

Testing and incorporating additional determinants of ethics in counterfeiting luxury research according to the theory of planned behavior

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Counterfeiting is a worldwide issue. In order to resolve the counterfeiting problem, a new holistic model is developed containing 17 constructs. This empirically tested model is grounded on Theory of Reasoned Action and Theory of Planned Behaviour. The valid sample size for the study is 907 with a response rate of 95%. After preliminary analysis, the model is developed and tested in two stages. Initially, of each construct, CFA is tested followed by testing of the overall model. The model (H1) developed and empirically tested, adequately explains consumer attitude and behaviour. Attitude (H5) is the strongest predictor of purchase intention. Additionally, moral orientation (H4) is the strongest predictor of attitude, followed by personal orientation (H3) and social orientation (H2). In the case of sub-factors of social orientation, individualism (H2D) is the strongest predictor of attitude followed by informative (H2B) and collectivism (H2C). Normative (H2D) is not tested and dropped while fitting into the model. On the other hand, in the case of personal orientation, perceived risk (H3C) has no effect on attitude. Whereas personal gratification (H3E) has the strongest effect on attitude followed by materialism (H3D), status consumption (H3A) and value consciousness (H3B). Similarly, In the case of moral orientation (H4B) only Relativism is validated. The other three hypotheses on idealism (H4A) religiosity (H4C) and ethics (H4D) though having significant effects are rejected as all of these effects are positive as compared to what is hypothesised. It is also found that effect of attitude towards purchase is universal and does not vary from one product category to other. However, the rest of subfactors effects differ from one culture to other and from one product to another.

Key words: Theory of Reasoned Action (TRA), Theory of Planned Behavior (TPB), social orientation, moral orientation and personal orientation

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Highlights:

- Developing of counterfeiting holistic model on grounded of Theory of Reasoned Action and Theory of Planned Behaviour.
- By integrating the results of earlier works, this study has provided comprehensive and explanatory model with 19 antecedents of attitude towards counterfeiting.
- Study has establish the correlation between moral, social and personal factors with the attitude of counterfeit luxury products for the purpose of enriched understanding the purchase intentions of the consumers.

Counterfeiting is a problematic issue across the world, and it is one of the major contributors to social, economic and political problems (Amaral & Loken, 2016; Ang, Cheng, Lim, & Tambyah; Phau & Teah, 2009). The current size of counterfeiting is about \$750 billion worldwide, which is approximately 7% of the total world trade. Despite of all the fiscal measures, counterfeiting is increasing at a rapid pace (Cesareo, 2016b; d'Astous & Gargouri, 2001). Counterfeit products are available in all product categories, but the share of luxury items, textile, fashion-ware, jewellery, and perfumes is around 62% (Cesareo, 2016b).

Earlier studies have mostly focused on supply aspects and have neither explored demand nor psychological issues adequately to understand customer's attitudes towards counterfeiting. Some studies on attitude in the domain of counterfeit products are based on self-expressive function, also found consumers purchase counterfeit goods with the aim of enhancing their status and personality (Cesareo, 2016a; Oh, Wang, & Kim, 2016). Customers before making purchase decisions tend to evaluate value proposition, advertising process and rely on their mental and psychological maturity (Martinez & Jaeger, 2016; Sonmez, Yang, & Fryxell, 2013). The study of psychological factors is inclusive of novelty seeking, avoiding risk, personal gratification, and integrity. Earlier studies have measured the effects of these psychological factors on consumer attitudes (Cesareo, 2016a; Flynn, Goldsmith, & Pollitte, 2016; Michaelidou & Christodoulides, 2011). Another important factor which positively impacts attitudes and intention towards counterfeiting is personal gratification (Rishi & Mehra, 2017). Consumers who are status conscious and materialistic tend to satisfy some of their psychological needs through possessions and exhibition of luxury goods (Cesareo, 2016a; Flynn et al., 2016; Michaelidou & Christodoulides, 2011; Sharma & Chan, 2016).

Studies have also explored the role of motivation, culture, and social aspects to comprehend why consumers purchase counterfeit goods (Cesareo, 2016a; Michaelidou & Christodoulides, 2011; Rozental, Collins, & Ramsey, 2016). Social and cultural understanding is necessary to articulate effective strategies to curtail counterfeit-related issues (Chen, Zhu, Le, & Wu, 2014; Phau & Teah, 2009). Effective strategies need to be put in place to curb counterfeiting as there

is an observation that when consumer purchases counterfeit products he/she is directly contributing towards black economy, which according to several reports is used for funding terrorism world over. Hence, every time a consumer makes a purchase, they are indirectly sponsoring some illegal activity somewhere in the world (Kelleher, 2006). Additionally, informative susceptibility, collectivism, individualism, and personality factors including status consumption and personal gratification also have significant effects on consumer attitudes toward counterfeiting (Cesareo, 2016a; Phau & Teah, 2009). It is also imperative to understand the role of ethics in attitude towards counterfeiting (Jun, Liang, Qiong, & Jian, 2012; Tom, Garibaldi, Zeng, & Pilcher, 1988; Veloutsou & Bian, 2008). Consumers purchase behaviour is not uniform across the world, especially in the domain of counterfeit products (Bian & Veloutsou, 2007; Teah, Phau, & Huang, 2015). Collectivism, as compared to individualism has been found to be a stronger predictor of attitude towards counterfeit products (Borekci, Sezgin, Salman, & Uray, 2015; Chaudhry & Stumpf, 2013; Teah et al., 2015).

The broad objective of this study is to develop and empirically test a model based on the Theories of Reasoned Action and Planned Behaviour by incorporating religiosity, ethics, and idealism. The reason for merging factors related to ethical and moral issues is that the Theory of Planned Behavior is often criticised for the lack of ethical and moral variables, which are important factors for explaining consumer attitude (Eagly & Chaiken, 1993). The sub-objectives of the study are two: First, to measure the effects of social (normative, informative, collective, and individualism), personal (materialism, perceived risk, status consumption, value conscious, and personal gratification), and moral (idealism, relativism, religiosity, and ethics) factors as a whole on consumers attitude towards counterfeiting. Second, to measure the sub-factors of moral social and personal orientation individually on attitude towards counterfeiting.

Literature Review

The traditional definition of the luxury product has a narrow perspective. It was defined as goods whose possession and display besides functional utility is a source of prestige to the possessor (Grossman & Shapiro, 1988). Luxury goods now have a broader horizon. The luxury products have a recognised brand identity, perceived quality, and high brand awareness which helps in building and maintaining long-term brand loyalty (Phau & Prendergast, 2000). Some of the very famous and exclusive luxury brands are Tiffany, Hermes, Mercedes-Benz, Louis, Cartier, and Rolex (Han, Nunes, & Drèze, 2010). Duplicated reproduction of luxury and exclusive brands refer to counterfeit luxury products. Counterfeit luxury products carrying the same packaging, trademarks, and labelling as the original ones found in stores and are sold to consumers as genuine brands (Cordell, Wongtada, & Kieschnick, 1996; Kay, 1990).

Based on literature it is inferred that the effects of social, personal and moral factors along with their sub-factors are not the same across the world. Moreover,

the attitude towards counterfeit products also varies from one category to other. On the contrary, the effect of attitude on purchase intention is more or less same for all product categories and all countries (Ahmed, 2016). Studies found that antecedents to attitude directly affect purchase intention through attitude (Ang et al., 2001; de Matos, Ituassu, & Rossi, 2007; Kwong, Yau, Lee, Sin, & Tse, 2003; Maldonado & Hume, 2005; Sharma & Chan 2016; Wang et al., 2005). The following paragraphs contain discussions on the relationship between the antecedents and attitude towards counterfeit products.

Attitudes towards counterfeit products and purchase intention.

Studies have found that the attitudes towards counterfeiting and consumption patterns vary across the world (Penz & Stottinger, 2008; Rawlinson & Lupton, 2007; Teah et al., 2015; Veloutsou & Bian, 2008). Personal psychological factors such as personal gratification and status consumption have an effect on attitude. Moreover, attitude and behaviour towards countering fake goods also vary from one country to another (Ang et al., 2001; Bloch, Bush, & Campbell 1993; Cockrill, Counsell, & Stokes, 2017). Antecedent to attitude directly and through subjective norms affects purchase intentions (de Matos et al., 2007). Furthermore, purchase intention has a significant positive effect on attitude towards pirated software, and negative towards other product categories (Wang, Zhang, & Ouyang, 2005). Since attitude varies from one culture to other, therefore its insight could also help in framing strategies for addressing counterfeiting problems (Teah et al., 2015).

Social Factors and Attitude towards counterfeit products. Social orientation and its factors also affect consumer attitudes towards counterfeit luxury products. Normative is a sub-factor of social orientation. Normative consumers are highly influenced by the attitude and behaviour of others. Therefore, these buyers in order to create a positive image will avoid buying counterfeit products. Normative consumers are afraid if others find out that they are consuming counterfeit luxury products, they will make fun of them (d'Astous & Gargouri, 2001). Therefore, normative susceptibility will have more preference towards genuine luxury brand instead of counterfeit luxury goods (Van Kempen, 2003). Consequently, their attitude will be negative towards counterfeit luxury goods (Ang et al., 2001; Bearden & Etzel, 1982). Informative susceptible consumers seek the advice of experts before making a purchase decision. Since experts have sufficient knowledge about the difference between counterfeit and original products, therefore, they might advise for the original product. Hence, informative susceptible consumers would also have an adverse effect on attitude towards counterfeit luxury products (Ang et al., 2001; Lord, Lee, & Choong, 2001; Phau, Teah, & Lee, 2009; Wang, Zhang, & Ouyang, 2005). Earlier research results show that collectivism affects attitude positively and individualism negatively in the domain of counterfeit products (Borekci et al., 2015; Martinez & Jaeger, 2016; Wang et al., 2005).

Personal Factors and Attitude towards counterfeit products. Personal factor and its subfactors have an impact on attitudes towards counterfeit goods. Status-conscious consumers have a higher tendency to portray their status through consumption of luxury brands and thus have a positive attitude towards counterfeit luxury products (Sharma & Chan, 2010; Wee, Tan, & Cheok, 1995). Materialism, a personal orientation factor narrates to acquiring and displaying worldly possessions (Park & Burns, 2005; Phau, Marishka, & Dix, 2009). Since materialistic people give the highest priority to acquire and display worldly possessions and to make an impression on others, therefore they also have a strong influence on attitude (Belk, 1985; Randhawa, Calantone, & Voorhees, 2015; Yoo & Lee, 2009). Consumers who are concerned about their sense of achievement and group recognition fall in the category of personal gratification and they have a negative attitude towards counterfeit luxury products (Ang et al., 2001; Phau & Ng, 2010; Wang et al., 2005; Yoo & Lee, 2012). Status conscious customers tend to own expensive and symbolic brands to portray their identity to others (Hoe, Hogg, & Hart, 2003; Teah, et al., 2015). Consumers, while purchasing counterfeit goods take the risk of being negatively exposed to others (Stone & Gronhaug, 1993). Additionally, personal factors such as perceived risk and value consciousness also have a significant relationship with attitudes towards counterfeit products (Albers-Miller, 1999; Bloch et al., 1993; Cordell et al., 1996; Wee et al., 1995).

Ethical Factors and Attitude towards counterfeit products. Moral and ethical factors such as relativism, idealism, consumer ethics and religiosity influence consumer attitude towards counterfeit luxury products (Aleassa, 2009; Maldonado & Hume, 2005). Specifically, consumer ethics and idealism have an adverse impact, and relativism has a positive impact on attitudes towards counterfeiting. Religiosity, on the other hand, has an intermediating role between attitudes and purchase intentions, and a direct link with attitudes towards counterfeit products (Aleassa, 2009; Maldonado & Hume, 2005). Consumers with a low level of hedonic experience and ethical concern are highly inclined to share counterfeit products with other customers (Chaudhry & Stumpf, 2011). It is observed that ethical concern has mediating effect with attitudes and purchase intentions (Aleassa, 2009).

Conceptual Framework

In this study, our primary objective is not to test each element of the Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) as this has already been done in past researches. Our core objective is to establish the correlation between moral, social and personal factors with the attitude of counterfeit luxury products for the purpose of better understanding the purchase intentions of the consumers (Phau & Teah, 2009; Wang et al., 2005). In this prospect to describe social and personal elements of the conceptual model, we have relied on the Theory of Reasoned Action (TRA). To understand the

Moral part of this study, Theory of Planned Behavior (TPB) has been utilised to explain consumer ethics, religiosity, idealism, and relativism. In the theoretical model, we have directed the social, personal and moral factors through attitude. As it is often seen from previous studies that attitude is a strong predictor of purchase intention (Chang, 1998; Christensen & Eining, 1991; d’Astous, Colbert, & Montpetit, 2005; Peace, Galletta, & Thong, 2003; Thong & Yap, 1998). The depiction of the Theoretical Framework is portrayed below in Figure 1.

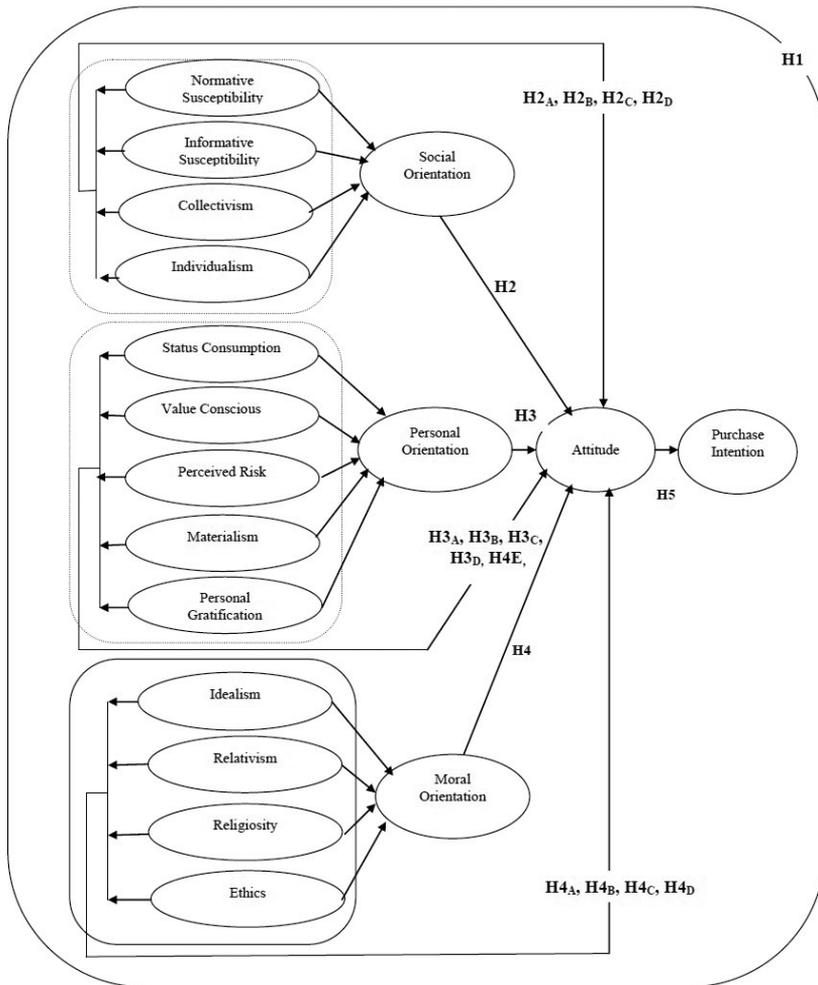


Figure 1. Theoretical Framework.

Overall model. H1: Social orientation, personal orientation and moral orientation and their factors and attitude will have significant fit when tested through SEM.

Social Orientation. The term Social orientation or social influence refers to external forces including environment and culture on the people's behaviour.

On the basis of the previous discussion on the arguments of social orientation aspects of the literature, the succeeding hypothesis has been developed.

H2: Social orientation positively influences attitudes towards counterfeit luxury products.

Informative and Normative and Susceptibility. Informative and Normative susceptibility influences consumer's attitudes and behaviour (Ang et al., 2001; Bearden, Netemeyer, & Teel, 1989; Wang et al., 2005). In the viewpoint of informative susceptibility, consumers due to lack of information on genuine or counterfeit products obtain expert's opinion and act accordingly. If the expert's opinion is favourable towards the genuine product, they would advise information seeker against the counterfeit product, and hence consumer will form negative attitudes towards counterfeit goods (Phau & Teah, 2009).

Normative consumers are more concerned about their self-image and to impress others. Therefore, they expect to behave in accordance with other's expectations (Penz & Stottinger, 2005). Since purchasing counterfeit products does not portray a positive image normative consumers will have a negative attitude towards counterfeiting (Ang et al., 2001; Lord et al., 2001; Wang, Zhang, Zang, & Ouyang, 2005).

On the basis of the previous literature on normative and informative susceptibility factors, the succeeding hypotheses have been developed.

H2A: Normative susceptibility negatively influences the attitude of counterfeit luxury products.

H2B: Informative susceptibility negatively influences the attitude of counterfeit luxury products.

Collectivism and Individualism. In a collectivist culture, Coordination and sharing of knowledge are the factors which have a significant role in the decision-making process. This exchange of knowledge develops or enhances the willingness of the consumer to purchase counterfeit goods (Husted, 2000). Since majority of the population in collectivist societies does not consider counterfeiting as unethical, therefore most of the individuals in these communities will have a positive attitude towards counterfeiting (Wang et al., 2005).

Individualism is defined as the level of strong or weak relation among individuals (Hofstede, 2001). A set of mutual values or beliefs about the relationship of a person with other persons or groups (Earley, 1993). Individual features are more important towards individualistic societies. They have more admiration towards copyrights materials and genuine goods consequently; they are less inclined to purchase pirated or counterfeited goods (Husted, 2000; Swinyard, Rinne, & Kau, 1990).

On the basis of the previous literature on individualism and collectivism factors, the succeeding hypothesis have been developed.

H2C: Individualism negatively influences the attitude of counterfeit luxury products.

H2D: Collectivism positively influences the attitude of counterfeit luxury products.

Personal Orientation. Personal orientation primarily comprises of the act of one individual to influence, convince or persuade other persons for the reason of having a precise effect. People determine their relation with other people (Bearden et al., 1989) in a continuously developing process. The process supports bilateral and directional interactions that may happen between personal and environmental characteristics.

On the basis of the argument presented in the literature about personal orientation factors, the latter hypothesis has been derived.

H3: Personal orientation factors positively influences attitude of counterfeit luxury products.

Materialism. Materialism gives relative high importance to owning possessions (Belk, 1985). The consideration to material goods, thinking of them as valuable to acquire centrality, success and happiness in life (Richins, 1994). Consumers who are highly materialistic stand very much concerned about exhibiting their possessions to other people or groups to display their high status in society (Fitzmaurice & Comegys, 2006; Netemeyer, Burton, & Lichtenstein, 1995).

On the basis of the previous literature on materialism, the latter hypothesis has been derived.

H3A: Materialism positively influences the attitude of counterfeit luxury products.

Status Consumption. A process through which the individuals consume, display, use, purchase and make determined efforts for the consumption of a good or a service to gain status or improve their social standing in society (Eastman, Fredenberger, Campbell, & Calvert, 1997). An individual will be acknowledged and awarded to be part of a group according to a social standing (Dawson & Cavell, 1986; Eastman et al., 1997; Packard, 1959; Scitovsky, 1992), that is not dependent on social level or individual's earnings. It is incorrect to consider that status consumption is only susceptible for the rich or the poor (Freedman, 1991; Miller, 1991; Shipman, 2004). Status consumption conscious consumers need to reflect their self-identity using high-quality brands in doing so they also fulfil their desire of attaining higher social status (Hoe et al., 2003; Wilcox, Kim, & Sen, 2009).

On the basis of previous literature on status consumption, the latter hypothesis has been derived.

H3B: Status consumption positively influences the attitude of counterfeit luxury products.

Personal Gratification. The idea of personal gratification refers to the need for social recognition, accomplishment and an aspiration of enjoyment of excellent things in life (Ang et al., 2001; Wang et al., 2005). Genuine and

counterfeit goods have a significant difference in quality (Thurasamy, Jantan, Chow, & Nasirin, 2003). The consumers having a high level of sense of personal gratification will be more aware of the visibility and prominence of products and therefore will be less accepting of counterfeit products.

On the other hand, the consumers having a low level of personal gratification have a positive attitude towards counterfeiting as a personal achievement or believe a high-quality product is not so important to them (Ang et al., 2001).

Based on the previous literature on personal gratification, the latter hypothesis has been derived.

H3C: Personal gratification positively influences the attitude of counterfeit luxury products.

Value Consciousness. Value consciousness refers to consumers concern for the price as compared to the quality of goods. It also means high-value conscious consumer acceptability for lower quality products if purchase results in significant savings (Lichtenstein, Netemeyer, & Burton, 1990). Perceived value of a good causes considerable influence in a purchase decision. When a consumer finds a product option, which is of better value in comparison to another product option, his intention to buy increases (Dodds, Monroe, & Grewal, 1991). This experience of purchasing a better-valued product gives the consumer a feeling of a smart shopper (Lichtenstein, Ridgway, & Netemeyer, 1993).

On the basis of above literature on value consciousness, the consequent hypothesis has been derived.

H3D: Value consciousness positively influences the attitude of counterfeit luxury products.

Perceived Risk. In consumer behaviour discipline, Perceived risk indicates all the adverse consequences resulting from purchases (Stone & Gronhaug, 1993). Consistent with previous research perceived risk asserts that all consumer purchase decisions involve a sense of risk taking (Bamossy & Scammon, 1985). It reflects the outcome caused by choosing a particular brand and the apprehensions for the undesirable consequences resulting from a wrong purchase decision (Dowling & Staelin, 1994; Havlena & DeSarbo, 1991; Stone & Grønhaug, 1993). There is a significant role played by perceived risk in influencing consumer attitudes towards purchase behaviour (Mitchell, 1999; Taylor, 1974).

On the basis of preceding literature on perceived risk, the consequent hypothesis has been derived.

H3E: Perceived risk negatively influences the attitude of counterfeit luxury products.

Moral Orientation. To better understand the ethical and moral aspects concerning consumer attitudes towards counterfeiting goods, additional predictors of the theory of planned behaviour are being tested which includes consumer ethics, idealism, relativism and religiosity.

On the basis of the discussion presented in the literature about moral orientation aspects, the consequent hypothesis is developed:

H4: Moral orientation factors positively influence on attitude towards counterfeit luxury products.

Idealism and Relativism. The belief of idealists is morality will guide action at all times, describing it is entirely wrong to harm someone and should be averted at all times (Forsyth, 1992). Idealistic individuals have a belief that morality leads to more favourable outcomes (Vitell & Paolillo, 2003). In contrast to idealism, relativism refers to the notion that moral standards or moral beliefs are related to cultural context, and its principal concern is with the consequences of the behaviour (Forsyth, 1992; Vitell & Paolillo, 2003). Idealism and relativism can alter from individual to individual. It also means that idealism can have a stronger effect on the lives of some people while relativism can be more important in the lives of others (Vitell & Paolillo, 2003).

On the basis of the preceding literature on idealism and relativism, the consequent hypotheses have been derived.

H4A: Idealism negatively influences consumer's attitude towards of counterfeit luxury products.

H4B: The relativism positively influences consumer's attitude towards counterfeit luxury products.

Religiosity. Religiosity portrays an individual's belief in God, his obligation to follow the principles considered to be determined by God (McDaniel & Burnett, 1990). It also refers to a religious perspective providing a background on life and behaviour in a society (Conrad, 2004). As per research conducted by Kennedy and Lawton (1998), religiosity is known to play a substantial role in affecting attitudes towards purchase behaviour. It was established in research conducted by Ahmed, Chung, and Eichenseher (2003) that religiosity had a significant effect on consumer attitudes and behaviours, whereas attitude is centred on the consumer's belief or religion by the six-country multi cross-cultural study. Studies conducted on managers in Thailand and US indicates religiosity to be a key predictor of behavioural intentions in ethical decision-making (Kurpis, Beqiri, & Helgeson, 2008; Singhapakdi, Salyachivin, Virakul, & Veerayangkur, 2000). Religiosity thus is an expression of a persons devotion concerning his religion (Essoo & Dibb, 2004). As counterfeiting is considered to be unethical, immoral and against the norms of society, individuals with high religious attachments will have a negative attitude towards purchasing counterfeit products.

On the basis of preceding literature on religiosity, the consequent hypothesis has been derived.

H4C: Religiosity inversely influences consumer's attitude of counterfeit luxury products.

Consumer ethics. Consumer ethics describes the moral principles and standards, rules and values which guide the behaviour of an individual in daily life including the consumption of goods and services (Muncy & Vitell, 1992).

Consumer ethics has a considerable influence on consumer motivations to accept or reject counterfeit goods (Michaelidou & Christodoulides, 2011). Moral judgment signifies the way an individual assesses when faced with a moral dilemma like right or wrong, ethical or unethical (Schwepker Jr & David, 1999). Consumer faces an ethical dilemma when purchasing counterfeit products as it is considered to be socially undesirable and it violates consumer ethics (Eisend & Schuchert-Güler, 2006). As observed from prior research, much of the literature can be found on ethical issues, but consumer ethics in purchasing counterfeits is a less researched topic (Vitell & Paolillo, 2003). Overall, research advocates that consumers having a higher regard for consumer ethics are less likely to buy counterfeit goods due to their respect for lawful behaviour and integrity towards themselves (Cordell et al., 1996; De Matos et al., 2007).

On the basis of above literature on consumer ethics, the latter hypothesis has been derived.

H4D: Ethics negatively influences consumer's attitude of counterfeit luxury products.

Attitude and Purchase Intention. The Theory of Planned Behavior (TPB) states that purchase behaviour is influenced by purchase intention, which is subjective of attitudes (Fishbein & Ajzen, 1975). This relationship is subject to availability of resources and opportunities (Chang, 1998). Unethical decisions including the purchase of luxury counterfeit products are dependent on the attitudes of consumers, and it does not vary with product class (Ang et al., 2001; Wee et al., 1995). Consumers with a positive attitude towards counterfeiting are more vulnerable to buy counterfeit products. In the case of non-favorable attitudes, consumers avoid purchasing counterfeit luxury products (Wee et al., 1995).

Based on the above discussions the derived hypothesis on attitude and purchase intention is presented below:

H5: Positive attitudes positively influences the attitude for purchase intention of counterfeit luxury products.

Method

The focus of the study is counterfeit luxury apparel in Pakistan. The reasons for selecting this product are: Pakistan's economy is inclined towards textile, and the share of counterfeit fashion apparel is about 60% (Masood, 2010). Margins on the luxury brand are significantly higher. Consumers have a strong preference for popular fads and fashion due to which the demand of luxury fashion apparel is increasing in a geometric progression (Chang, 1998; Eisend & Schuchert-Güler, 2006). Luxury brands are a niche market, and hence the supply is limited.

Initially, the study has measured normality of items, and univariate normality of the construct. Subsequently, it has measured reliability and validity of the adapted questionnaire on the present data set. After that, the overall model was tested in two stages. Initially, CFA for each construct was tested followed by testing of overall model (Hair Jr, Black, Babin, Anderson, & Tatham, 2010; Steenkamp & Van Trijp, 1991). Other details relating to methodology are as follows.

Population and Sampling

The population size for this study is adults living in the urban areas. Earlier studies based on SEM include 5 to 10 observation per parameters (Bentler & Chou, 1987). This study has incorporated 100 indicator variables with 5 to 10 items per indicator variable to fit the suitable sample size within range of 500 to 1000. The valid sample size for this research is 907, which comes within the prescribed range as defined in research (Hair Jr., Anderson, Tatham, & Black, 2007). The data was collected from the major cities through mall intercept method: Karachi ($N = 523$), Lahore ($N = 284$), Faisalabad ($N = 114$), and Rawalpindi/Islamabad ($N = 114$).

Data collection procedure

Six enumerators were hired to collect the data from the leading malls of the selected cities of Pakistan. The hired enumerators after attending training and orientation sessions intercepted the respondents, informed them about the purpose, were told that their participation is voluntary and they could discontinue at any time. The anonymity was guaranteed by ensuring that their name and identity were not collected. Enumerators read the questions and filled them by themselves. Experience shows that this approach gives a better response.

Respondent Profile

The valid sample size was 907 with a response rate of 87%. The males were 478 (53%), and females were 429 (47%). Respondents' age was up to 18 years 223 (25%); between 19 to 20 years 229 (25%), 30 to 39 years 185 (29%), 40 to 49 years 210 (23%) and at least 50 years 60 (7%). Income wise distribution was as follows: 501 (59%) belonged to the lower-income group, 339 (38%) belonged to the middle-income group, and 67 (7%) belonged to the upper-income group. Marital Status wise: 468 (52%) were single, and 439 (48%) were married. In education terms, 53% had education up to primary level, 30% had education up to intermediate level, and 7% had bachelor's degree.

The sample regarding age, gender and marital status was similar to the national average. However, in terms of income group and educational level, it was higher than the national average. Comparatively, in Pakistan, 84% belongs to the lower-income group, 6% to the middle-income group, and 10% to the upper-income group. Likewise, in terms of education, in Pakistan 60% of the population has primary schooling; 35% have secondary education, and only 8% have higher education. The reason for this disparity in terms of education and income level as compared to national average is that the target population for this study is upper, middle and higher income group.

Scale and measure

The questionnaire that was administered to the respondents had 19 variables, and all of them were converted to five point Likert Scales as follows:

(1) Attitude scale has five items, all adapted from the measure developed by Huang, Lee, and Ho (2004); (2) Religiosity has ten items all adapted from measure developed by Worthington Jr et al. (2003); (3) Purchase intention, normative, informative, collectivism, value conscious, and personal gratification scales were adapted from measures developed by Wang et al. (2005) and each of them have five items except value conscious which has four items; (4) Individualism scale was adapted from Murali, Laroche, and Pons (2005) with three items; (5) Materialism with five items was adapted from Sirgy (1998); (6) Status consumption

scale with five items was adapted from Eastman, Goldsmith, and Flynn (1999); (7) Perceived risk with five items was adapted from Yung-Ming (2009); (8) Idealism and relativism with ten items each were adapted from the measures developed by Forsyth (1980) and Johnson (2007); (9) Consumer ethics has four factors that are (a) Actively Benefiting from Illegal activities – five items, (b) Passively Benefiting Activities – three items, (c) Actively benefiting from questionable, but legal activity with three items, (d) No Harm/no foul with six items. All the constructs have been validated in earlier studies (Muncy & Vitell, 1992; Van Kempen, 2003; Van Kenhove, Vermeir, & Verniers, 2001).

Results

Descriptive and Reliability of Initial Measure

The descriptive study inclusive of Skewness and Kurtosis, Mean, Standard Deviation and reliability are summarised in Table 1.

Table 1
Descriptive Statistics

Construct	Reliability	<i>M</i>	<i>SD</i>	<i>Sk</i>	<i>Ku</i>
Gratification (Personal)	.88	4.71	1.79	-0.59	0.84
Purchase Intention	.87	3.66	1.72	0.17	-1.20
Value Consciousness	.90	4.61	1.77	-0.47	-0.99
Risk (Perceived)	.84	4.34	1.50	-0.42	-1.25
Status consumption	.85	3.87	1.70	0.04	-1.01
Materialism	.87	4.47	1.64	-0.19	-1.34
Attitude	.84	3.76	1.50	0.20	-0.99
Individualism	.78	3.98	1.69	-0.03	-0.84
Collectivism	.71	4.34	1.46	0.03	-0.96
Information Susceptibility	.82	4.36	1.60	-0.18	-0.84
Ethics	.93	3.91	1.90	0.03	-0.88
Religiosity	.90	4.24	1.76	-0.39	-0.79
Relativism	.92	4.28	1.45	-0.40	-0.19
Idealism	.92	4.35	1.70	-0.57	-0.93
Normative Susceptibility	.78	4.22	1.48	-0.30	-0.88

Note. The reliabilities after dropping the factors.

The results of the descriptive table show that the range of reliability is within adequate limits, Religiosity ($M = 4.24$, $SD = 1.76$, $\alpha = .90$) and Collectivism ($M = 4.34$, $SD = 1.46$, $\alpha = .71$), indicating acceptable internal consistency. Skewness and Kurtosis level also ranged between ± 2.5 indicating constructs univariate normality is acceptable (Leech, Barrett, & Morgan., 2005). It may be pointed that mean, and standard values are not universal and vary from one culture to other.

Validities of the constructs

All the factor loading is greater than .40 (refer to Table 2), Since internal consistency is higher than .60 (refer to Table 2) indicating the constructs have reasonable convergent validities (Shammout, 2007).

The square root of variance explained are greater than the square of all the pairs of correlation indicating the constructs fulfil discriminant validity requirements (Kline, Sulsky, & Rever-Moriyama, 2000; Shammout, 2007).

Exploratory Factor Analysis

Principal factor analysis with Varimax Rotation was applied for reducing data to a smaller set of summary variables, to ascertain general structure and logical structure of the phenomena. Summarised results are depicted in Table 2.

Table 2
Summarised EFA Results

Construct	KMO	Bartlett's Test of Sphericity	Cumulative factor loading
Gratification (Personal)	.87	1999.99	73.30%
Purchase Intention	.88	2541.80	73.27%
Value Consciousness	.84	2007.18	77.39%
Risk (Perceived)	.85	1551.52	62.09%
Status consumption	.83	1668.50	62.49%
Materialism	.89	2467.57	56.26%
Attitude	.85	1474.41	61.62%
Individualism	.71	673.50	69.70%
Collectivism	.75	554.81	53.91%
Information Susceptibility	.77	1098.30	77.69%
Ethics	.95	10407.51	64.72%
Religiosity	.92	3956.86	53.37%
Relativism	.91	875.12	56.73%
Idealism	.93	4522.80	68.36%
Normative Susceptibility	.79	824.19	60.28

Note. EFA resulted in one-dimensional except for religiosity, idealism, relativism, and ethics.

The result shows that the Bartlett's Test of Sphericity for the entire construct was significant ($p < .05$) and Kaiser-Meyer Olinin measure of Sampling were greater than .60. Additionally, the entire factor loading was greater than .40. It may be pointed out that these results were reworked after dropping the items where required.

Confirmatory Factor Analysis

To measure the theories, CFA was carried out and all the indices are within the prescribed limit, summarised CFA results are presented in Table 3.

Table 3
Confirmatory Factor Analysis

Construct	χ^2/df	NFI	IFI	PNFI	PCFI
Gratification (Personal)	5.93	.95	0.96	.47	.48
Purchase Intention	5.36	.98	0.96	.49	.49
Value Consciousness	4.45	.96	0.98	.50	.52
Risk (Perceived)	6.66	.96	0.96	.32	.31
Status consumption	2.99	.98	0.93	.54	.68
Materialism	1.19	.99	0.99	.49	.45
Attitude	4.65	.91	0.91	.45	.46
Individualism	3.24	.96	0.97	.32	.32
Relativism	2.76	.92	0.93	.64	.66
Collectivism	3.56	.92	0.99	.60	.60
Informative	1.36	.99	0.99	.33	.33
Ethics	1.29	.96	0.99	.74	.76
Religiosity	1.22	.98	0.99	.45	.50
Idealism	2.24	.94	0.96	.56	.58
Normative	1.05	.99	0.99	.33	.33
Criteria	<5.0	> .90	> 0.95	> .50	> .50

Above table is showing that all the indices are within the prescribed limit except normative. In the case of normative PNFI and PCFI are below the prescribed limit, however when the final model was tested these two were within the specified limit. Note the last row (criteria) shows the prescribed limit.

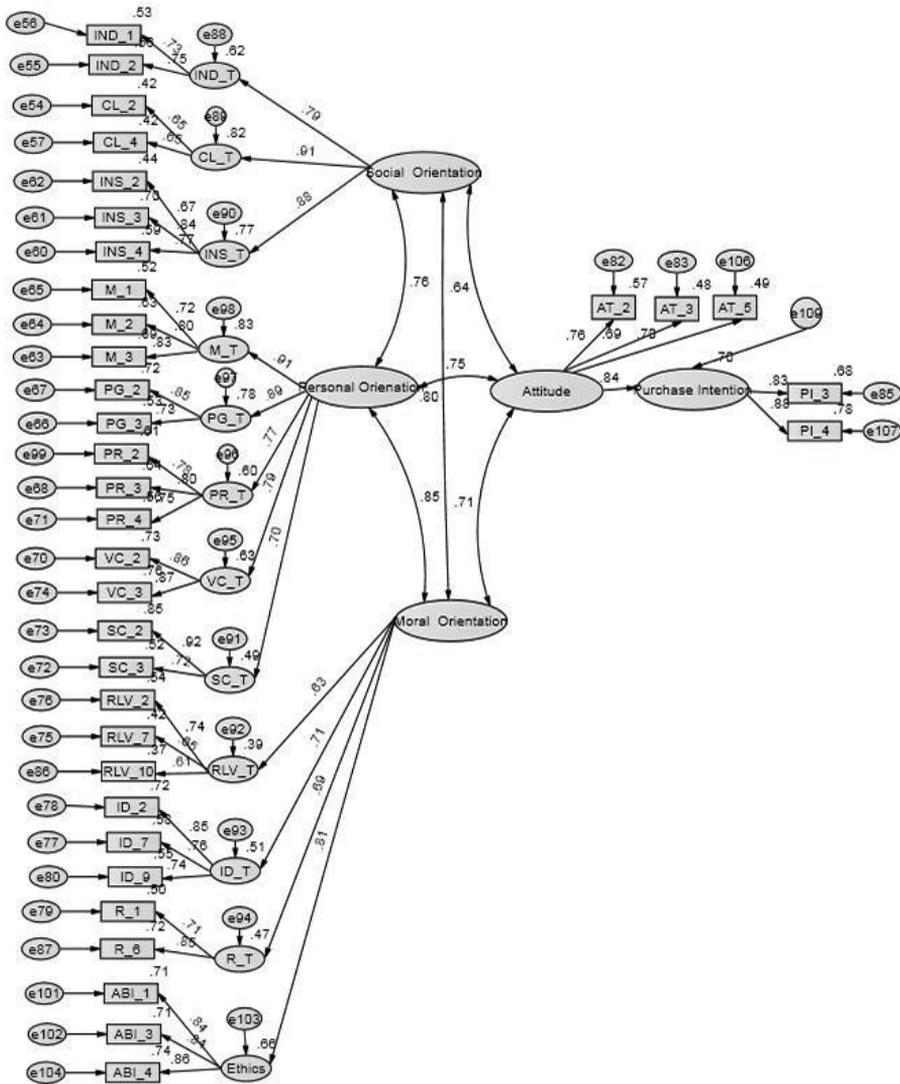


Figure 2. Overall Invariance Model (Standardized).

Hypothesis 1

It was hypothesised that the model developed based on the TRA fitted very well and explained the attitude and behaviour intention as fit indices are within the prescribed limit, therefore, it indicates model adjusted adequately (Hair Jr et al., 2007). For the Indices of the overall model, refer to Table 4 and Figure 2.

Table 4
Fit Indices of overall model

Construct	χ^2/df	NFI	IFI	PNFI	PCFI
Overall Model	1.65	.94	0.98	.86	.89
Criteria	<5.0	> 0.9	> 0.95	> 0.50	> 0.50

All the fit indices are within the prescribed limit: The $\chi^2/df = 0 < .05$; NFI = .945 < .90; IFI = 0.878 > .95; PNFI = .860 > .50; PCFI = .889 > .50. These results show that the model fit is good.

Hypothesis 2, 2A, 2B, 2C, 2D

It was hypothesised that personal orientation would positively affect attitude, which failed to be rejected (accepted) ($R^2 = .24$, $F(3, 906) = 96.528$, $p < .001$). Effect of normative influence on attitude (H2A) was not tested as it was dropped at the initial stage of SEM. The other three sub-hypotheses stated; informative affected attitude (H2B); collectivism affected attitude (H2C) and individualism affected attitude (H2D) also failed to be rejected (accepted) (for details, refer to Appendix A).

Hypothesis 3, 3A, 3B, 3C, 3D, 3E

It was hypothesised that personal orientation positively influences attitude (H3) which also failed to be rejected (accepted). ($R^2 = .37$, $F(5, 906) = 108.834$, $p < .001$). Effects of status consumption (H3A); value consciousness (H3B); materialism (H3D) and personal gratification (H3E) have significant positive effects on attitude. While the influence of perceived risk (H3C) on attitude was non-significant (for details, refer to Appendix A).

Hypothesis 4, 4A, 4B, 4C, 4D, 4E

The study hypothesised that moral orientation negatively affects attitude towards counterfeit luxury products (H4) was rejected ($R^2 = .297$, $F(4, 906) = 96.732$, $p < .001$). The most significant sub-factors of moral orientation are ethics followed by relativism, idealism and religiosity have been used in this study.

The study found that idealism (H4A); Religiosity (H4C) and Ethics (H4D) have positive attitude were rejected. On the other hand, the effect of relativism (H4B) was accepted (for details refer to Appendix A).

Hypothesis 5

The hypothesis attitude positively affect purchase intention was found to be significant ($R^2 = .452$, $F(1, 906) = 748.096$, $p < .001$) (refer to Appendix A).

Discussion

The hypothesised overall model developed based on the TRA explained the attitude and behaviour intention as fit indices which are within the prescribed limit. Therefore, it indicates model fitted adequately (Hair Jr et al., 2007). For

the Fit Indices of the overall model, refer to Appendix A. Referring to Figure 2, Attitude towards the counterfeit product in Pakistan was found to be positive mainly due to the availability of the counterfeit products, which according to an estimate has a share of 60% of all the goods available in Pakistan. Additionally, most of the consumers perhaps are not aware that buying counterfeit is unethical.

Hypothesis 2, 2A, 2B, 2C, 2D

The positive influence of informative on attitude (H2A) is found, it does not support some earlier studies as these studies found a non-significant effect on this relationship (Ang et al., 2001; Kim & Karpova, 2010; Teah & Phau, 2007b; Thurasamy et al., 2003). Contrarily, others found a negative effect of informative on attitude (Wang et al., 2005). Similarly, this study also found collectivism (H2C), and individualism (H2D) positively affect attitude. The results of these three sub-hypotheses support some earlier studies (Ang et al., 2001; Swinyard et al., 1990; Wang et al., 2005) and are contrary to other studies (Chaudhry & Stumpf, 2011).

This result is not surprising as Pakistani society, in general, is collectivist, and they tend to follow what most of the population is purchasing. In Pakistan, due to the availability of the counterfeit products, most of the population purchases them as they are not entirely aware of them being unethical.

Hypothesis 3, 3A, 3B, 3C, 3D, 3E

The hypothesised results of status consumption (H3A); value consciousness (H3B); materialism (H3D); personal gratification (H3E) were consistent with some studies (Chadha, 2007; Kim & Karpova, 2010; Phau & Teah, 2009; Thurasamy et al., 2003; Wang et al., 2005) and inconsistent with other studies (Kim & Karpova, 2010; Phau, Sequeira, & Dix, 2009; Phau et al., 2009; Teah & Phau, 2001). However, the result perceived risk has no effects on attitude (H3C) was rejected and this result was contrary to earlier studies as these studies found that risk has an opposite effect on attitude (Albers Miller, 1999).

Society in Pakistan over a period of time due to exposure to media has become highly materialistic, status consciousness, which is quite apparent by the presence of luxurious products available in the shopping malls all over the major cities. Seemingly, as is value consciousness, and hence they have a positive attitude toward counterfeit products mainly because of difference in quality between original and counterfeit product.

Hypothesis 4, 4A, 4B, 4C, 4D, 4E

The most significant sub-factors of moral orientation are ethics followed by relativism, idealism and religiosity and hence have been used in this study.

The study found that idealism (H4A), Religiosity (H4C), and Ethics (H4D) have positive attitude was rejected which is inconsistent with earlier studies (Ha & Lennon, 2006; Lee, 2009; Maldonado & Hume, 2005; Vida, 2007). On the other hand, the effect of relativism (H4B) was found to be significant which is

consistent with other studies (Al-Khatib, Stanton, & Rawwas, 2005; Prendergast, Chuen, & Phau, 2002; Rawwas, Vitell, & Al-Khatib, 1994; Singhapakdi, Vitell, & Leelakulthanit, 1994). It may be pointed out that these relationships are not universal and vary from one product to another according to product category (Prendergast et al., 2002; Vida, 2007).

This was not surprising results from Pakistan's perspective as the level of ethics in Pakistan is low which is evident from an undocumented economy, which is estimated to be about 40%. Additionally, the number of taxpayers in Pakistan are also the lowest, just 1 million in the population of 150 million (Mangi, 2006).

Hypothesis 5

The result that attitude positively affects purchase intention (H5) was consistent with earlier studies, which found that this relationship does not vary from one product category to other. (Bloch et al., 1993; Gentry, Putrevu, Shultz, & Clifford, 2006; Kim & Karpova, 2010; Teah & Phau, 2007a; Thurasamy et al., 2003).

This relationship is universal world over, and Pakistan is no exception. However, the reason for a positive attitude is the availability of counterfeit products and the fact that culturally people in Pakistan do not look down to those who are using the counterfeit products.

Implication for Policy and Practice

Containment of counterfeiting through supply measure (framing rules and regulation) has miserably failed, and it is still growing at a significant rate. Government measures to restrict the supply side will not be effective, as counterfeiters will find new ways to cater to the demand of counterfeit products. Thus, the literature suggests the best way to curb counterfeiting is through decreasing demand, which can only be changed through attitude, which leads towards behaviour intention. (Kelleher, 2006).

In view of consumer's lack of awareness on this issue and the failure of supply measures as discussed above, the policy makers should make deliberate efforts to create awareness to young and old population on the ill effects of attitude towards counterfeiting (Bush, Bloch, & Dawson, 1989; Nia & Zaichkowsky, 2000; Prendergast et al., 2002). It is pointed out that besides manufacturers; buyers of counterfeits are equally responsible for counterfeiting problems (Bloch et al., 1993; Prendergast et al., 2002). Since counterfeiters produce counterfeit products to cater to the demand of consumers, therefore, the policymakers should not only penalise the manufacturers but also the consumers.

Luxury brand manufacturers in this context must also fulfil their social responsibility obligations by portraying an image of not being exploiters (Phau & Teah, 2009). Moreover, the regulating agencies in Pakistan should advise the original brand manufacturers that while communicating their value propositions they should not emphasise that their products will enhance consumers status but

must concentrate on the functionally, durability and reliability of their brands (Bhardwaj, 2010). Behaviour (purchase intention), cannot be changed instantly. Therefore the focus should be on changing the attitude. In this context, all the stakeholders such as policy makers, consumers association have to adopt an integrated approach for creating the awareness and alter the attitude of the consumers who have a positive attitude towards counterfeiting.

Theoretical Contribution

Researchers have successfully extended Theory of Reasoned Action and the Theory of Planned Behavior to study consumer's attitude and behaviour. Perhaps this is the first study in the domain of counterfeit luxury products that has successfully incorporated variables such as ethics, idealism, relativism, and religiosity in the model based on the Theory of Reasoned Action and Planned Behavior. The empirical results show that these variables assimilated very well in theory and brought new insight into understanding attitude and behaviour.

Previous studies on this issue have focused on developed Asian, American, and European countries but very few in countries like Pakistan. Thus, the proposed and empirically tested model based on the Theory of Reasoned Action and Planned Behaviour will contribute significantly to understand why consumer's attitude towards counterfeiting is positive in Pakistan and other countries of similar culture. This understanding will go a long way in developing policies and procedures not specifically suggested in this study.

Earlier studies have examined the attitude from a narrow perspective based on five to seven variables (de Matos et al., 2007; Rahman, Haque, & Rahman, 2011; Wilcox et al., 2009; Yoo & Lee, 2009). We, on the other hand, have taken a holistic approach by incorporating four social, five personal and four moral variables for understanding attitude towards counterfeit luxury products. As compared to most of the earlier studies, we have used both the constructs individualism and collectivism for measuring consumer attitude towards counterfeiting. The reason for this approach was not because Pakistan is a collectivist society, but it has large segments of both individualists and collectivists. Compared to other researches individualism was found to be a stronger predictor of attitude. This will open a new avenue of research in other cultures as well due to the reason that no culture is individualist or collectivist as a whole.

Practical Implication

Materialism, status consumption and personal gratification have favourable attitudes towards counterfeit luxury products. These constructs relate to acquisition and display of wealth and a sense of accomplishment. Therefore it is necessary for marketers to develop and implement strategies which would reduce the consumption of counterfeit luxury products from status seeking and display of wealth, and a sense of accomplishment motives (Bhardwaj, 2010). The marketers while promoting genuine luxury brands must emphasise that

luxury brands are a medium for satisfying internal consumer motives such as self-respect and self-esteem (Truong, Simmons, McColl, & Kitchen, 2008) and must underplay the benefits associated with these constructs. Additionally, the original manufacturers may start offering lower-end products as this will reduce the demand for counterfeit luxury products (Bhardwaj, 2010). This strategy of offering lower end branded products makes sense especially considering that value conscious consumer's attitude towards counterfeit luxury products are also positive. Another benefit of this approach is that due to the availability of low-end branded products, consumers at an early age would develop the habit of purchasing genuine products and therefore at a later age they would be reluctant to purchase counterfeit luxury products (Phau & Teah, 2009a). The textbook publishers have successfully implemented this strategy by offering low-priced edition in the developing countries. Moreover, "Vera Vera Wang", a premium fashion designer has also extended to low price dresses with the name "Simply Vera Vera" for the lower and middle-income strata (Bhardwaj, 2010).

In an Eastern and Islamic country like Pakistan, it was expected, that constructs such as idealism, religiosity, and ethics would have a negative attitude towards counterfeit luxury products, which on the contrary was found to be positive. This poses a challenge to the policy makers. One of the reasons for such findings could be due to the availability of counterfeit products on a vast scale in Pakistan, consumers may not be aware that purchasing counterfeit is un-Islamic. The policy makers in this context could appoint Islamic spokespeople for communicating to the masses that possession and consumption of counterfeit products are un-Islamic. The same messages could also be part of Friday Sermon by Islamic Clerics.

Conclusion

This study has proposed a conceptual framework based on the Theory of Reasoned Action and Planned Behaviour on the determinants of attitude towards counterfeit luxury apparel products. By integrating the results of earlier works, this study has provided a more comprehensive and explanatory model with 19 antecedents of attitude towards counterfeiting. Additionally, the four variables religiosity, ethics, idealism and relativism incorporated in the design have assimilated very well and have brought further insight in understanding consumers' attitude towards counterfeiting. From a theoretical perspective, this study highlighted which of the determinants more significantly affects attitudes. The strongest effect on attitude was of moral orientation, followed by social and personal orientations. All the sub-factors of personal, social, and moral orientation also effect attitude, except normative which was dropped at the CFA stage of SEM. Surprisingly, positive effects of religiosity and idealism were found on attitude, which could be attributed to the fact that the bulk of the population do not consider this phenomenon unethical. Since all the determinants have substantial effects on attitude, therefore counterfeiting could only be reduced by reducing the demand. This can only happen by changing the consumers' attitude towards counterfeit products.

Limitation of the Study and Recommendation

This study was restricted to the urban cities; a future study could undertake a study of rural cities or a comparative study between urban and rural areas. The attitude in this study was measured on one stimulus, fashion luxury apparel products, future studies could conduct a study based on more than one stimuli as the literature suggests that attitude varies from one product category to other. Therefore, the findings could not be generalised, and future research must be of multicultural dimension multi-product category. There is significant inconsistency in the literature on the demographic factors and attitude towards counterfeit (Chenug & Prendergast, 2006; Chuchinprakarn, 2003; Eisend & Schuchert-Güler, 2006; Kwong et al., 2003; Moores & Cha-Jan Chang, 2006; Tan, 2002). Since this study's scope was exclusive of demographic factors, further studies could incorporate demographic factors such as age, income and gender to see whether they play moderating roles towards attitude.

This study is only restricted to counterfeit products, but as suggested by others that grey area products, imitation and custom-made copies also influence consumer intention to purchase counterfeit, which could also be explored in the future research (Teah & Phau, 2001).

In the case of Pakistan, it was found that individuals have both the characteristics of individualism and collectivism, and both of the constructs have a positive attitude towards counterfeit luxury products. Future research in the context of this study should incorporate both the constructs in their studies to find out that similar trend exists in other culture as well.

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Testiranje i inkorporiranje dodatnih etičkih odredbi u istraživanju falsifikovanja luksuzne robe na osnovu teorije planiranog ponašanja

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Falsifikovanje je problem koji postoji širom sveta. U nameri da se razreši ovaj problem, razvijen je novi holistički model koji sadrži 17 konstrukata. Ovaj model je empirijski proveren, a zasnovan je na teoriji promišljenih postupaka (eng. *Theory of Reasoned Action*) i teoriji planiranog ponašanja (eng. *Theory of Planned Behaviour*). Validne odgovore dalo je 907 učesnika ovog istraživanja, koji čine odziv od 95%. Nakon preliminarnih analiza, predložen je model koji je testiran u dve faze. Najpre je svaki konstrukt proveren korišćenjem konfirmatorne faktorske analize, što je bilo praćeno proverom modela u celini. Pretpostavljeni i empirijski provereni model (H1) adekvatno objašnjava stavove i ponašanje potrošača. Stav (H5) je najjači prediktor namere za kupovinom. Pored toga, moralna orijentacija (H4) je najjači prediktor stava, a nakon toga slede lična (H3) i socijalna orijentacija (H2). Što se tiče faktora nižeg reda, socijalne orijentacije, individualizam (H2D) je najjači prediktor stava, a nakon toga slede informativnost (H2B) i kolektivizam (H2C). Normativnost (H2D) nije testirana i isključena je tokom formiranja modela. S druge strane, u slučaju personalne orijentacije, opaženi rizik (H3C) nema efekat na stav, dok lično zadovoljstvo (H3E) ima najjači efekat na stav, što je praćeno materijalizmom (H3D), statusnom potrošnjom (H3A) i svešću o vrednostima (H3B). Slično tome, u slučaju moralne orijentacije (H4B), potvrđen je samo efekat relativizma. Preostale tri hipoteze, one koje se odnose na idealizam (H4A), religioznost (H4C) i etiku (H4D), su odbačene, jer ovi konstrukti imaju značajan pozitivan efekat, što je u suprotnosti sa početnim pretpostavkama. Utvrđeno je takođe da je efekat stava prema kupovini univerzalan i da ne varira od jedne do druge kategorije proizvoda. Međutim, ostali faktori nižeg reda imaju različite efekte u različitim kulturama i u odnosu na različite proizvode.

Ključne reči: Teorija promišljenih postupaka, Teorija planiranog ponašanja, socijalna orijentacija, moralna orijentacija i personalna orijentacija

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Appendix A

Summarised Hypothesised Results

Hypothesis	Adjusted R^2	Stand. Coefficient (β)	t (value)	$p > t $	Supported
Hypothesis 2: Effect of social Orientation on attitude.	.24	-	-	.00	Yes
Hypothesis 2A Normative effect on Attitude	This construct was dropped while fitting the Model				Model
Hypothesis 2b: Effect of informative on Attitude	.24	.21	5.61	.000	Yes
Hypothesis 2C: Effect of collectivism on Attitude	.24	.17	4.79	.000	Yes
Hypothesis 2D: Effect of Individualism on Attitude	.24	.22	6.31	.000	Yes
Hypothesis 3: Effect of Personal orientation on Attitude	.37	-	-	.000	Yes
Hypothesis 3A: Effect of Status consumption on attitude	.37	.17	5.25	.000	Yes
Hypothesis 3B: Effect of value conscious on Attitude	.37	.13	3.72	.000	Yes
Hypothesis 3C: Effect of Risk on Attitude	.37	.05	1.33	.183	No
Hypothesis 3D: Materialism on Attitude	.37	.25	6.26	.000	Yes
Hypothesis 3E: P .Gratification on Attitude	.37	.16	4.21	.000	Yes
Hypothesis 4:Effect of Moral Orientation on Attitude	.30	-	-	.000	Yes
Hypothesis 4A:Effect Idealism on Attitude (Negative)	.30	.11	3.14	.002	No
Hypothesis 4B:Effect Relativism on Attitude	.30	.12	3.97	.000	Yes
Hypothesis4C: Effect Religiosity on Attitude (Negative)	.30	.11	3.36	.001	No (Positive)
Hypothesis 4D: Effect ethics on Attitude(Negative)	.30	.35	10.71	.000	No (Positive)
Hypothesis 5: Effect on Attitude Purchase intention	.45	.67	27.3	.000	Yes

Note. All values significant at 95% confidence level.

Appendix B

Questionnaire with Codes of variables

Idealism	
ID_1	A person should make certain that their actions never intentionally harm another even to a small degree.
ID_2	Risk to another should never be tolerated, irrespective of how small the risk might be.
ID_3	The existence of potential harm to another is always wrong irrespective of the benefits to be gained.
ID_4	One should never psychologically or physically harm another person.
ID_5	One should not perform an action which might in any way threaten the dignity and welfare of another individual.
ID_6	If an action could harm other(s), then it should not be done.
ID_7	Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
ID_8	The dignity and welfare of people should be the most important concern of any society.
ID_9	It is never necessary to sacrifice the welfare of others.
ID_10	Moral actions are those which closely match ideals of the most perfect actions.
Relativism	
RLV_1	There are no ethical principles that are so important that they should be part of any code of ethics.
RLV_2	What is ethical varies from one situation to another.
RLV_3	Moral standards should be seen as being individualistic; what one person considers being moral may be judged to be immoral by another person.
RLV_4	Different types of moralities cannot be compared to as "rightness.
RLV_5	Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.
RLV_6	Moral standards are simple personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.
RLV_7	Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.
RLV_8	Rigidly codifying an ethical option that prevents certain types of actions could stand in the way of better human relations and adjustment.
RLV_9	No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.
RLV_10	Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the activity.
Religiosity	
R_1	I often read books and magazines about my faith.
R_2	I make financial contributions to my religious organization.
R_3	I spend time trying to grow in understanding of my faith.
R_4	Religion is especially important to me because it answers many questions.
R_5	My religious beliefs lie behind my whole approach to life.
R_6	I enjoy spending time with others of my religious affiliation.
R_7	Religious beliefs influence all my dealings in life.
R_8	It is important to me to spend periods of time in private religious thought.
R_9	I enjoy working in the activities of my religious organization.
R_10	I keep well informed about my local religious group and have some influence in its decisions.

Actively Benefiting from Illegal Activity	
ABI_1	Changing price tags on merchandise in a retail store is actively benefiting from illegal activities.
ABI_2	Drinking a can of soda in a supermarket without paying for it actively benefiting from illegal activities.
ABI_3	Reporting a lost item as 'stolen' to an insurance company in order to collect the money actively benefiting from illegal activities.
ABI_4	Giving misleading price information to a clerk for an un-priced item actively benefiting from illegal activities.
ABI_5	Returning damaged merchandise when the damage is your own is actively benefiting from illegal activities.
Passively Benefiting at the Expense of Others	
PBI_1	Getting too much change and not saying anything is passively benefiting at the expense of others.
PBI_2	Lying about a child's age in order to get a lower price is passively benefiting at the expense of others.
PBI_3	Not saying anything when the server miscalculates the bill in your favor is passively benefiting at the expense of others.
Actively Benefiting from Questionable Behavior	
ABQ_1	Breaking a bottle of salad dressing in a supermarket and doing nothing about it is actively benefiting from questionable behavior.
ABQ_2	Stretching the truth on an income tax return is actively benefiting from questionable behavior.
ABQ_3	Using an expired coupon for merchandise is actively benefiting from questionable behavior.
ABQ_4	Using a coupon for merchandise that you did not buy is actively benefiting from questionable behavior.
ABQ_5	Not telling the truth when negotiating the price of a new automobile is actively benefiting from questionable behavior.
No Harm no Foul	
NHNF_1	Tasting grapes in a supermarket and not buying anything is no harm and no foul.
NHNF_2	Using computer software or games that you did not buy is no harm and no foul.
NHNF_3	Recording an album instead of buying it is no harm and no foul.
NHNF_4	Spending over an hour trying on different dresses and not purchasing is no harm and no foul.
NHNF_5	Taping a movie off the television is no harm and no foul.
NHNF_6	Returning merchandise after trying it and not liking it is no harm and no foul.
Informative Susceptibility	
INS_1	To make sure I buy the right product or brand, I often observe what others are buying and using.
INS_2	If I have little experience with a product, I often ask my friends about the product.
INS_3	I often consult other people to help choose the best alternative available from a product class.
INS_4	I frequently gather information from friends or family about a product before I buy.
Normative Susceptibility	
NS_1	It is important that others like the products and brands I buy.
NS_2	If other people see me using a product I often purchase the brand they expect me to buy.
NS_3	I like to know what brands or products make good impression on others.
NS_4	If I want to be like someone, I often try to buy the same brand they buy.
Collectivism	

CL 1	He that shares is to be rewarded and he that does not, condemned.
CL 2	I like to share with others.
CL 3	I Wish others can share with me.
CL 4	More people share a product, the more valuable the product is.
Individualism	
IND 1	I don't think it is necessary to act as fellow group member.
IND 2	I don't change my opinion in conformity with those of majority.
IND 3	I don't support my group when they are wrongs.
Attitude	
AT 1	Considering price, I prefer counterfeit luxury products.
AT 2	I like shopping for counterfeit products.
AT 3	Buying counterfeit luxury products generally benefit the consumers.
AT 4	There's nothing wrong with purchasing counterfeit luxury products.
AT 5	Generally speaking, buying counterfeit market goods is a better choice.
Materialism	
M 1	It is important to me to have really nice things.
M 2	I would like to be rich enough to buy anything I want.
M 3*	I would be happier if I could afford to buy more things.
M 4	It sometimes bothers me quite a bit that I cannot afford to buy all of the things.
M 5	People place too much emphasis on material things.
M 6	It is really true that money can buy happiness.
M 7	The things I own give me a great deal of pleasure.
Status consumption	
SC 1	I would buy a product just because it has status.
SC 2	I am interested in new products with status.
SC 3	I would pay more for product if it had status.
SC 4	The status of a product is irrelevant to me.
SC 5	A product is more valuable to me if it has more snob appeal.
Personal Gratification	
PG 1	A comfortable life is important to me.
PG 2	An exciting life is important to me.
PG 3	A sense of accomplishment is important to me.
PG 4	I value pleasure.
PG 5	I value social recognition.
Perceived Risk	
PR_1	The probability of financial loss in purchasing counterfeit product is high as it may not meet my expectation as compared to the amount spent.
PR_2	The probability of performance loss in purchasing counterfeit is high as it would function poorly, and would not meet desired expectation.
PR_3	The probability of physical loss in purchasing counterfeit is high as it would not be safe, dangerous, and harmful.
PR_4	The probability of psychological loss is high in purchasing counterfeit as it would not fit with self image or concept.
PR_5	The probability of social loss in purchasing counterfeit is high as other will think less highly for me.
Value Conscious	
VC 1	I am concerned about price and product quality.
VC 2	I compare prices for the best value for money.
VC 3	I like to be sure that I get my money worth.
VC 4	I try to maximize the quality for the money spent.
Purchase Intention	

PI 1	I would think about a luxury counterfeit as a choice when buying something.
PI 2	I will buy counterfeit luxury products.
PI 3	I will recommend my friends and relative to purchase counterfeit luxury products.
PI 4	I would always say positive things about counterfeit luxury product.
PI 5	I will buy counterfeit luxury products from peddlers.