The pursuit of counterfeited luxury: An examination of the negative side effects of close consumer–brand connections

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The pursuit of counterfeited luxury: An examination of the negative side effects of close consumer–brand connections

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A B S T R A C T

Over the past two decades, the counterfeiting industry has cost U.S. manufacturers over $200 billion. In this study, we extend current research on consumers’ willingness to purchase counterfeit products by demonstrating that consumers’ need to build their self-concept via self-brand connection directly impact consumers’ willingness to purchase counterfeits and these effects are moderated by value consciousness and openness to experience. As a result, our findings move beyond simple assessments of the impact of demographics and social norms to provide a deeper understanding of why and when consumers purchase counterfeit goods. The findings provide new insights that luxury brand managers could leverage to proactively combat counterfeiting and begin curtailing their losses due to the sale of fake goods.

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1. Introduction

Counterfeiting of brand name goods has increased by more than 10,000% in the past two decades and costs U.S. manufacturers over $200 billion annually (International AntiCounterfeiting Coalition, 2012). Counterfeit goods, comprising any illegal impersonation of branded goods, are growing in popularity (particularly for luxury brands) due to the relative ease of manufacturing and the spike in consumer demand. Initial investigations of counterfeit purchase have demonstrated that luxury brands’ engender counterfeit (Cordell, Wongtada, & Kieschnick, 1996; Cordell, Wongtada, & Kieschnick, 1996) that consumers’ buy to fulfill their need for social assimilation (see Han, Nunes, & Drèze, 2010; Wilcox, Hyeong, & Sen, 2009). While these studies provide a good starting point for developing our understanding of the role of luxury brands in counterfeiting, more research is needed to understand how luxury brands engage counterfeit. Luxury brand counterfeit (LBC) purchase not only represents the aspects of the product and the brand (Bian & Moutinho, 2009; Eisend & Schuchert-Güler, 2006), but also the consumer. Understanding the connection between a consumer and brand is vital for improving our understanding of the proliferation of LBC.

The luxury consumption literature shows that consumers buy luxury products to shape or reflect their self-concept (Puntoni, 2001; Wiedmann, Hennigs, & Siebels, 2009). Counterfeit literature, on the other hand, shows that consumers buy counterfeit products to send a positive signal to others including themselves (Bodner & Prelec, 2002; Wilcox, Hyeong, & Sen, 2009). While research in both these respective areas provides some solid insight into how consumers view luxury goods and counterfeits, there are still certain questions that are left unanswered to fully integrate these streams. To address this issue, we first integrate and extend recent research in both areas by first exploring if consumers buy LBC products to fulfill certain psychological needs such as the ability to construct and/or reflect their self-concept (or image) to others. Moreover, we examine the role that situational personality traits play in altering the relationship between a consumers’ connection to a brand and willingness to purchase LBC products.

By focusing on both consumer–brand relationships and consumer personality traits, we provide an improved understanding into this complex purchase process. In doing so, we offer three unique contributions to the literature. First, our results demonstrate that it is not only a consumer’s desire to build their self-concept that attracts them toward LBC, but there are also certain personality traits that impact such an attraction. Second, we empirically demonstrate that consumer–brand relationships have a direct impact on consumer’s willingness to buy LBC, hence highlighting the dark side of consumer–brand connections. Third, we take a step further to demonstrate that value-consciousness and impulsiveness personality factors positively influence consumers’ LBC purchase process, while openness to experience has a negative impact. The results of this study provide a fresh perspective on the complex mechanisms associated with LBC product purchase.

In the following section, we review the literature, and develop hypotheses.
2. Conceptual background and hypothesis development

From a consumer's perspective, counterfeiting can be either deceptive or non-deceptive (Grossman & Shapiro, 1988). Non-deceptive counterfeiting, the focus of this study, occurs when consumers knowingly buy a product that they recognize is an imitation of a highly valued brand. Non-deceptive counterfeiting is mainly prevalent in the luxury goods market (Nia & Zaichkowsky, 2000) and largely argued to be driven by consumer demand (Bloch, Bush, & Campbell, 1993; Cordell et al., 1996). Research on non-deceptive counterfeiting has attributed counterfeit consumption proliferation to the following three reasons (Eisend & Schuchert-Güler, 2006): price affordability and/or product feature preferences (e.g., Albers-Miller, 1999; Penz & Stottinger, 2005; Poddar, Foreman, Banerjee, & Ellen, 2012), social and cultural influence (e.g., Chakraborty, Allred, & Bristol, 1996; Han et al., 2010; Hoe, Hogg, & Hart, 2003; Lai & Zaichkowsky, 1999; Leisen & Nill, 2001; Wilcox, Hyeong, & Sen, 2009), and consumer socioeconomic status (e.g., Bloch et al., 1993; Cheung & Prendergast, 2006; Chuchinprakarn, 2003). Recent research has started to explore the role of luxury brand in the demand of counterfeit products (e.g., Bian & Moutinho, 2009; Turunen & Laaksonen, 2011). These studies in general argue that ignoring the role of a luxury brand limits the understanding of counterfeit product proliferation because the brand plays an integral role in consumers' demand for luxury brand counterfeit products. Turunen and Laaksonen's (2011) qualitative study shows that consumers consider LBCs as embodiment of real luxury brands. Bian and Moutinho (2009) also found that the match between consumer- and brand-personalities has a positive influence on consumer’s tendency to buy LBC. While these studies establish the importance of luxury brands in LBC, they do not explore the psychology behind consumers’ attraction to LBC. We posit that luxury brands play a critical role in shaping consumers' preference for LBC because they fulfill their psychological desire to achieve the symbolic meaning associated with the particular luxury brand such as the desire to construct or reflect their self-concept to others. The conceptual model and expected directionality are presented in Fig. 1. Each of these directional effects is elaborated on in the following section.

2.1. The effect of self-brand connection

Brands have the ability to both influence customer purchase decisions and shape consumer identities (Aaker, 1997; Escalas & Bettman, 2005; Richins, 1994). According to Escalas and Bettman (2005, p. 378), “when brand associations are used to construct the self or to communicate the self-concept to others, a connection is formed with the brand.” The authors label this connection with the brand as self-brand connection (SBC). Material possessions in the form of luxury brands help consumers satisfy different psychological needs such as creating and communicating their self-concept (Belk, 1988; Escalas & Bettman, 2005; Sirgy, 1982). We define self-concept as the “totality of the individual’s thoughts and feelings having reference to himself as an object” (Rosenberg, 1979, p. 7).

Consumers adopt different techniques, such as conforming to social norms, flattery, self-promotion (Escalas & Bettman, 2003; Fiske & Taylor, 1991), or acting dishonestly (Mazar, Amir, & Ariely, 2008) to accomplish the objective of signaling or shaping identities. Among the different techniques used by the customers, acting dishonestly for signaling identities is an intriguing consumer behavior phenomenon with strong implications for counterfeit consumer behavior. Mazar et al. (2008, p. 633) argue that customers “behave dishonestly enough to profit but honestly enough to delude themselves of their own integrity. A little bit of dishonesty gives a taste of profit without spoiling a positive self-view.” This suggests that some customers deliberately carry out dishonest acts with the aim of maximizing their return while reducing the investment cost, and in the process do not question their self-concept. Deliberate dishonest acts in retailing, such as wardrobing (the act of purchasing, using and then returning the used clothing or accessories), cost U.S. retailers $16 billion annually (Speights & Hilinski, 2005), and consumers do not consider acts to be unethical or immoral (Rosenbaum, Ronald, & Wooldridge, 2011). Similarly, it can be argued that many consumers are tempted to buy counterfeit products because, according to them, the act of buying counterfeit products falls within the boundaries of acceptable dishonesty and allows them to unbundle the status and quality attributes of a high status brand without paying the high price (Bian & Moutinho, 2009; Grossman & Shapiro, 1988). Therefore, the following hypothesis:

Hypothesis 1. SBC has a direct positive effect on the willingness to buy LBC.

2.2. The effects of value consciousness, impulsive buying, and openness to experience

Value consciousness (VC) is defined as a concern for price keeping in mind the quality received (Lichtenstein, Ridgway, & Netemeyer, 1993). A consumer's perceived value of a product is considered to be an influential driver of their purchase decision. Research shows that when consumers find better value in a product compared to other product options, their intention to buy that product increases (Dodds, Monroe, & Grewal, 1991). This experience provides them with a

![Conceptual model](image-url)

Fig. 1. Conceptual model.
feeling of being a “smart shopper” (Lichtenstein et al., 1993). Phau and Teah (2009) found that value conscious consumers have a positive attitude toward counterfeit products. When consumers encounter counterfeit products that seem to provide high value at low price, their tendency to buy such a product increases. Our argument shadows Lichtenstein, Netemeyer, and Burton’s (1990, p. 56) reasoning that, “for most people price and quality are the most salient ‘give and get’ components,” and in any given purchase situation where consumers find the salient “give and take” component, their willingness to purchase the product will be high. Therefore, the following is hypothesized:

**Hypothesis 2.** Value-consciousness has a direct, positive effect on the willingness to buy LBC.

Impulsive buying behavior is a widely known phenomenon in the United States. According to Kacen and Lee (2002, p. 163), it is defined as, “a sudden, compelling, hedonically complex purchasing behavior in which the rapidity of the impulse purchase decision process precludes thoughtful, deliberate consideration of all information and choice alternatives.” Consumer impulsivity is argued to arise from the tendency to overvalue benefits and undervalue long-term effects (Ramanathan & Menon, 2006). According to Stern (1962), impulse buying is largely dependent on resources such as money, time, and physical and mental effort, with money exerting the most direct impact on the purchase decision (Kukar-Kinney, Ridgway, & Monroe, 2012). Prior research also shows that impulsive buyers seek pleasure in finding value deals because such deals make them feel less guilty in engaging in impulse purchases (Kukar-Kinney et al., 2012). This suggests that if a consumer gets easy access to a product where the expenditure of resources in the form money, time, and the physical and mental effort is low, then the likelihood of an impulse purchase is greater (Stern, 1962). Therefore, it can be argued that when consumers with impulsive buying trait encounter counterfeit products, the likelihood of buying such a product may be high. Hence, it is hypothesized,

**Hypothesis 3.** Impulsive buying behavior has a direct, positive effect on the willingness to buy LBC.

Openness to experience refers to a person who is curious, creative, original and imaginative, finds novel solutions, and enjoys new experiences (Costa & McCrae, 1992; McCrae, 1987). According to Costa and McCrae (1992), open individuals are highly motivated to find new and diverse experiences. These individuals are always actively seeking situations that expose them to unfamiliar conditions that help them find novel experiences. Additionally, in another study, McCrae and Costa (1997) claim that open individuals have absorptive capability of combining and integrating new and unrelated information. These characteristics not only allow open individuals to find novel solutions, but also allow them to make better decisions when they are exposed to unfamiliar situations. In another study, Woo, et al. (2014, p. 29) state that, “because novel stimuli can appear in the form of novel experiential stimuli (e.g., new cultural experiences) and that of original intellectual stimuli (e.g., new theories), individuals might prefer one form of novel stimulation and dislike the other form (e.g., one might enjoy traveling to exotic cultures but dislike reading new scientific findings).” Thus, it is contended that open customers are likely to engage in a counterfeit shopping experience, but their likelihood to actually buy the product will be low. Engaging in a counterfeit shopping experience provides novel and unique experience that satisfies the curious nature of such a customer at no cost. However, purchasing and using counterfeit products does not provide novel or creative experience, rather purchasing such products runs counter to their true self of being authentic and original. Thus, we propose:

**Hypothesis 4.** Openness to experiences has a direct, negative effect on the willingness to buy LBC.

2.3. Interaction effects

Personality traits reflect enduring behaviors or responses that are consistent across situations (McCrae, 2009). This suggests that consumers with certain personality traits are expected to exhibit consistent behaviors associated with those traits irrespective of the situation, which makes exploring the interactive effects of personality traits with SBC a very meaningful endeavor. Therefore, the next set of hypotheses involves two-way interactions between SBC and consumer personality traits.

Prior research indicates the importance of the interaction between VC and brand preferences (Monroe, 1979). According to Monroe (1979), the best purchase decision is the one where the brand provides the highest ratio of quality to price for the product category. Additionally, VC is argued to influence consumers’ preference for counterfeit products (Dodge, Edwards, & Fullerton, 1996; Phau & Teah, 2009). These findings suggest that value conscious consumers’ willingness to buy a LBC is particularly high when the product embodies their self-concept and is viewed as being a good deal. There are two reasons for expecting such an interaction. First, consumers who deliberately buy counterfeit products buy them primarily for the fashion component in the form of brand image attached with the product (Tom, Garibaldi, Zeng, & Pilcher, 1998). LBC products help consumers achieve two separate objectives: (1) it gives some consumers the opportunity to create a unique identity by using a brand that helps them separate from others, and (2) it allows some customers to assimilate with a group they desire (Wilcox, Hyeong, & Sen, 2009). This objective is achieved by showing what the brand means rather than how the counterfeit product performs (Penza & Stottinger, 2005). LBCs are considered to provide the prestige without paying the high price. Second, evidence shows that there are consumers who buy counterfeit products because of the value the product provides in terms of the price–quality ratio rather than just merely acquiring a brand (Geiger-Oneto, Gelb, Walker, & Hess, 2012). Hence, the following is hypothesized:

**Hypothesis 5.** VC positively moderates the effect of SBC on willingness to buy LBC to the extent that the effect of SBC on the willingness to buy LBC is stronger when VC is high.

Impulsive consumption has been associated with a conflict between the desire to consume and the ability to resist it (Hoch & Loewenstein, 1991). This conflict upsurges in situations where processing resources, such as time and money, are limited, thus enticing consumers to give in to their impulses. Moreover, prior research shows that a consumer’s need to build their self-concept is linked to impulsive buying tendencies (Zhang & Shrum, 2009), and these tendencies are higher for hedonic things such as branded products (Ramanathan & Menon, 2006). These findings suggest that when an impulsive buyer finds a brand that is associated with their self-concept, their propensity to buy such a product may increase. Therefore, the following hypothesis is proposed:

**Hypothesis 6.** Impulsive buying positively moderates the effect of SBC on willingness to buy LBC to the extent that the effect of SBC on the willingness to buy LBC is stronger when impulse buying is high.

Consumers tend to choose those brands that are similar to their own personalities (Huang, Mitchell, & Rosenbaum-Elliott, 2012). McCrae’s (1996) extensive review shows that the openness element of personality is associated with different social outcomes. He argues that openness is a fundamental way of approaching life that impacts both internal experience and social relationships and behaviors. This implies that openness to experience may play a role in building self-concept. As previously argued, an open consumer may be highly motivated to engage in counterfeit shopping experience, but might not be willing to engage in the actual product purchasing. In a similar vein, it is argued that open consumers, who use brands to create their self-concept by
pictures of the counterfeit product along with the asking price. The rating of each product was based on the results of a pre-test (3) men’s wallet (women’s handbag) (Louis Vuitton). The brand for (women’s) watch (Rolex), (2) men’s (women’s) belt (Gucci), or (3) men’s (women’s) purse (Prada) was selected.

To ensure that consumer familiarity with each was sufficiently high and they were not just guessing, the respondents were given the price differential between the original and the fake products. These price differentials were calculated based on the price of the original product and their corresponding fake product being sold online. Once the respondents viewed the photos of LBC they were asked to respond to a set of questions by bearing in mind both the product and brand type shown. At last, they were asked to respond a set of questions about their willingness to buy counterfeit, openness to experience, and demographics.

3. Method

3.1. Sampling and data collection

Respondents were recruited via Amazon’s Mechanical Turk’s service. Mechanical Turk is considered to provide slightly more demographically diverse sample compared to the traditional Internet or typical American college student samples. The data obtained are considered to be as reliable as those gathered via the traditional data collection methods (Buhrmester, Kwang, & Gosling, 2011). For our particular data collection, 296 consumers provided complete data that was suitable for analysis. Fifty-two percent of the sample was male and the average age was 35 years. In terms of race/ethnicity, 86% of the respondents were Caucasian, 5% African–American, 3% Hispanic, 4% Asian, 1.3% Native American, and 0.7% reported their race/ethnicity as “other.” The data collection was restricted to the United States.

After agreeing to participate in the research study, respondents were directed to the survey instrument. The first question on the survey captured the respondents’ gender and was used to direct each respondent to a gender-specific product type scenario. Specifically, men (women) were randomly directed to one of three product scenarios: (1) men’s (women’s) watch (Rolex), (2) men’s (women’s) belt (Gucci), or (3) men’s wallet (women’s handbag) (Louis Vuitton). The brand for each of these products was selected based on the results of a pre-test to ensure that consumer familiarity with each was sufficiently high with an average mean above 4.0 out of 5.0. Once they were assigned to one of the preceding product categories, respondents were shown pictures of the counterfeit product along with the asking price. The respondents were informed that the products in the pictures are fake and their quality is poor as compared to the original product. However, we also informed the respondents that the vendor claims the product to be of great quality. The pictures and the price of the counterfeit products were taken from a website that claimed to be selling high quality replica at cheap prices. The respondents were given the price differential between the original and the fake products. These price differentials were calculated based on the price of the original product and their corresponding fake product being sold online. Once the respondents viewed the photos of LBC they were asked to respond to a set of questions by bearing in mind both the product and brand type shown. At last, they were asked to respond a set of questions about their willingness to buy counterfeit, openness to experience, and demographics.

3.2. Measures

The independent variables predicted to impact willingness to buy counterfeit products are SBC, impulsive buying, VC, and openness to experience. In addition to the independent variables, we included measures of perceived level of affordability of the original product, prior fake product experience, propensity to buy original and authentic products, age, gender, and product types as control variables. Table 1 shows the descriptive statistics, correlation and covariance matrices for all the variables. Where possible, all established measures were used using a 5-point Likert-type scale. Table 2 provides complete detail on measures and their definitions and sources.

3.3. Measurement model testing

Based on guidance provided by Bagozzi and Yi (2012), we conducted a comprehensive confirmatory factor analysis to check the discriminant and convergent validities of the variables to determine model fit and construct reliability. The results are reported in Table 2 and demonstrate that all standardized loadings for items of reflective measures are large and significant (range: 0.62 to 0.93), in support of convergent validity. Internal consistency of reflective measures is denoted by construct reliability estimates (Fornell & Larcker, 1981). Table 2 reveals that all constructs have reliability estimates well above the accepted level of 0.7, thus further reasonably confirming the unidimensionality and convergent validity of the constructs. Discriminant validity was established by first examining the interconstruct correlations, which were all significantly smaller than 1.0 (Bagozzi, Yi, & Phillips, 1991). The squared average variance extracted (AVE) for each construct was then compared with the correlations. In all cases, the squared AVE was larger than the correlations, therefore adequately confirming discriminant validity (Fornell & Larcker, 1981). See Table 1 for the comparison. The analysis indicates a good fit for the independent variables used in the model (CFI = .98, SRMR = .04, RMSEA = .04 and $\chi^2(220) = 354, p = 0.00$).

### Table 1

<table>
<thead>
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<th>Construct</th>
<th>1</th>
<th>2</th>
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<th>4</th>
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<td>-.02</td>
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<td>.02</td>
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<td>-.09</td>
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<td>.04</td>
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<tr>
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<td>.91</td>
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<td>.95</td>
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<td>-</td>
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</tr>
</tbody>
</table>

Note: Correlations are provided below the diagonal, covariances are provided above the diagonal, and the square roots of AVEs are provided at the diagonal. N/A = not applicable as construct measured by single item. All correlations are significant at .05 level.
3.4. Assessment of common method bias

Cross-sectional surveys where both the independent and dependent variables came from the same source are susceptible to common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Thus, we conducted two separate tests to assess the presence of common method bias. First, we employed a CFA-based version of Harmon’s one-factor test (McFarlin & Sweeney, 1992; Sanchez & Brock, 1996). Results for this model were quite poor and substantially worse than those from the proposed measurement model (chi-square goodness-of-fit index of 4702 with 495 degrees of freedom; CFI = 0.340, RMSEA = 0.170, and SRMR = 0.172), indicating that common method bias is minimal. Second, Lindell and Whitney (2001) marker variable assessment technique was employed. This technique involves assessing the impact of a marker variable, which is theoretically uncorrelated with the variables in the study, on the correlations among the independent and dependent variables. After partialing out the marker variable, the significance level of all the bivariate correlations remained unchanged. Thus, the assessment of two tests suggests that the risk of common method bias is minimal.

4. Results

4.1. Hypothesis Tests

Structural equations modeling approach (Anderson & Gerbing, 1982) using EQS version 6.1 to test the hypotheses. This approach allows accounting for measurement error and simultaneously estimating all direct and interaction effects in the conceptual model. Specifically, we estimated a model based on Ping’s (1995, 2007) approach for modeling latent variables interactions. Using this approach, three interaction variables were created that accounted for the interaction between SBC and consumer personality traits. In addition to these interaction effects, the direct effects of the four exogenous variables on willingness to buy LBC was also estimated. The structural model was estimated simultaneously with the measurement model using raw data as an input. The overall fit of the data to the hypothesized model was done using Maximum Likelihood, and the resulting fit was satisfactory ($\chi^2 = 595$, df = 400; CFI = 0.98; SRMR = 0.03; RMSEA = 0.04). The results are reported in Table 3.

To assess H1–H7, we examined the sign and significance of the coefficients. Overall, the independent variables explained 65% of the variance in willingness to buy LBC. More detailed results are reported in Table 3 and provide strong support for the direct effect of SBC ($\beta = 0.29$, $p < 0.01$) on willingness to buy LBC, providing support for H1. Additionally, we find strong support for the direct effect of VC ($\beta = 0.54$, $p < 0.01$) and impulsive buying ($\beta = 0.09$, $p < 0.05$) on willingness to buy LBC, hence confirming H2 and H3. Unfortunately, our model does not provide support for the direct effect of openness to experience on willingness to buy LBC ($\beta = 0.02$, $p > 0.05$). Therefore, no support was found for H4.

With respect to the interaction results, the interaction between SBC and VC on willingness to buy LBC is significant ($\beta = 0.18$, $p < 0.01$), supporting H5. Further, the interactions between SBC and impulsive

Table 2
Measures, factor loadings, and composite reliabilities.

<table>
<thead>
<tr>
<th>Source</th>
<th>Constructs</th>
<th>Construct loading</th>
<th>C.R.</th>
<th>AVEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antecedents</td>
<td>Self-brand connection — measures the extent to which a consumer has incorporated a brand into his or her self-concept.</td>
<td>.77</td>
<td>.94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The luxury brand reflects who I am.</td>
<td>.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• I can identify with the luxury brand.</td>
<td>.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• I feel a personal connection to the luxury brand.</td>
<td>.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• I (can) use this luxury brand to communicate who I am to other people.</td>
<td>.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• I consider this luxury brand to be “me”.</td>
<td>.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modifiers</td>
<td>Value consciousness — measures consumer’s assessment of the quality of the product in relation to its price.</td>
<td>.68</td>
<td>.91</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• This product is a (1 = very poor value for money to 5 = very high value for money).</td>
<td>.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• At the price shown, the product is (1 = very uneconomical to 5 = very economical).</td>
<td>.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The product is considered to be a good buy.</td>
<td>.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• This product appears to be a bargain.</td>
<td>.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• This price shown for the product is (1 = very unacceptable to 5 = very acceptable).</td>
<td>.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impulsive buying — measures consumer’s tendency to buy products spontaneously, unreflectedly, immediately and kinetically.</td>
<td>.63</td>
<td>.92</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• “Just do it” describes the way I buy things.</td>
<td>.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• “I see it, I buy it” describes me.</td>
<td>.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• “Buy now, think about it later” describes me.</td>
<td>.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• I buy things according to how I feel at the moment.</td>
<td>.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Sometimes I am a bit reckless about what I buy.</td>
<td>.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Openness to experience — captures an individual’s degree of imagination and originality</td>
<td>.74</td>
<td>.63</td>
<td>.83</td>
</tr>
<tr>
<td></td>
<td>How often you experience the following: (1 = never to 5 = always)</td>
<td>.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Frequently feel highly creative</td>
<td>.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Imaginative</td>
<td>.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Feel more original than others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome</td>
<td>Willingness to buy LBC — this measure essentially captures the extent to which consumers’ willingness to buy a counterfeit luxury product after reading the scenario and seeing the pictures.</td>
<td>.82</td>
<td>.95</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The likelihood of purchasing this product (1 = very low to 5 = very high)</td>
<td>.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The probability that I would consider buying the product (1 = very low to 5 = very high)</td>
<td>.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• I intent to buy this product.</td>
<td>.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• At this price shown, I would consider buying the product.</td>
<td>.87</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
buying ($β = -.06, p > 0.05$) on willingness to buy LBC is not significant. This means that H6 is not supported. The interaction effect between SBC and openness to experience is in support of H8 ($β = -.12, p < 0.05$). However, it is important to note here that since the direct effect of openness to experience on willingness to buy LBC is not significant, openness to experience acts as a doubly exogenous variable that diminishes the effect of SBC on willing to buy LBC. This means that the effect of SBC on willingness is stronger when openness to experience is low, than when it is high.

Lastly, we also tested the effects of control variables. Of all the controls included, consumer’s propensity to buy authentic and original products has a negative and significant effect on willingness to buy LBC. Further, we find age has a negative and significant effect on willingness to buy, which indicates that younger consumers are more susceptible to buying counterfeit products than the older consumers. Unlike prior research, we do not find significant effect of prior fake experience (Yoo & Lee, 2012). Lastly, we find that watch product category has a negative and significant effect on the willingness to buy counterfeit product. This may suggest that consumers may not have faith in a counterfeit product that involves difficulty in predicting the performance quality.

4.2. Probing the interactions

To improve our understanding of the significant interaction and moderating effects, we conducted simple slopes tests and plotted the interactions graphically (see Fig. 2). These plots were created by adapting the procedure described in Aiken and West (1991), using standardized path coefficients (Cortina, Chen, & Dunlap, 2001). With respect to the effect proposed in H3, simple slopes test revealed that SBC only had positive and significant effect on willingness to purchase LBC when VC was high. Thus, for consumers who are not concerned with price, developing strong brand connections doesn’t make them more likely to purchase fake goods. For H7, the results show that low levels of openness to new experience, SBC had a significant impact on willingness to purchase counterfeits. However, the effect was significant at both high and low levels of openness to experience, but the effect was stronger at lower levels than at higher levels of openness to experience.

5. Discussion

The results of this study challenge the current assumption in the literature that shows consumer–brand relationships lead to universally positive developments for brands by empirically demonstrating that SBC has the direct positive effect on consumers’ propensity to buy LBC. Additionally, this study takes a step further to understand under what conditions this effect is either enhanced or diminished by consumer personality traits. The results hold important implications for both managers and academics.

5.1. Research contributions

This research makes three important contributions to the literature. First, this study is among the few empirical studies to explicitly examine the role of luxury brands in influencing consumers’ preference for counterfeit products. The results of the study demonstrate that consumers have a tendency to consider buying LBC to build or reflect their identity to others. This suggests that consumers need to feel a connection with the brand to engage in the process of buying LBC product. Prior research suggests the influence of self-image in buying LBC (Bian & Moutinho, 2009), and the finding of this study confirms that speculation.

Second, this study makes unique contribution to the literature of consumer–brand relationship. Previous research on consumer–brand relationship has primarily explored the bright side of the formation of consumer–brand relationship (Batra, Ahuvia, & Bagozzi, 2012; Escalas & Bettman, 2003; Escalas & Bettman, 2005). The research is the first to explore the “dark side” of consumer–brand relationship. This research, of course, is not meant to claim that every consumer who builds a relationship with a brand to create self-concept gets persuaded to buy LBC. Rather, the result claims that the susceptibility to consider buying LBC increases for consumers who build interpersonal connections with luxury brands. This finding is in line with the findings of Mazar et al. (2008) that consumers have a tendency to strike a balance between driving some financial benefit and behaving dishonestly without damaging their self-concept.

Third, the research provides conditions under which the strength of the relationship between SBC and willingness to buy LBC varies. The interaction results will help researchers understand consumer dynamics.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationships</th>
<th>CS</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 SBC is positively associated with the willingness to buy LBC.</td>
<td>.29**</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H2 VC is positively associated with willingness to buy LBC.</td>
<td>.54**</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H3 Impulsive buying behavior is positively associated with willingness to buy LBC.</td>
<td>.09</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H4 Openness to experience is negatively associated with willingness to buy LBC.</td>
<td>n.s.</td>
<td>Not Supported</td>
<td></td>
</tr>
<tr>
<td>H5 The combined effect (i.e., interaction effect) of SBC and VC will be positively associated with willingness to buy LBC.</td>
<td>.18**</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H6 The combined effect (i.e., interaction effect) of SBC and impulsive buying will be positively associated with willingness to buy LBC.</td>
<td>n.s.</td>
<td>Not Supported</td>
<td></td>
</tr>
<tr>
<td>H7 The effect of SBC on willingness to buy LBC will be diminished as openness to experience increases.</td>
<td>-.12</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>Covariates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordability of original product</td>
<td>n.s.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior fake product experience</td>
<td>n.s.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propensity to buy authentic products</td>
<td>-.15**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>n.s.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product types:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Watch dummy</td>
<td>-.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purse dummy</td>
<td>n.s.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: CS = completely standardized path coefficient, n.s. = not significant.
* p < .05
** p < .01
from a different perspective than has not been previously explored in both the consumer–brand relationship and counterfeit product literatures. The results show that a consumer with both high SBC and high VC has relatively higher propensity to buy LBC products. However, intriguing conditions are found that show consumers that are high on openness to experience are less likely to buy LBC even if they are high on SBC. This finding suggests that researchers have much to learn by understanding consumers’ need to be original and find novel solutions to their needs. Consumers who believe in originality see engaging in LBC product purchase of their favorite brands not only as an act of being disloyal toward their brand but also as a tarnish to their self-concept. This finding contributes to the literature on openness to experience, which is labeled as one of the fundamental elements of personality, but with limited understanding in the literature (McCrae, 1996; Woo et al., 2014).

5.2. Managerial implications

A concerted effort by brand managers and their salespeople can help create intangible propositions that signal exclusivity, heritage, and customer relationship orientation that will be difficult to be counterfeited. The rise in fake fashion is attributed to consumers’ changing attitude toward, “buy now, throw away tomorrow” (Huffington Post, 2013). This suggests that brands need to offer much more than the tangible product in order to stop customers from buying fake products. In the section below, a few key areas for opportunities for both brand managers and salespeople are highlighted.

5.2.1. Authenticating brand purchases

As expected, it is found that SBC has a strong influence on consumer’s willingness to buy LBC. This suggests that individuals with a high need to create and reflect a unique personal identity are willing to go as far as buying a counterfeit product to fulfill their objective. This finding suggests that managers need to create a brand image that conveys a message of exclusivity that can only be experienced by the use of the original product. Brand managers can effectively accomplish this objective by closely working with salespeople who can reinforce the concept of exclusivity by creating loyalty initiatives that provide special privileges to the shoppers. For example, giving shoppers the ability to put products on hold for more than a week, extended return policy, and/or special assistance provided to make the shopping experience more effective and memorable. In instances where simply developing the image cannot curtail interest in counterfeits, the brands could find new, creative ways to socially authenticate purchases for their customers. Because, counterfeiters have become so skilled in replicating the actual products, brands need to provide authentication via means that are completely internal to their ecosystem. One opportunity along these lines could be public validation of a branded purchase via social media. This would not only allow the brand to provide the consumer
with further validation of their purchase in a media that is easily shared with their friends, but also help the retailer to attract cus- 
tomers to its store.

5.2.2. Creating a shopping confidence
Many salespeople nowadays are have started building relationships with their customers by making house calls, texting photos of the prod-
uct, friending customers on Facebook, and giving in-store and online product advice (The Wall Street Journal, 2013). These strategies will 
allow the salespeople to not only woo customers, but can also be used to 
curb counterfeit product purchases. Salespeople can leverage these 
findings to better profile customers for effective results in building both 
customer behavioral and attitudinal loyalties. One of the results in 
our study shows that open customers are less likely to buy counterfeit 
products because such products do not allow consumers to express 
their true self to others. While it would be difficult for salespeople to 
identify these consumers for a targeted marketing campaign, salespeo-
ple can leverage this finding when working closely with customers to 
increase connections. Additionally, by simply reminding consumers 
that they should do the right thing to support the brand as part of 
these branded experiences, they could change this negative behavior 
(Mazur et al., 2008).

5.3. Future research and limitations
This study, while offering many insights, has some limitations or 
rather opportunities for future research, as well. First, the consumers 
were shown pictures of the product rather than the actual products. 
Since there is high potential for consumers to act differently in an actual 
shopping situation, future research must be done to observe or create 
actual shopping experiences. Second, the study could not capture how 
a customer will behave when they buy these products online and with 
money back guarantee. With the growth of e-commerce, most of the 
counterfeit products are being sold online. It would be interesting to 
explor how online shopping impacts consumer attitude toward buying 
LBC. Will it enhance or diminish such behaviors? Third, the study only 
corporated three brands and product categories. Futures research 
can incorporate more brands and product categories to present a 
more comprehensive view of the impact of LBC.

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