW AND FORMULATION OF HYPOTHESES

**3.1 Defining Luxury:** Luxury is an abstract concept that means different things to different people across different cultures. Laurent (1994) and Dubois et al. (2001) explain that people look for different attributes in a luxury product. Horiuchi (1984), Dubois & Laurent (1994), Pantzalis (1995), Dubois & Paternault (1997), Wong & Ahuvia (1998), Truong (2010), Heine (2011), Siri Merethe Knag (2012) and Yookyung Hwang et al. (2014) have written about the high price of luxury brands as an important attribute. Pantzalis (1995), Dubois & Paternault (1997), Siri Merethe Knag (2012), Jean-Noel Kapferer et al. (2014), Yookyung Hwang et al. (2014) and Shan Chen & Lucio Lamberti (2015) have emphasised on exclusivity and uniqueness of luxury brands.

Now luxury goods are accessible to a larger section of society. Wong & Ahuvia (1998), Shukla (2010) and Srinivasan et al. (2014, 2015) explain that luxury can be defined in different ways and has become more complex. Vigneron & Johnson (1999) explain that luxury products are at the top of the category of prestige brands and have physical attributes like excellent quality and uniqueness and psychological attributes like



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Vol-22-Special-Issue-23-December-2019

providing self-identity, prestige and pleasure. Luxury can be perceived differently by people and this perception is dependent on the individual and social motivations of the luxury consumers(Vigneron & Johnson, 2004; George Heinemann, 2008; Anna Peshkova, 2013;Hanna Salakari, 2013; Srivastava et al., 2014, 2015; Sunghyup Sean Hyun &Heesup Han (2015), Supriti Agarwal &Sonia Singh (2015),Shan Chen & Lucio Lamberti, 2015).

Luxury products fulfil not only functional but also psychological needs (Dubois et al., 2001).Horiuchi (1984); Dubois & Laurent (1994); Dubois and Paternault (1997);O'Cass & Frost (2002); Vigneron & Johnson (2004); Truong (2010);Ana Margarida Forja de Macedo de Carvalho (2012); Siri Merethe Knag (2012); Raluca Ciornea (2014), Jean-Noel Kapferer et al. (2014), Shan Chen & Lucio Lamberti (2015), Supriti Agarwal &Sonia Singh (2015)and Yongjun Sung et al. (2015)have emphasised on the high quality of luxury brands. So luxury products have excellent quality, aesthetics, durability and reliability. Dubois (2004), Truong(2010), Heine (2011), Siri Merethe Knag (2012), Yookyung Hwang et al. (2014), Bhanot et al. (2014, 2015,2016), Supriti Agarwal &Sonia Singh (2015), Sunghyup Sean Hyun and Heesup Han (2015), Shan Chen & Lucio Lamberti (2015) explain that luxury products are high priced to show the excellent quality that they possess. From an experiential standpoint, Kapferer (2005), Srichan Sriviroj (2007), Truong (2010), Geerts & Veg-Sala (2011), Joshie Juggessur (2012), Stokburger-Sauer & Teichmann (2013) and Danqing Yu (2014) define luxury goods as those that provide sensory pleasure. Chaudhuri et al. (2011) define conspicuous consumption in the postmodern phase as deliberate behaviour of consuming visible products that are with scarce economic and cultural capital to communicate distinctive self-image to others. Han, Nunes, and X. Drèze (2011), Anna Peshkova (2013), Hanna Salakari(2013), Danqing Yu (2014), Yookyung Hwang et al. (2014), Supriti Agarwal &Sonia Singh (2015), Shan Chen & Lucio Lamberti (2015) and Yongjun Sung et al. (2015) found that people buy luxury goods and use them as status symbols to show their position in society. They buy luxury brands, not for their good quality or aesthetics, but to display their success and financial power.This display of wealth through purchase of luxury brands is called as conspicuous consumption.Shan Chen & Lucio Lamberti (2015) have tried to explore the perception of luxury from the perspectives of Chinese upper-class consumers. They found that Chinese upper-class luxury consumers hold different perceptions for luxury in several aspects: price premium is a prestige in contrast to general Chinese consumers' "value-consciousness"; exclusivity is more valued by the upper-class and experienced consumers; more attention of the upper-class consumers has shifted to individual values from social values; brand value is of high importance; and there exist differences among consumers in different regions.

**3.2 Counterfeit products**: Counterfeits are reproductions of a trademarked brand, which are closely similar or identical to genuine articles, including packaging, labelling and trademarks to intentionally pass off as the original product. It is stated that counterfeiting, piracy, imitation brand and a large 'gray' area (Lai and Zaichkowksy, 1999) are in essence the same, since they are reproduction of identical copies of authentic products. In literature, several definitions of counterfeits or counterfeited products are available.

Counterfeits are an important and significant element in international trade. Most of the times, the level to which counterfeiting is profitable requires the producer's skills to deceive its consumers regarding the quality and authenticity of the product it is selling. Yet numerous customers who buy counterfeits are very much aware that they are purchasing unethical products. In these instances, purchasers' ability to pay premia for duplicates suggests that they esteem the prestige connected with the replica of a famous brand. These premia repay shippers for bearing the danger of confiscation.

At the point when customers put a status symbol on name-brand stock, counterfeits serve to unbundle the quality and prestige characteristics of branded items. Thus, counterfeiting permits a few customers to appreciate the status of showing a prestigious brand without paying extensively for a top high brand. Yet these buyers force a negative externality on different people who buy original merchandise, the status of which is degraded due to counterfeiting. Furthermore, the presence of counterfeits modifies the supply of original high quality stock through oligopolistic trademark proprietors (Grossman and Shapiro, 1988).

Counterfeits allow consumers to unbundle the status and quality attributes of luxury goods by paying less to acquire the status while not having to pay for the quality (Grossman and Shapiro, 1988). Kay (1990) defined counterfeit products as the reproduced goods that are identical to the legitimate articles in packaging,



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Vol-22-Special-Issue-23-December-2019

trademarks, and labelling. Products which are low bargain brand labels are mostly considered to be cheap and inferior in contrast to the products that have high brand labels and are considered to be luxury. The individuals who are publicly self-conscious are more prone to accept products that are highly luxury and are considered respectable rather than bargain brand labels in order to enhance their public image (Bushman,1993).

Wee *et al*. (1995) defined counterfeiting as the production of copies that are identically packaged, including trademarks and labelling, copied so as to seem to a consumer as the genuine article. This means that the counterfeiters copied or imitated the products that have patents and trademarks without taking any permission from the manufacturers of the original products and selling them at lower prices than the original ones.

The desire of consumers to purchase counterfeit luxury brands depends on social motivation, i.e., to communicate and/or to fit in with their luxury brand preferences. Specifically, many authors demonstrate that both purchasers'inclinations for a counterfeit brand and the resulting negative change in their inclinations for the genuine brand are more prominent when their luxury brand attitude serves a social-adjustive as opposed to a value-expressive capacity.

Nia and Lynne (2000) investigated the observations and attitudes of original luxury brand owners towards counterfeit luxury products. They contemplated that individuals with a solid positive picture of originals have a tendency to see counterfeits as mediocre, though those with a more positive picture of counterfeits did not consider them to be second rate items. As indicated by them, numerous people do not believe that counterfeits diminish the interest for unique luxury brand name items.

Their study demonstrated that the quality, fulfilment and status of unique luxury brand name items are not diminished by the accessibility to counterfeits and unique luxury items expand brand value for unique luxury grade buyers. These results imply that despite the fact that numerous unique brand name producers trust that counterfeiters are reducing individuals' great confidence in their image name, numerous clients know about the key qualities and attributes of unique luxury brand names. The people who possess more originals additionally trust that luxury brand names give them individual fulfilment and some assistance for being appreciated, perceived and acknowledged by others. Maybe, the more original items the individuals possess, the more well-known they are with the traits and characteristics of such items.

Impact of counterfeit brands on purchasers' preference for genuine luxury brands relies on buyers' processing attitude. Processing at a nearby, solid level leads buyers to distinguish dissimilarities between the product and contrast the genuine brand with the counterfeited form. Subsequently, the vicinity of the counterfeit variant expands the want for the real form. Handling at a worldwide dynamic level leads shoppers to recognize similitudes between the items and absorb the honest and genuine brand with the counterfeit form. Accordingly, the vicinity of the counterfeit decreases the want for the genuine variant.

Ang *et al.* (2001) studied the effects of social influence, demographic factors and personality characteristics on counterfeiting buying behaviour and their results suggest that value consciousness has positive influence on attitude towards piracy, normative susceptibility, integrity and personal income has negative influence on attitude towards piracy and lastly, they found that males have more positive attitude towards piracy compared to females.

Similarly, Wilcox *et al*. (2009) defined counterfeits as 'genuine fakes' that are copies of original products which have high brand value in the market and are made to deceive consumers in the market. Phau and Teah (2009) analyzed the reasons behind the attitudes of consumers towards counterfeits of luxury brands and the outcomes of the attitudes in Chinese society by conducting a survey on 270 consumers. They analyzed the effect ofnormative and information susceptibility, collectivism, value consciousness, integrity and status consumption on the attitude and purchase intentions of consumers towards counterfeits of luxury brands. They proved that information and normative susceptibility have an effect on the attitude, but they showed that people who rely on expert opinion of others while purchasing products would be less tentative to buy counterfeits of luxury brands. Collectivism does not affect the mentality,though value consciousness and status consumption impact buying expectation.Value-conscious consumers would be more likely to buy counterfeits, while on the other hand, status consumption influences purchase intention negatively because,



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Vol-22-Special-Issue-23-December-2019

according to Phau and Teah's (2009) study, the consequences of being caught while consuming counterfeits would be humiliation and embarrassmentand these feelings would keep the Chinese consumers away from purchasing counterfeits of luxury brands. Also a consumer's moral beliefs about counterfeits influence their preference of counterfeits just when their luxury brand image attitudeserves a value-expressive function. The social functions served by consumers' attitude towards luxury brands can be impacted by thevarious components of the marketing mix (e.g., design of the product, promoting,etc.), due to which the marketers can lower the demand for the counterfeit brandsthrough certain actions of marketing mix (Wilcox *et al*., 2009).These studies exhibit that shoppers purchase a counterfeit brand when theirluxury brand state of mind serves a social-adjustive capacity (i.e., offer them someassistance in gaining endorsement in social settings) instead of a worth expressiveone (i.e., offer them some assistance in communicating their focal qualities andself-identities). Consumers' ethical convictions about counterfeit utilization influence their probability of expending on a counterfeit brand just when their luxury imagedispositions serve a worth expressive, rather than a social-adjustive capacity. Also exposure to a counterfeit has a stronger negative impact on shoppers'inclination for the genuine brand when their luxury brand attributes are more valueexpressive instead of social expressive.

Yoo and Lee (2009) considered the impact of three sets of variables: past conduct (past purchases of counterfeits and originals), mentality towards purchasing counterfeits (financial and hedonic advantages), and individual qualities (materialism, view of future economic wellbeing, and self-image) on the purchase aim of luxury brands and their counterfeits. Sample data of 324 Korean femaleconsumers affirmed that the variables were determinants of purchase goal ofcounterfeits and originals and that purchase aim of counterfeits was emphatically identified with purchase goal of originals, while purchase goal of original wasadversely identified with purchase expectation of counterfeits. The paper concluded that past purchases of counterfeits generally result in purchase expectation of counterfeits, while past purchases of originals result in purchase goal of original.

Second, shoppers see the brand name, label, and distinguishing designs (for example, logo and shading) as significant. Such hedonic needs esteem an item for its own particular purpose. When shoppers seek hedonic instead of utilitarian needs, they tend to effortlessly purchase counterfeits.It is apparent that purchaser's attitude towards counterfeit of luxury brandsassumes a vital part in influencing purchaser's purchase expectation. The social impact of the shoppers assumes a critical part in their goal towards purchasing counterfeits. Despite the fact that most Singaporean purchasers have a steadyincome, the cost and quality of the counterfeit luxury item versus the original is still a motivator for them to opt for the latter (Teah and Phau, 2008).These studies highlight three objectives connected with the purchase andutilization of counterfeit luxury products. To start with, customers view themselves as proficient experts both on originals and their counterfeits who optimize their resources to accomplish particular objectives. Second, adventure, desire, andenjoyment are normal among these customers. Third, customers who buy counterfeits anticipate that they will not be caught, accepting that others will notquestion the authenticity of the items they use. While depicting these objectives, the respondents communicated a deep comprehension of their association with amaterialistic culture and of the market powers influencing it, utilizing this higherorderlearning as a part of their quest for self-presentation.

Kim and Karpova (2010), in their study, identified the motivations influencing attitudes towards buying fashion counterfeits by using Theory of Planned Behaviour (TPB). Their results indicate that product appearance, past purchase behaviour and value consciousness affect the attitude toward purchasing fashion counterfeits positively. On the other hand, normative susceptibility has a negative effect on attitude.

The fulfilment of these objectives appears to add to the creation of a character that the shoppers of luxury brand counterfeits consider themselves as savvycustomers. Since the emotions associated with the idea of buying and then using counterfeits of luxury are exceptional and intense, these shoppers keep onobtaining counterfeits. As they repeat these encounters, they continue fulfilling their objectives, self-presenting to others, and reinforcing their personality (Turunen and Laaksonen, 2011).

Wilcox *et al*. (2009) in their study concluded that 'smart' consumers are more conscious of the signalling status of luxury brands and of the unsubstantiated markupof some luxury products to convey 'quality.' As such, the customers who are smartare more likely to prefer counterfeit brands than customers who are less



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Vol-22-Special-Issue-23-December-2019

intelligent to gain from the signalling, self-presentation criteria of counterfeit, while completelyavoiding the feeling that they are paying extra for quality which does not justify the premium price.

Price is likewise reflective of shopper's attitude towards the value of counterfeit items. Counterfeits of luxury brands benefit from the lower and more aggressive valuing technique. Buyers try to appreciate an option of a luxury marked item, yetare unwilling to foot the high tag price connected with it. What's more, it is seenthat the low money-related financial risk gives an additional advantage, as the cost is generally profitable. Consumers make up for the lower quality with a lowerprice tag. As long as the basic requirements are reached and the visibility andsymbolic value is met, the consumers will be satisfied (Teah and Phau, 2008).

Counterfeiters serve customers who aspire to own luxury goods but are unable or unwilling to pay for the real thing. Among those of limited means in the framework, poseurs rather than proletarians crave the status associated with prestigious brands. Furthermore, poseurs take their cues from the parvenus, who use signals that are easily decipherable, even to the uninitiated. This implies that the counterfeit market should consist primarily of the louder handbags the parvenus carry rather than the quieter handbags the patricianscarry. Although there is no reason that counterfeiters cannot copy the pricier, quieter handbags as cheaply or easily as others. The counterfeit goods tend to be copies of lower-priced, louder luxury goods because they are what poseurs demand (Han et al., 2010).

Poor consumers in developing countries are also more likely to use counterfeits as a status-signalling device. Research suggests that a discrepancy between socialstatus and self-esteem leads to heightened psychological discomfort and a need for self-enhancement to alleviate that psychological discomfort. In comparison to consuming authentic luxuries, counterfeit luxury consumption can be viewed as aneffective self-enhancement strategy via status signalling, but without the burdenof high financial costs. Thus, it is predicted that people experiencing a discrepancy between social status and implicit self-esteem will have more favourable attitudestowards counterfeit luxury products.

Consumers' attitude towards counterfeits of luxury brands assumes a critical part in impacting customer buying behaviour. Consumers are more affected by the view of counterfeits of luxury brands than by the moral and lawful contemplations.

'Integrity' and 'status consumption' are the most critical variables impacting dispositions and buying aim of buyers. It is noticed that purchasers hold more positive perspectives of counterfeits as far as quality, reliability and usefulness areconcerned than non-purchasers (Phau and Teah, 2009).

Social influence refers to the effect that others have on an individual consumer's behaviour (Ang *et al*., 2001). Two important types of consumer susceptibility to socialinfluences are information susceptibility and normative susceptibility. The assurance of opinion of others plays an important role as a point of reference, especially when consumers have little knowledge of the product category in question. If peers or reference groups were to have expert knowledge on the differences

between originals and counterfeits (such as in product quality), the negativeconsequences of being perceived to purchase counterfeits will therefore have aneffect on consumers' perception towards counterfeits of luxury brands. Therefore, consumers would have a negative attitude towards counterfeits of luxury brands.

On the other hand, normative susceptibility concerns purchase decisions that arebased on the expectations of what would impress others. As self-image plays ahuge role, purchasing counterfeits of luxury brands does not enhance or portray a good impression.

Christina S. Simmers et al. (2015) explain that China and the United States are presently the two largest purchasers of both genuine luxury goods and counterfeit products. The motivation for the purchase of counterfeit luxury goods is proposed to be different based on the collectivistic (China) or individualistic (United States) culture of the consumer. Findings support this hypothesis. While young Chinese consumers have higher expectations of the quality of counterfeit products than their American counterparts, they are less likely to purchase them. Chinese consumers use branded luxury goods as symbols to enhance their status, referred to as face consumption, and do not want to risk damaging their reputation with counterfeit product



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Vol-22-Special-Issue-23-December-2019

consumption. Whereas Americans are more willing to pretend their counterfeit product is a genuine luxury good brand.

Diksha Pasricha et al. (2018) in their study attempt to investigate the factors that influence the attitudes of consumers towards counterfeit luxury brands. The data was collected througha questionnaire administered on a randomly selected sample of 103 consumers, who buy counterfeit luxury brands in India. The influence of social and personalityfactors on purchase intentions and attitudes was examined.

Qaderi Ahmed Abdullah, Jianliang Yu (2019) in their paper test nine factors that impact on the attitudes of Yemeni students in China towards counterfeit luxurious fashion products. Data was collected using 300 questionnaires which were spread out during many different channels, via the internet and via direct distribution to students at universities. The study considered 9 factors namely brand image, social influence, Social media advertising, Television advertising, Country of origin, status consumption, novelty seeking, price-quality inference, integrity. The first seven factors have positive relations with supportive attitudes. The highest impact factor is the expression of Social media advertising; next is social influence factor and the last one is novelty seeking. On the other side, integrity and price-quality inference factors show a negative relation to these attitudes.

Yoo and Lee (2009), Diksha Pasricha et al. (2018) described materialism as one of the important factors that affect the purchasing of counterfeits. Materialists place "possessions and their acquisition at the centre of their lives" and view them "as essential to theirsatisfaction and wellbeing in life." From that perspective, both counterfeits andoriginals fit the purpose of consumers' external physical vanity because they providethe image of prestige through the display effect despite significant quality differences.

The only difference is that consumers of originals purchase originals for what luxury brands mean, whereas consumers of counterfeits, who need only verisimilitude, purchase just the prestige of the originals without paying for it. Nevertheless, both products provide identical appearances, satisfying the materialistic mind.

Materialism is the importance an individual attaches to the worldly possessions. Richins and Dawson (1992) identified three materialistic traits: acquisition centrality, acquisition as the pursuit of happiness, and possession-defined success. Acquisition centrality means that materialists view possessions and acquisitions as the core value of their lives. Acquisition as the pursuit of happiness means that materialists consider possessions or acquisitions as requisite to satisfaction and happiness.Possession-defined success refers to the tendency to judge people's achievements by their possessions. From these three traits, it can be said that counterfeits canbe an alternative to satisfying the materialistic needs of consumers, if counterfeits can be perceived as way of satisfaction (Bloch *et al*., 1993; Albers-Miller, 1999; and Kim and Karpova, 2010, Christina S. Simmers, 2015, Diksha Pasricha et al., 2018, Qaderi Ahmed Abdullah, Jianliang Yu, 2019). This leads us to the first hypothesis:

*H1: Materialism has a positive influence on consumer attitude towards counterfeit luxury brands.*

Vanity can be discussed to have certain aspects which are comparatively hidden, such as the use of personal care products because of physical vanity, and the splendid display of status objects, signifying a vanity with regard to social status and power. The study by Hung *et al*. (2011), Diksha Pasricha et al. (2018), Qaderi Ahmed Abdullah, Jianliang Yu (2019) shows that vanity has an influence on the purchase intention of luxury brands. In this research, vanity is defined as "having an excessive concern and/or a positive (and perhaps inflated) view of one's physical appearance/personal achievements," including more concern for self-advancement, physical appearance and status. By studying the relationship between individuals who are prone to vanity and their spending on high-prestige products, theyconcluded these consumers will keep wanting and consuming new products, including fashioning to satisfy their appetite and self-esteem. This leads us to the second hypothesis:

*H2: Physical appearance (vanity) has a positive influence on the attitude towardscounterfeits of luxury brands.*



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Vol-22-Special-Issue-23-December-2019

An individual self has different aspects that become the centre of attraction.People who are self-aware focus on the personal aspects of self like thoughts, feelings and attitude, while others focus on the part of the individual self thatother people can see and evaluate. Publicly self-conscious people are alwaysconcerned about what impression they make on the other people around them.Public self-consciousness is an awareness of the self as it is viewed by others.This kind of self-consciousness can result in self-monitoring and social anxiety.Both private and public self-consciousness are viewed as personality traits thatare relatively stable over time, but they are not correlated. Individuals who have arather vague and uncertain self-concept tend to possess low self-esteem. Thisrenders them less certain that they will be able to meet what they believe are others' standards for worthiness and are more susceptible to the effects of outsideinfluences on their self-concept (Campbell *et al.*, 1991, Christina S. Simmers, 2015, Diksha Pasricha et al., 2018, Qaderi Ahmed Abdullah, Jianliang Yu, 2019). Consumers who are buying branded products may be described as self-conscious and especially concerned about the impressions that they make on others. This leads us to the third hypothesis:

*H3: Public self-consciousness has a positive effect on attitude towards counterfeits of luxury brands.*

Integrity represents the level of consumers' ethical standards and obedienceto the law (Wang *et al*., 2014). The level of integrity a consumer possesses defines the way he/she feels about counterfeiting. If integrity is important to a consumer, most probably he/she will develop a negative attitude towards counterfeit luxury brands. Consumers' behaviours are affected by their personal sense of justice andthe influence of values like integrity will affect their behaviours to be involved in an unethical activity (Phau and Teah, 2009, Christina S. Simmers, 2015, G. Prakash & D. Pathak, 2017, Diksha Pasricha et al., 2018). This leads us to the fourth hypothesis:

*H4: Integrity has a negative influence on consumer attitude towards counterfeitsof luxury brands.*

Price consciousness suggests that individuals always look for deals that arevalue for money and give importance to the price of the product while purchasingany product keeping in mind whether or not the product that they are purchasingis worth the value that they are paying for it. Price-conscious consumers make up for the lower quality with a lower price tag. As long as the basic requirements are reached and the visibility and symbolic value is met, the consumers will besatisfied.As counterfeits are the cheaper alternatives to the more expensive genuine products, there might not be a significant difference in perceived quality (Gentryet al., 2006). According to Tom et al. (1998), consumers are more inclined to purchase products with a fashion component attached. Consumers are willing to pay for thevisual attributes and functions without paying for the associate quality (Grossmanand Shapiro, 1988). Ultimately, the functional benefits are important whenpurchasing counterfeit products. However, it is also the desire to own the prestige and status symbol that are inherent in the trademarked brand (Cordell *et al*., 1996 and Chadha, 2007). More commonly, price also reflects consumers' attitude towardsthe value of counterfeit products. The general perception is that the low financial risks provide the added benefit for consumers to purchase counterfeit goods; as prices of counterfeits are relatively advantageous. In addition, because counterfeitsare often sold at a lower price, the expectation of quality would not be equivalentto that of the genuine articles. As long as the basic functional requirements aremet or the visibility and symbolic value is achieved, consumers will be satisfied (Eisend and Schuchert-Güler, 2006, Christina S. Simmers, 2015, G. Prakash & D. Pathak, 2017, Diksha Pasricha et al., 2018). This leads us to the fifth hypothesis:

*H5: Price consciousness has a positive effect on attitude towards counterfeits ofluxury brands.*

Brand image is "consumer's impression of the trademark" [D. A. Aaker, 1996]; in other means, it is the method that brand is in consumers mind. The ability to consume prestige brands is viewed as a signal of status and wealth. If the price is exorbitant by normal standards, it will further enhance the value of its perceived conspicuous value. (S. Shavitt and R. H. Fazio, 1991; Christina S. Simmers, 2015; Diksha Pasricha et al., 2018; Qaderi Ahmed Abdullah, Jianliang Yu, 2019). Thus, when a brand is more prestigious, consumers will be more likely to purchase it to reflect their status. Such consumers seek self-satisfaction, and will show this to those around him or her through visible evidence. The fact that consumers desire to possess brands that exude brand symbols to reflect their self-identity has numerous implications for their attitudes towards counterfeits of luxury brands. As consumers are more conscious of brand prestige, their



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

attitudes towards counterfeiting of luxury brands would be unfavourable. As such, the following hypothesis is proposed:

*H6: Brand image has a negative effect on attitudes towards counterfeits of luxury brands.*

Consumers oftentimes take the consulting from close groups before making their purchasing behaviour. Whereas reference categories have the ability in creating individual attitudes or behaviour toward products and its brand name (W. O. Bearden and M. J. Etzel, 1982; Christina S. Simmers, 2015, Diksha Pasricha et al., 2018, Qaderi Ahmed Abdullah, Jianliang Yu, 2019) . Social factors too effect on the purchasing behaviour of consumers (S. Hoon Ang at al. 2001). Consumer's option is impacted by others whether they admit on it or not, by another hand, consumers are interested in impressing or impacting others (S. Hoon Ang et al. 2001). Based on I. Phau et al. 2009, consumers have favourable attitudes to buy counterfeit products if their friends or relatives around them are bolstering it and vice versa. V. P. Nguyen and T. T. Tran, 2013 explain that there is a positive relation between social influence and the favourable attitudes toward counterfeiting fashion goods. Hence the following hypothesis is proposed:

*H7: Social influence has a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product.*

Advertisements are one of the best strategies for a lot of brand companies to encourage selling of their product. An advertisement has a psychological effect on buyers and the impact on the customers' purchase intentions (S. Shavitt and R. H. Fazio ,1991, A. A. Labroo and A. Y. Lee ,2006, P. Kotler and G. Armstrong, 2010). Qaderi Ahmed Abdullah, Jianliang Yu, 2019 in their study focus on studying the influence of advertisements on the consumer attitudes towards buying counterfeiting luxury fashion products. Hence the following hypothesis is proposed:

*H8: Advertisement has a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product.*

M.O.Ansah (2017), Diksha Pasricha et al. (2018), Qaderi Ahmed Abdullah, Jianliang Yu (2019) in their study posited a significant positive relationship between country of origin effect and attitude toward buy counterfeit products. The result showed a strong positive and significant relationship and therefore supported the theorized relationship. That result underscored the role of country of origin effect on the attitude towards a counterfeit purchase, thus Country of origin influence had become one of the impacts on consumers' attitude towards products. It makes it clear that when a consumer is cognitively thinking of quality related to a specific country, then a consumer is more likely to form an accepting attitude towards the purchase of that product.

*H9: Country of Origin has a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product.*

According to the Theory of Planned behaviour, the purchase behaviour is determined by the purchaseintention, which in turn is determined by attitude (Fishbein and Ajzen, 1977). Attitudetowards behaviour instead of towards the product is noted to be a better predictor. However, the theory also stated that theopportunities and resources such as theaccessibility to counterfeit products must be present before purchase behaviour can be performed. Without such circumstances, regardless of how favourableintentions are, it would be difficult to perform purchase. Unethical decision making such as purchasing of counterfeits is explained largely by the attitudes, regardlessof product class (Wee *et al*., 1995; Chang, 1998; and Ang *et al*., 2001,; Christina S. Simmers et al., 2015, Diksha Pasricha et al., 2018, Qaderi Ahmed Abdullah, Jianliang Yu, 2019) The more favourable the consumer attitude towards counterfeiting, the higher the chancesthat they will purchase counterfeit brands. Similarly, the more unfavourable the consumer attitudes towards counterfeiting, the less likely are the chances of purchase (Wee *et al*., 1995) It is therefore postulated that:

*H10: Attitude positively influences the purchase intention towards counterfeits of luxury brands*.



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

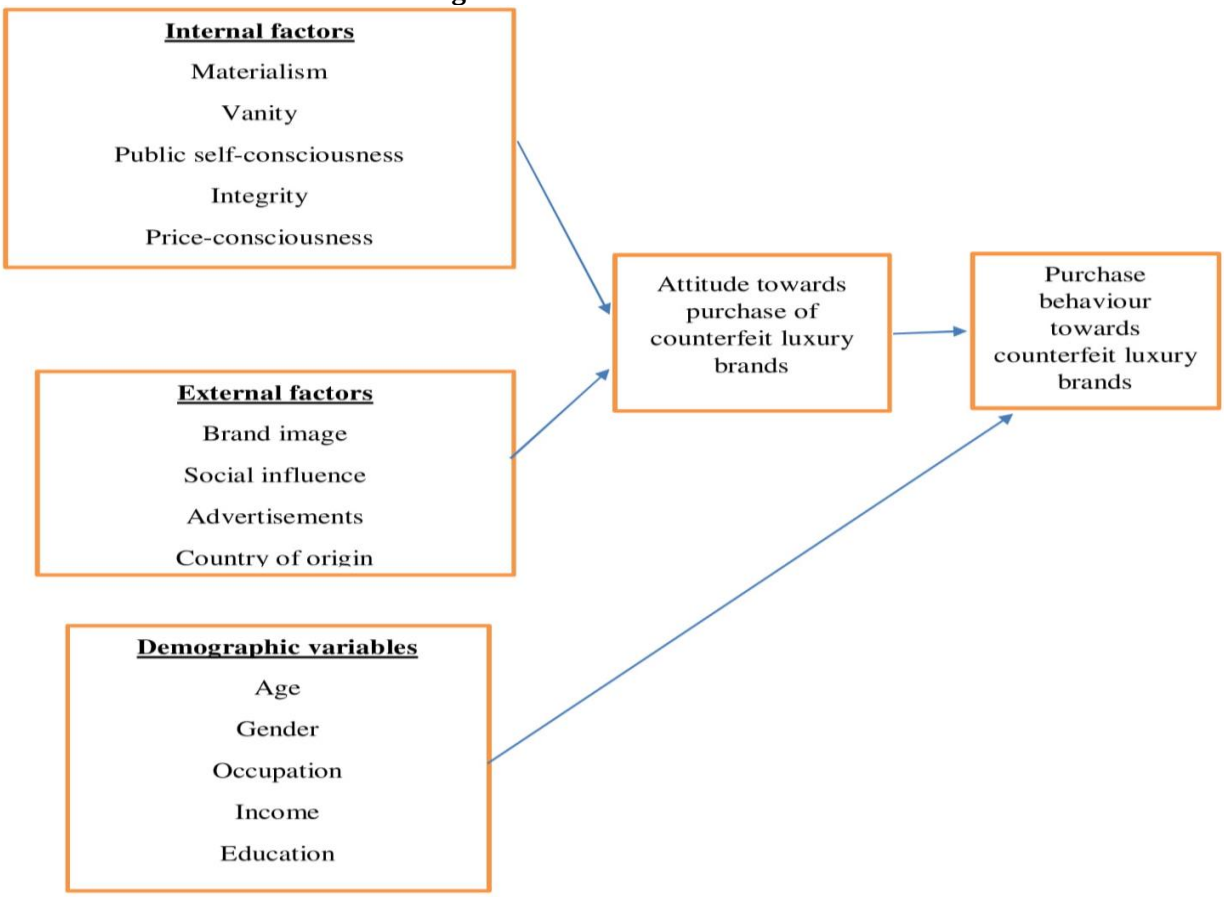
It is also intended to understand whether there is any significant difference in purchase behaviour of counterfeit luxury brands with respect to demographic variables like age, income, gender, occupation and education. The following hypothesis can be postulated:

*H11: There is a significant difference in purchase behaviour of counterfeit luxury brands with respect to demographic variables like age, income, gender, occupation and education.*

## 4. THEORETICAL FRAMEWORK

Based on the above literature review, the following theoretical framework can be proposed:

**Fig-1: Theoretical framework**




## 5. IDENTIFICATION OF VARIABLES

The **independent variables** are categorised into internal factors and external factors. The internal factors are materialism, vanity, public self-consciousness, integrity and price consciousness. The external factors are brand image, social influence, advertisements and country of origin. The **intervening variable** is the attitude towards purchase of counterfeit luxury brands and the **dependent variable** is purchase behaviour towards counterfeit luxury brands.

Demographic variables like age, gender, occupation income and education also influence the purchase behaviour towards counterfeit luxury brands.

## 6. METHODOLOGY

The current study is a conclusive study as it is designed to provide insights into the different factors that affect the Indian consumers' attitude towards counterfeits of luxury brands. The approach of the study is quantitative. A combination of both primary and secondary data has been used for this study. First, secondary data is obtained from past literature reviews and relevant articles. The primary data is obtained by using a structured questionnaire. A five-point Likert scale was used in the questionnaire where 1 indicates strongly disagree and 5 indicates strongly agree.

*Sample characteristics and data collection:*



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

The present research focuses on the purchase behaviour of consumers of counterfeit luxury goods; thus, the target population is individuals from the middle class and upper middle- class segment. In this case, judgement sampling and snowball sampling were used to get the list of 600 respondents which were stratified on the basis of income. 500 validated questionnaires were obtained.The *Kaiser-Meyer-Olkin measure of sampling adequacy* (KMO), with a value of 0.755, which is greater than 0.7 shows that the sample size was sufficiently large to conduct factor analyses, described in the results section of this study.

Data are collected using a structured questionnaire. All respondents completed the instrument in Mumbai and Navi Mumbai. The sample seems to well represent India's middle class and upper middle class educated urban people. Table 1 shows that males outnumbered the females. The sample was fairly young with 48% of respondents younger than the age of 40 years and 32% between the ages of 40 and 50 years. 38% people identified as business people while 36% identified as professionals. The remaining 24% respondents identified as students or homemakers or service people. 66% were at least college educated with 20% indicating that they had completed post-graduate work. The annual household incomes ranged from Rs. 10 lakhs to Rs. 50 lakhs. This is as per the standards set by the Asian Development Bank and the latest Mckinsey report (2018- 19). Tables1 to 5 show the demographic profile.

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**Tables 1-5**

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Kaiser-Meyer-Olkin measure of 0.755 higher than the minimum acceptable value of 0.5, shows that the sample size is large enough to factor analyse variables. Besides the significance value in the Bartlett's Test of Sphericity is 0.000 which is quite close to 0. Thus the sample size and the nature of the data are both suitable for factor analysis.

**Sample adequacy for Factor analysis**

| **Table for KMO and Bartlett's Test** | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .755 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 380.469 |
| | | |
| | Sig. | .000 |

Reliability of each of the scales was found using Cronbach alpha and was found to be more than the acceptable value of 0.7.

| Construct | Cronbach alpha |
|---|---|
| Materialism | 0.804 |
| Vanity | 0.707 |
| Public self-consciousness | 0.743 |
| Integrity | 0.723 |
| Price consciousness | 0.982 |
| Brand image | 0.708 |
| Social influence | 0.742 |
| Advertisements | 0.738 |
| Country of origin | 0.74 |
| Attitude towards purchase of counterfeit luxury brands | 0.748 |
| Purchase behaviour towards counterfeit luxury brands | 0.748 |

## 7. DATA ANALYSIS

It is divided into two parts: Descriptive analysis and inferential analysis. The descriptive statistics in the present study provided a profile of the total sample and a brief description of the data set. Inferential analysis deals with testing of hypotheses.

**Test of normality**: The normality of the data was tested using the Shapiro Wilk test. This is shown in Table 17.



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Vol-22-Special-Issue-23-December-2019

Table 17

The quantitative data analysis techniques used in this study are (1) Factor analysis (2) Regression

(3) Wilkoxon Mann-Whitney U test (4) Kruskal Wallis H test.

Factor analysis is first used to find out the important factors influencing the purchase behaviour of counterfeit luxury brands. This resulted in nine factors namely materialism, vanity, public self-consciousness, integrity, price consciousness, brand image, social influence, advertisements and country of origin. This is shown in Table 6.

Table 6

Then regression is used to find whether these nine factors had a significant influence on the attitude towards purchase of counterfeit luxury brands. Regression is also used to show the influence of attitude on purchase behaviour towards counterfeit luxury brands. This is shown in Tables 7-16

Tables 7-16

Wilkoxon Mann Whitney U test is used to see how the purchase behaviour towards counterfeit luxury brands is influenced by gender. Kruskal Wallis H test is used to see how the purchase behaviour towards counterfeit luxury brands is influenced by occupation, income, education and age. These non- parametric tests have been used because the data does not follow a normal distribution according to the Shapiro Wilk test. This is shown in Tables 18-22

Tables 18-22

**8. Results:** The study was intended to find the various factors which influence the purchase behaviour of counterfeit luxury brands.

Summary of testing of hypotheses are given in **Table 23.**

**Table 23**

(i) It is found that materialism, vanity and public self-consciousness have a positive influence on consumer attitude towards counterfeitluxury brands (H1, H2 and H3).

(ii) It is found that integrity and brand image have a negative influence on consumer attitude towards counterfeit luxury brands (H4 and H6).

(iii) It is found that price consciousness, social influence, advertisements and country of origin have a positive influence on consumer attitude towards counterfeit luxury brands (H5, H7, H8 and H9).

(iv) It is found that attitude positively influences the purchase intention towards counterfeits of

luxury brands (H10)



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Vol-22-Special-Issue-23-December-2019

(v) There is a significant difference in purchase behaviour of counterfeit luxury brands with respect to occupation and income (H11)

## 9. DISCUSSION

The main purpose of this study is to understand the important factors which influence the attitude towards purchase behaviour of counterfeit luxury brands. Also it is intended to find out whether there is any significant difference in purchase behaviour towards counterfeit luxury brands with respect to demographic variables like age, gender, occupation, income and education.

Use of factor analysis resulted in nine factors which influence the attitude towards counterfeit luxury brands. These are materialism, vanity, public self-consciousness, integrity, price consciousness, brand image, social influence, advertisements and country of origin. Regression also confirmed the influence of these factors on the attitude towards counterfeit luxury brands. People, who are materialistic, want to buy luxury brands as material possessions and hence show a positive attitude towards purchase of counterfeit luxury brands. People who are very much bothered about their physical appearance, are very self-conscious in public and who are very price conscious also show a positive attitude towards purchase of counterfeit luxury brands. People who have high integrity and are very concerned about buying highly reputed luxury brands show a negative attitude towards purchase of counterfeit luxury brands. People who are influenced by the elites of society, advertisements and who buy luxury brands from countries with high image, will buy counterfeit luxury brands to show that they are different from the masses and belong to the upper sections of society.

Regression also showed that attitude has a positive influence on purchase behaviour towards counterfeit luxury brands.

Wilkoxon Mann Whitney U test and Kruskal Wallis H test were used to test the hypothesis that demographic variables have a significant influence on purchase behaviour towards counterfeit luxury brands. It is found that there is a significant difference in purchase behaviour of counterfeit luxury brands with respect to occupation and income.

*This validates our model given in Fig. 1.*

## 10. CONCLUSION

The results of the study show that the Indian consumers pay a lot of importance to physical appearance (vanity) because of which they have a positive attitude towards counterfeits, and in order to always look presentable and possess all the items that would help them look presentable among others, they are willing to purchase counterfeit luxury brands. Indian consumers are extremely concerned with what luxury branded products they carry and use, and hence give a lot of importance to material aspects. This study has also examined the fact that materialism plays a

vital role in the attitude of Indian consumers towards their purchase of counterfeit products. People who are very self-conscious in public and who are very price conscious also show a positive attitude towards purchase of counterfeit luxury brands. People who have high integrity and are very concerned about buying highly reputed luxury brands show a negative attitude towards purchase of counterfeit luxury brands. People who are influenced by the elites of society, advertisements and who buy luxury brands from countries with high image, will buy counterfeit luxury brands to show that they are different from the masses and belong to the upper sections of society.

## 11. BENEFITS OF THE STUDY

Knowledge of all relevant aspects of consumer perceptions of luxury can be useful for managerial practice. According to perceived values in luxury brands, different sets of luxury products and different types of advertising strategies should be applied for people belonging to different demographics. Strategies should be used with focus on the more important values for each group. Even if consumers buy the same luxury goods, their perceptions about luxury values can differ, so the luxury market is heterogeneous and the role of product characteristics plays an important role. Thus, it is the marketer's duty to consider individual



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Vol-22-Special-Issue-23-December-2019

differences in evaluating luxury values and provide them products which satisfy their requirements. They should think of ways to prevent customers from buying counterfeit luxury brands.

## 12. MANAGERIAL IMPLICATIONS

The results of this research have practical implications for marketers working in the luxury industry. The results suggest that a focus on designing and managing optimal products together with exclusivity can create positive emotions. To effectively react to the needs, wants and values of purchasers is vital, especially in an increasingly competitive global marketplace. Positioning and segmentation decisions have to be made on a global level. Companies should inform consumers about the high quality materials and handcrafting of luxury products and emphasise a unique, quality product. Consumer education can transpire in the form of advertising that stresses quality and/or labels, packaging, and supplementary facts that offer comprehensive information on genuine luxury products. Managers of luxury goods should emphasise the positive, functional, social, aesthetic and emotional experience of owning and using a luxury product. Knowledge and understanding of these differences and similarities can help in designing suitable marketing campaigns. From a market positioning perspective, monitoring the evaluative criteria of consumers can help marketers to recognise and focus on the specific luxury dimensions, with special reference to demographic variables. Luxury brand companies can understand how people of different demographics respond to the different luxury value dimensions and how the luxury products can cater to the requirements of each group. If customers understand the real difference between true brands and fake brands, then they will not want to spend on counterfeit brands.

## 13. LIMITATIONS AND SCOPE FOR FURTHER RESEARCH

Firstly, a particular limitation of this study was that the respondents were all from urban areas and represented only one specific demographic group i.e. urban people of India. Thus, the results might vary if this study was repeated in different cities or regions of India. In terms of further research, therefore, researchers should consider expanding the study focus to different areas and different populations. Secondly, the study has limitations of time and experience available with the researcher. Thirdly, the sample size should be increased to get better results. This becomes the scope for further research.

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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019


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Vol-22-Special-Issue-23-December-2019


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**Table 1: Demographic profile based on gender**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Male | 280 | 56.0 | 56.0 | 56.0 |
| | Female | 220 | 44.0 | 44.0 | 100.0 |
| | Total | 500 | 100.0 | 100.0 | |

**Comment:** The percentage of men and women in the sample is as per the urban gender distribution in the recent population census.

**Table 2: Demographic profile based on occupation**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Students | 40 | 8.0 | 8.0 | 8.0 |
| | Professionals | 180 | 36.0 | 36.0 | 44.0 |
| | Service | 80 | 16.0 | 16.0 | 60.0 |



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

| | | | | | |
|---|---|---|---|---|---|
| | Business | 190 | 38.0 | 38.0 | 98.0 |
| | Homemakers | 10 | 2.0 | 2.0 | 100.0 |
| | Total | 500 | 100.0 | 100.0 | |

**Comment:** Majority of the respondents were either business people or professionals.

**Table 3: Demographic profile based on age**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | 20-30 years | 80 | 16.0 | 16.0 | 16.0 |
| | 30-40 years | 160 | 32.0 | 32.0 | 48.0 |
| | 40-50 years | 160 | 32.0 | 32.0 | 80.0 |
| | 50-60 years | 90 | 18.0 | 18.0 | 98.0 |
| | More than 60 years | 10 | 2.0 | 2.0 | 100.0 |
| | Total | 500 | 100.0 | 100.0 | |

**Comment:** Majority of the respondents (64%) were in the age group of 30-50 years.

**Table 4: Demographic profile based on annual household income**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Rs 10 lakh to 20 lakh | 100 | 20.0 | 20.0 | 20.0 |
| | Rs.20 lakh to 30 lakh | 190 | 38.0 | 38.0 | 58.0 |
| | Rs. 30 lakh to 40 lakh | 120 | 24.0 | 24.0 | 82.0 |
| | Rs. 40 lakh to 50 lakh | 90 | 18.0 | 18.0 | 100.0 |
| | Total | 500 | 100.0 | 100.0 | |

**Comment:** Majority of the respondents (62%) had an annual household income between Rs. 20 lakh and Rs. 40 lakh

**Table 5: Demographic profile based on Education**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Undergraduates | 100 | 20.0 | 20.0 | 20.0 |
| | Graduates | 230 | 46.0 | 46.0 | 66.0 |



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

| | | | | |
|---|---|---|---|---|
| Postgraduates | 100 | 20.0 | 20.0 | 86.0 |
| Others | 70 | 14.0 | 14.0 | 100.0 |
| Total | 500 | 100.0 | 100.0 | |

**Comment:** Majority of the respondents (66%) had completed graduation out of which 20% were post graduates.

**Table 6: Rotated component matrix obtained from factor analysis**

| **Rotated Component Matrix[a]** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Component | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| I will shop at more than one store for lower prices | **.934** | | | | | | | | |
| Money saved by finding low prices is worth the time and effort | **.973** | | | | | | | | |
| The time it takes to find lower prices is worth the effort | **.968** | | | | | | | | |
| I am willing to put extra effort to find lower prices | **.915** | | | | | | | | |
| I buy luxury brands to be a part of high society | | **.845** | | | | | | | |
| I buy those brands which are owned by elites of society | | **.735** | | | | | | | |
| I will buy those brands which have high brand image | | | **0.865** | | | | | | |



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| I will spend on reputed brands rather than fake products | | | 0.890 | | | | | | |
| I am responsible i.e. dependent and reliable | | | | | | | 0.812 | | |
| My possessions are very important to me | | | | | | 0.765 | | | |
| It is important that I always look good | | | | .774 | | | | | |
| Looking my best is worth the effort | | | | .743 | | | | | |
| Buying things gives me a lot of pleasure | | | | | | 0.987 | | | |
| I feel that if I buy luxury brands, I will be among the rich and famous | | 0.643 | | | | | | | |
| I dream of owning the brands shown in ads | | | | | .746 | | | | |
| When I see the ad for a luxury brand, I want to buy it | | | | | .715 | | | | |
| Seeing my favourite brand ad I want to buy it even if it is fake | | | | | .607 | | | | |
| I am self-controlled, restrained and self- | | | | | | | 0.879 | | |



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Vol-22-Special-Issue-23-December-2019

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| disciplined | | | | | | | | | |
| Brands with good image have better quality | | | 0.678 | | | | | | |
| I spend on luxury brands to be on par with elites of society | | 0.678 | | | | | | | |
| My life would be better if I owned certain things I do not have | | | | | | 0.768 | | | |
| I want to own a luxury product worn by celebrities in ads | | | | | 0.786 | | | | |
| I am honest, i.e. sincere and truthful | | | | | | | .842 | | |
| Countries which have good image have better quality products | | | | | | | | | 0.766 |
| I am polite, i.e. courteous and well mannered | | | | | | | 0.687 | | |
| Ad induces me to spend on my favourite brand | | | | | 0.658 | | | | |
| I am very concerned about my appearance | | | | | | | | .859 | |
| The way I look is extremely important to | | | | | | | | .703 | |



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| me | | | | | | | | | |
| I buy luxury brands from developed countries | | | | | | | | | **0.745** |
| Achievements in life include acquiring material possessions | | | | | | **0.934** | | | |
| Good brands give me more satisfaction | | | **0.654** | | | | | | |
| Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. | | | | | | | | | |
| a. Rotation converged in 16 iterations. | | | | | | | | | |

**Comment:** Nine factors are obtained namely materialism, vanity, public self-consciousness, price consciousness, integrity, brand image, advertisements, country of origin and social influence.

**Table 7: Regression of 'attitude to purchase counterfeit luxury brands' on 'Vanity'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | It is important that I always look good | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .386[a] | .149 | .131 | .525 |

a. Predictors: (Constant), It is important that I always look good



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Vol-22-Special-Issue-23-December-2019

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.763 | .557 | | 4.964 | .000 |
| | It is important that I always look good | .370 | .128 | .386 | 2.895 | .006 |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

**Comment:** Since the significance value is 0.006< 0.05, 'vanity' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 8: Regression of 'attitude to purchase counterfeit luxury brands' on 'Materialism'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | I put more emphasis on material things than most people I know[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1.475 | 1 | 1.475 | 5.041 | .029[b] |
| | Residual | 145.914 | 498 | .293 | | |
| | Total | 147.389 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), I put more emphasis on material things than most people I know

**Comment:** Since the significance value is 0.029< 0.05, 'materialism' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 9: Regression of 'attitude to purchase counterfeit luxury brands' on 'Public Self-consciousness'**



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Vol-22-Special-Issue-23-December-2019

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | I am self-conscious about the way I look[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1.845 | 1 | 1.845 | 6.477 | .014[b] |
| | Residual | 141.93 | 498 | .285 | | |
| | Total | 143.775 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), I am self-conscious about the way I look

**Comment:** Since the significance value is 0.014< 0.05, 'public self-consciousness' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 10: Regression of 'attitude to purchase counterfeit luxury brands' on 'Integrity'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | I am self-controlled, restrained and self-disciplined[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.



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Vol-22-Special-Issue-23-December-2019

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1.349 | 1 | 1.349 | 4.568 | .038[b] |
| | Residual | 146.91 | 498 | .295 | | |
| | Total | 148.259 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), I am self-controlled, restrained and self-disciplined

**Comment:** Since the significance value is 0.038< 0.05, 'integrity' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 11: Regression of 'attitude to purchase counterfeit luxury brands' on 'Price consciousness'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | I will shop at more than one store for lower prices[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1.360 | 1 | 1.360 | 4.609 | .037[b] |
| | Residual | 146.91 | 498 | .295 | | |
| | Total | 148.27 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), I will shop at more than one store for lower prices

**Comment:** Since the significance value is 0.037< 0.05, 'price consciousness' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 12: Regression of 'attitude to purchase counterfeit luxury brands' on 'Brand image'**

**Variables Entered/Removed[a]**



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Vol-22-Special-Issue-23-December-2019

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | I only buy reputed luxury brands[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1.449 | 1 | 1.449 | 4.941 | .031[b] |
| | Residual | 145.914 | 498 | .293 | | |
| | Total | 147.363 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), I only buy reputed luxury brands

**Comment:** Since the significance value is 0.031< 0.05, 'brand image' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 13**: **Regression of 'attitude to purchase counterfeit luxury brands' on 'Advertising'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | When I see the ad for aluxury brand, I want to buy it[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**ANOVA[a]**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | Regression | 3.523 | 1 | 3.523 | 14.094 | .000[b] |
| | Residual | 124.5 | 498 | .250 | | |
| | Total | 128.023 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), When I see the ad for aluxury brand, I want to buy it

**Comment:** Since the significance value is 0.00< 0.05, 'advertising' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 14: Regression of 'attitude to purchase counterfeit luxury brands' on 'Social influence'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | I buy those brands which are owned by elites of society[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1.922 | 1 | 1.922 | 6.785 | .012[b] |
| | Residual | 140.934 | 498 | .283 | | |
| | Total | 142.856 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), I buy those brands which are owned by elites of society

**Comment:** Since the significance value is 0.012< 0.05, 'social influence' has a significant effect on 'attitude to purchase counterfeit luxury brands'.



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Vol-22-Special-Issue-23-December-2019

**Table 15: Regression of 'attitude to purchase counterfeit luxury brands' on 'Country of origin'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | I buy brands from those countries which are pioneers of luxury[b] | . | Enter |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. All requested variables entered.

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1.247 | 1 | 1.247 | 4.195 | .046[b] |
| | Residual | 147.906 | 498 | .297 | | |
| | Total | 149.153 | 499 | | | |

a. Dependent Variable: Counterfeit products do not damage interests of luxury brand makers

b. Predictors: (Constant), I buy brands from those countries which are pioneers of luxury

**Comment:** Since the significance value is 0.046< 0.05, 'country of origin' has a significant effect on 'attitude to purchase counterfeit luxury brands'.

**Table 16: Regression of 'Purchase behaviour towards counterfeit luxury brands' on 'Attitude to purchase counterfeit luxury brands'**

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

| | | | |
|---|---|---|---|
| 1 | Counterfeit products do not damage interests of luxury brand makers[b] | . | Enter |

a. Dependent Variable: I will buy counterfeit luxury brands from peddlers

b. All requested variables entered.

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 4.001 | 1 | 4.001 | 7.188 | .010[b] |
| | Residual | 277.386 | 498 | .557 | | |
| | Total | 281.387 | 499 | | | |

a. Dependent Variable: I will buy counterfeit luxury brands from peddlers

b. Predictors: (Constant), Counterfeit products do not damage interests of luxury brand makers

**Comment:** Since the significance value is 0.010< 0.05, 'Attitude to purchase counterfeit luxury brands' has a significant effect on 'Purchase behaviour towards counterfeit luxury brands'

**Table 17: Tests of Normality**

| | Purchasing counterfeit brands is not unethical | Kolmogorov-Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|---|
| | | Statistic | df | Sig. | Statistic | df | Sig. |
| I will buy counterfeit luxury brands from peddlars | Neutral | 0.26 | 20 | . | | | |
| | Agree | 0.397 | 260 | 0.000 | 0.735 | 26 | 0.000 |
| | Strongly agree | 0.293 | 220 | 0.000 | 0.835 | 22 | 0.002 |

**Comment:** Since the significance value is 0.000< 0.05, the data does not follow a normal distribution.

**Table 18: Impact of gender on 'Purchase behaviour towards counterfeit luxury brands'**



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

**Hypothesis Test Summary**

| | Null Hypothesis | Test | Sig. | Decision |
|---|---|---|---|---|
| 1 | The distribution of I will buy counterfeit luxury brands from peddlars is the same across categories of gender. | Independent-Samples Mann-Whitney U Test | .773 | Retain the null hypothesis. |

Asymptotic significances are displayed. The significance level is .05

**Comment:** Since the significance value is 0.773> 0.05, there is no significant difference in purchase behaviour of counterfeit luxury brands with respect to gender.

**Table 19: Impact of occupation on 'Purchase behaviour towards counterfeit luxury brands'**

**Hypothesis Test Summary**

| | Null Hypothesis | Test | Sig. | Decision |
|---|---|---|---|---|
| 1 | The distribution of I will buy counterfeit luxury brands from peddlars is the same across categories of occupation. | Independent-Samples Kruskal-Wallis Test | .020 | Reject the null hypothesis. |

Asymptotic significances are displayed. The significance level is .05

**Comment:** Since the significance value is 0.020< 0.05, there is a significant difference in purchase behaviour of counterfeit luxury brands with respect to occupation.

**Table 20: Impact of age on 'Purchase behaviour towards counterfeit luxury brands'**



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Vol-22-Special-Issue-23-December-2019

**Hypothesis Test Summary**

| | Null Hypothesis | Test | Sig. | Decision |
|---|---|---|---|---|
| 1 | The distribution of I will buy counterfeit luxury brands from peddlars is the same across categories of age. | Independent-Samples Kruskal-Wallis Test | .207 | Retain the null hypothesis. |

Asymptotic significances are displayed. The significance level is .05

**Comment:** Since the significance value is 0.207> 0.05, there is no significant difference in purchase behaviour of counterfeit luxury brands with respect to age.

**Table 21: Impact of income on 'Purchase behaviour towards counterfeit luxury brands'**

**Hypothesis Test Summary**

| | Null Hypothesis | Test | Sig. | Decision |
|---|---|---|---|---|
| 1 | The distribution of I will buy counterfeit luxury brands from peddlars is the same across categories of annual household income. | Independent-Samples Kruskal-Wallis Test | .010 | Reject the null hypothesis. |

Asymptotic significances are displayed. The significance level is .05.

**Comment:** Since the significance value is 0.010< 0.05, there is a significant difference in purchase behaviour of counterfeit luxury brands with respect to income.

**Table 22: Impact of education on 'Purchase behaviour towards counterfeit luxury brands'**



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Vol-22-Special-Issue-23-December-2019

**Hypothesis Test Summary**

| | Null Hypothesis | Test | Sig. | Decision |
|---|---|---|---|---|
| 1 | The distribution of I will buy counterfeit luxury brands from peddlars is the same across categories of education. | Independent-Samples Kruskal-Wallis Test | .515 | Retain the null hypothesis. |

Asymptotic significances are displayed. The significance level is .05

**Comment:** Since the significance value is 0.515> 0.05, there is no significant difference in purchase behaviour of counterfeit luxury brands with respect to education.

**Table 23: Testing of hypotheses**

| Hypothesis | Test used | Significance value | Status of hypothesis | Comment |
|---|---|---|---|---|
| 1. H1: Materialism has a positive influence on consumer attitude towards counterfeit luxury brands. | Regression | 0.029< 0.05 | Accepted | Materialism has a positive influence on consumer attitude towards counterfeit luxury brands. |
| 2. H2: Physical appearance (vanity) has a positive influence on the attitude towards counterfeits of luxury brands | Regression | 0.006< 0.05 | Accepted | Physical appearance (vanity) has a positive influence on the attitude towards counterfeits of luxury brands |
| 3. H3: Public self-consciousness has a positive effect on attitude towards counterfeits of luxury brands. | Regression | 0.014< 0.05 | Accepted | Public self-consciousness has a positive effect on attitude towards counterfeits of luxury brands. |
| 4. H4: Integrity has a negative influence on consumer attitude towards counterfeits | Regression | 0.038< 0.05 | Accepted | Integrity has a negative influence on consumer attitude towards counterfeits |



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ISSN:0971-1260

Vol-22-Special-Issue-23-December-2019

| | | | | |
|---|---|---|---|---|
| of luxury brands. | | | | of luxury brands. |
| 5. H5: Price consciousness has a positive effect on attitude towards counterfeits of luxury brands. | Regression | 0.037< 0.05 | Accepted | Price consciousness has a positive effect on attitude towards counterfeits of luxury brands. |
| 6. H6: Brand image has a negative effect on attitudes towards counterfeits of luxury brands. | Regression | 0.031< 0.05 | Accepted | Brand image has a negative effect on attitudes towards counterfeits of luxury brands. |
| 7. H7: Social influence has a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product. | Regression | 0.012< 0.05 | Accepted | Social influence has a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product. |
| 8. H8: Advertisements have a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product. | Regression | 0.000< 0.05 | Accepted | Advertisements have a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product. |
| 9. H9: Country of Origin has a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion | Regression | 0.046< 0.05 | Accepted | Country of Origin has a positive significant influence on favourable attitudes toward counterfeiting luxurious fashion product. |



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Vol-22-Special-Issue-23-December-2019

| | | | | |
|---|---|---|---|---|
| product. | | | | |
| 10. H10: Attitude positively influences the purchase intention towards counterfeits of luxury brands. | Regression | 0.010< 0.05 | Accepted | Attitude positively influences the purchase intention towards counterfeits of luxury brands. |
| 11. H11: There is a significant difference in purchase behaviour of counterfeit luxury brands with respect to demographic variables like age, income, gender, occupation and education. | Wilkoxon Mann Whitney U test and Kruskal Wallis H test | 0.020< 0.05 for occupation<br>0.010<0.05 for annual household income<br>0.773> 0.05 for gender<br>0.515> 0.05 for education<br>0.207>0.05 for age | Accepted for occupation and income and rejected for gender, education and age group. | There is a significant difference in purchase behaviour of counterfeit luxury brands with respect to occupation and income. |



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