

Predicting Intention to Purchase Counterfeit Products: Extending the Theory of Planned Behavior

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ABSTRACT

This research was designed to test the ability of an extended theory of planned behavior (TPB) to predict purchase intention of counterfeit products. Value consciousness and past behavior are variables that added into the TPB. Three hundred and fifty respondents completed the research questionnaires. Questionnaires were distributed to respondents by email and drop-off/pick-up method. The data then analyzed using structural equation modeling (SEM). All Hypothesis were supported. This research also provides the managerial implication and suggestion for future research.

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INTRODUCTION

Counterfeiting a significant worldwide problem occurs in both less and well developed countries (Sirfraz et. al., 2014; Lewis, 2009). Counterfeiting is defined as copying an original product with a remarkable brand value worth already exists on the market (Eisend & Schuchert-Guller, 2006). Indonesia is one among the countries with the worst record of counterfeiting. Since demand is always the key driver of a market, a number of researchers have argued that consumer demand for counterfeit goods is one of the leading causes

of the existence and upsurge in growth of the counterfeiting phenomenon (Bian & Moutinho, 2011).

Consumption of counterfeit products is widespread and a part of daily life (Rutter & Bryce, 2008; Baumgartel, 2007). Many reasons why consumers buy counterfeit products. For example, research on counterfeit luxury products show that the main reason why they buy counterfeit luxury products because consumers can not afford to have the original brands because products' price

are overprice (Franses & Lede, 2010; Rutter & Bryce, 2008; Eisend & Schuchert-Guller, 2006). Furthermore, consumers want to have luxury branded products in order to represent their self-image (Eisend & Schuchert-Guller, 2006). Other reasons of consumer demand of counterfeit products are brand desires, product desires, cheaper price, wider availability of products, and others (Franses & Lede, 2010; Penz et al., 2009; Ali, 2008; Eisend & Schuchert-Guller, 2006). It can be stated that consumers, in general, do not perceive that buying counterfeit products is harmful to a particular industry or that it can lead to a social cost, but they only perceive the social benefits of fake products (Lysonski & Durvasula, 2008).

According to the agreement on Trade-Related Aspects of Intellectual Property Rights (a WTO agreement) counterfeits are any goods bearing an unauthorized trademark and thereby infringing the rights of the trademark owner under the law of the country of importation. The general public sometimes seems to use the terms piracy and counterfeit as similar, or the latter as more encompassing than the former (Eisend & Schuchert-Guller, 2006). The International Anti-Counterfeiting Coalition (IACC) estimates that 5-7 percent of world's trade is in illegitimate goods. Trade in counterfeit goods has reached \$600 billion annually on a worldwide basis. This problem has grown over 10,000 percent in the past 20 years, partly due to an increase in consumer demand (Pamela & Cuno, 2011).

Facts show that counterfeit products are often dangerous products. For instance, counterfeit medicines may kill people. Counterfeit toys may contain paint toxicity. Counterfeit electronics products are never tested for safety and can explode. However, as demand drives supply, counterfeit products are here to stay and attract many consumers to buy, especially in Indonesia. Moreover, as far as researchers knowledge that few work has been done on understanding counterfeit products from consumer behavior in Indonesia. Indonesia is one among many developing

countries where counterfeit products are sold openly in markets and in the shopping malls. Thus, this research aims to predict purchase intention of counterfeit products by extending the theory of planned behavior (TPB). The TPB is known as a general and parsimonious model that can predict many range of behavior (Hasbullah et al., 2014). In the specific, Ajzen (1991, p.211) as a conceptual of TPB aware that TPB can be expanded or modified to have better understanding of human behavior as he pointed out that the theory is, in principle, open to the inclusion of additional predictors.

The remaining of this paper is therefore organized as follows. First, the following section describes the literature review as bases for a research model and Hypothesis development. Second, a description of the research method is provided. Next, the findings of the research are provided and followed by conclusions and suggestions for future research.

Theoretical model and hypothesis development

Counterfeit Products. There are five main type activities of counterfeit products (Phau et al., 2001): deceptive counterfeiting, piracy, imitations, grey market, and custom-made copies. Deceptive counterfeiting refers to the production of copies that are identically packaged which are copied in order to be perceived by consumers as the genuine product. Piracy is a non deceptive counterfeiting. Specifically, piracy is not to deceive the consumer. The consumer is aware that the product he or she is buying is pirated. Imitation is a counterfeit product activity which is direct copies and products are designed to be 'look like' original brands. Grey market is a counterfeit activity that refers to the unauthorized sale of garment production overruns by legitimately contracted manufacturers. Another type of counterfeit activity is custom-made copies. This activity intends to replicate branded products made by legitimate craftsmen. However, the missing item from the original is the emblem or brand name.

Factors affecting intention to purchase fake products. Major contributions addressing counterfeiting has come from researchers in various disciplines such as sociology (e.g., Rutter & Bryce, 2008; Baumgartel, 2007), criminology (e.g., Spink et al. 2013; Yar, 2005), anthropology (e.g., Newel, 2013; Nakassis, 2012), consumer behavior (e.g., Abid & Abbasi, 2014; Wan et al., 2009; Wilcox et al., 2009) and others. Research on counterfeits products can also be divided into two perspectives: some of them focus on the supply-side (Casabona, 2006; Barton, 2007; Byrne, 2007) and others emphasize on the demand-side (Penz & Stottinger., 2005; Eisend & Schuchert-Guller, 2006; De Matos et al., 2007; Gentry et al., 2006). Supply-side studies are concerned with production settings, the tactics and motives of illicit actors, and the ways in which their products enter the supply chain; while demand-side studies have focused on consumer behavior and attitudes toward counterfeit products. Additionally, some researchers have studied legal and legislative concerns, and anti-counterfeiting options to enforce the intellectual property (IP) rights in the country of origin or in the respective market area to prevent – or at least to reduce – the availability of counterfeit goods (Eser et al., 2015). Various anti-counterfeiting tactics have been suggested by KPMG and described in Trott and Hoecht (2007).

There are several factors that be classified into four categories: person, product, social and cultural context, and purchase situation, have been posited to influence consumer intention toward purchasing counterfeits (Eisend & Schuchert-Guller, 2006). According to demographic profiles, Bian and Moutinho (2009) found that age and income do not seem to explain the subjects' likelihood of counterfeit product purchase consideration, with the exception of income, which influences the consideration of counterfeit Gucci watches. This research indicates that educational attainment does not have a significant effect on consumer consideration of counterfeit product purchases. Cronan and Rafee (2008), on

the contrary, found that junior and senior college students have higher purchase intentions to buy pirated software. Females have been found to have less inclination to buy pirated CDs videos but more fashion clothing and accessories (Wah-Leung & Prendergast, 2006). But this may reflect only male versus female purchase preferences. The discrepancy between some demographics such as age and purchase intention to buy counterfeit items may suggest that age on its own does not appear to be a conclusive factor. In fact, age when studied in conjunction with values and beliefs, suggests that older consumers are more conscientious than younger ones and score higher on material values and happiness which distinguish them from younger consumers and are less willing to purchase counterfeited products (Swami et al., 2009).

Age was found to affect the rationalization people make which in turn influences the intention to purchase counterfeit products, and this varies according to the country under study (Penz et al., 2009). For example, age has an effect on the perception people have of anti-big business sentiment in the Czech and Austrian samples but not in the Mexican and Slovenian samples (Penz et al., 2009). Older Austrians and Slovenes perceive counterfeit manufacturers as more efficient than manufacturers of original brands. In other words, a service delivery factor is more operative rather than any ethical factor. Consumers vary in their moral beliefs and social motives towards counterfeit consumption. More collectivist societies seem to put a lot of pressures on individuals to conform to the demand of others in the form of saving face or to be seen as one of the same kind (Wilcox et al., 2009).

Value consciousness. Value consciousness has been defined as a concern for paying lower prices, subject to some quality constraint (Ang et al., 2001) and has been found to have a positive influence on attitude towards piracy (Ang et al., 2001; Wang et al., 2005). Rutter and Bryce (2008) pointed out

that typical counterfeit consumers are more value conscious. Those types of consumers are people who tend to emphasize on low prices and product quality. Moreover, to obtain that kind of products, they are focus on prices and compare prices of brands and shops in order to have the best value of their money (Sharma, 2011). It can be stated that counterfeit products usually provide the same functional benefits as the original, but at a fraction of the price of the genuine product, they are perceived favorably. Thus, for consumers who are value conscious, “good value” of counterfeit products adds to the desirability of purchase (Eisend & Schuchert-Guller, 2006). Therefore, we postulate the following hypothesis:

H1. Value consciousness has a positive influence on attitude toward counterfeit.

Past behavior. Bagozzi and Warshaw (1990) stated that past behavior is one significant predictor of behavior. The consideration of past behavior can predict behavioral intention is also based on the assumption that people behavior is largely learned behavior (Hawkins & Mothersbaugh, 2010). Extensive research has shown that past behavior is a significant predictor of intention or behavior (e.g., Huang & Wu, 2011; Kim & Chung, 2011; Ewing, 2000; Gabler & Jones, 2000; Bagozzi et al., 1992).

In relating with counterfeit products, research has shown that counterfeit buyers are different from non-buyers and experience with counterfeit purchases enhances attitudes (i.e. Have more positive attitude) towards counterfeiting (Wang et al., 2005; Tom et al., 1998). Tom et al (1998) found that the majority of consumers who have never purchased counterfeit goods did not choose counterfeit products when offered the opportunity to buy them and they also did not express any intention to purchase counterfeit goods in the future. Yoo and Lee (2009) in their study on intention to buy counterfeit versus genuine items found that consumers prefer genuine items

over counterfeits, regardless of their product experiences; however, once consumers tried counterfeits and price information was provided, the preference for the genuine article diminished and respondents showed a stronger intention to buy counterfeits. Another researcher, Swami et al (2009), found that past behavior was significant and positively predicted willingness to purchase counterfeited products. Hence, we postulate the following hypothesis:

H2: Past behavior has a positive influence on attitudes toward counterfeits.

H3: Past behavior has a positive influence on social norms toward counterfeits.

H4: Past behavior has a positive influence on perceived behavioral control toward counterfeit products.

Theory of planned behavior. According to the Theory of Planned Behavior (Ajzen, 1991), human action is guided by three considerations: beliefs regarding the likely outcomes of a behavior and evaluations of those outcomes (behavioral beliefs), beliefs about the normative expectations of others and the motivation to comply with these expectations (normative beliefs), and beliefs about the presence of factors that may facilitate or impede performance of a behavior and the perceived power of these factors (control beliefs). In their respective aggregates, behavioral beliefs produce favorable or unfavorable attitudes towards the behavior; normative beliefs cause perceived social pressures or subjective norms; and control beliefs causes perceived behavioral control. In combination, attitudes towards behaviors, subjective norms, and perceptions of behavioral control lead to the formation of behavioral intention. Consequently, individual intention to perform the behavior in question increase with how favorable the attitude and subjective norm are, as well as the intention of the individual to perform the behavior in question. Finally, given

a sufficient degree of control over the behavior, people are expected to fulfill their intentions when the opportunity to do so arises.

Attitude toward counterfeits. In terms of attitude toward counterfeit purchasing, customers assess their behavior according to features of counterfeit, including quality, practical, reliability features. And customers neglect personal feelings such as shame, guilt or illegal when buying and using the un-authorized products (Augusto et al., 2007; Penz & Stottinger, 2005).

Subjective norms. According to Ajzen and Klobas (2013), subjective norms are individual's perception of social normative pressures, or are relevant to the beliefs of others regarding whether they should perform the behavior in question. Therefore, if people think their significant others agree with their purchasing of counterfeits then purchasing intention is increased.

Perceived behavioral control. Perceived behavioral control, according to Ajzen (2002) describes individual perceptions of the ease or difficulty of performing a specific behavior. In the case of purchasing counterfeit products, those factors include information regarding counterfeits, the time required to access counterfeits and individual ability to solve difficulties they may face in product purchases. Therefore this study assumes that perceived behavioral control (information, time, ability to solve problems) positively affects intention to purchase counterfeits (Penz & Stottinger, 2005).

H5: Attitude toward counterfeit product has a positive influence on intention to buy counterfeit products.

H6: Social norms has a positive influence on intention toward counterfeit products.

H7: Perceived behavioral control has a positive influence on intention toward counterfeit products.

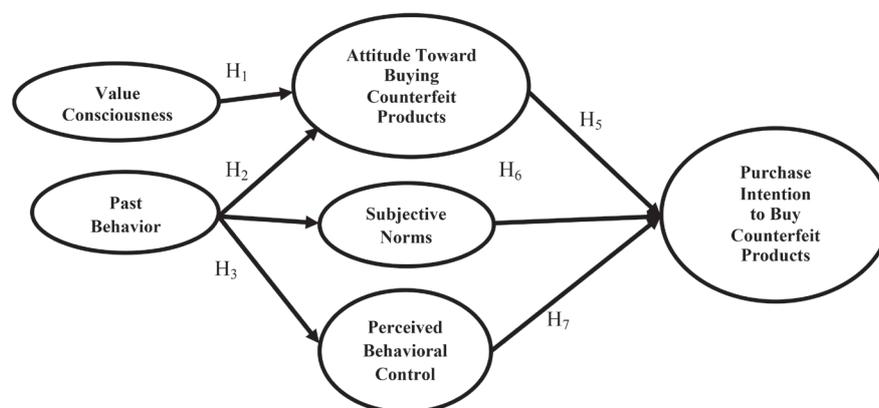


Figure 1. Proposed research model

METHODS

Pilot study. A total of 30 interviews were conducted in Yogyakarta with male and female participants. The interviews sought to identify the main beliefs, attitudes, subjective norms, and perceived behavioral control the interviewees have about counterfeit products. Interviews were typed and transcribed. Specifically, transcript was made through the assistance of researchers in Research and Training Institute for Economics and Business, Economics and Business Faculty, Gajah Mada University (P2EB FEB UGM). The result of recording interview which had been transcribed was then analyzed by using content analysis. Schreier (2012) suggested that validity test in content analysis can be assessed through face validity. In this research, face validity test was conducted by asking for input toward coding sheet to researcher in Institution of P2EB FEB UGM.

Beside face validity testing, coding sheet also had to have a high reliability. This reliability test is aimed to know whether coding sheet could produce the same finding, when it was conducted by other people. Specifically, inter coder reliability testing was assessed in order to assure that results were not the subjective interpretation of a single researcher (Krippendorff, 2004). The results showed a value of coefficient of reliability was 0.88 which can be categorized as good.

Participants. A total of 350 individuals residing in Yogyakarta completed the survey. Men and women; aged 18 years and over; using counterfeit products; shopping at one of the factory outlets in Yogyakarta that sell counterfeit products. Subjects were asked to provide their beliefs about counterfeit products in general such as clothes; accessories, watches, bags and shoes. Counterfeits of such products are available with sufficient high quality that consumers may not be able to differentiate the originals from the fakes. The products considered in this study are non-deceptive, that is, accurate and deliberate copying of branded goods, but the products

are not sold with the intention to deceive the customer. Furthermore, the deception involved is that consumers who choose to buy those products (Phau et al., 2001). Examples of non-deceptive counterfeit products are clothing, accessories, shoes, and handbags.

Instrument. In the early stages of questionnaire development, content validity test were assisted by three doctoral student economics and business faculty Universitas Gadjah Mada which is considered having expertise related to research topic. The next is Social Desirability Response (SDR) test. SDR is the tendency of the respondent to present a socially or culturally desirable image of self to others (Fang et al., 2016). The potential impact of social desirability on the validity of questionnaire results has been acknowledged for several years (Booth et al., 2007). Research on the effects of survey modes on SDR shows some conflicting results. Generally, respondents desire to achieve greater SDR in environments where they are identified rather than anonymous (Lelkes et al., 2012). Thus, in this study, the SDR test is done by providing in direct questions to respondents, and comparing the answers with the answer of the direct question. The number of respondents who selected in this test was 20. After SDR test, test of the construct validity and reliability is done, and produce ready for use indicators of questions.

The questionnaire was designed to assess variables values consciousness, past behavior, subjective norm, attitude toward counterfeit products, perceived behavioral control, and intention to buy counterfeit products. All items were positively worded and anchored on a five point Likert scale with 1 = strongly disagree and 5 = strongly agree. Reliability measures were calculated using Cronbach's alpha for all constructs in the model and these values ranged between 0.625 for previous experience to 0.799 for subjective norms.

Value consciousness. Value consciousness were asked by asking respondents about product

prices and product quality. Four items were drawn from Lichtenstein et al. (1993): “I’m very concerned about low prices, but I am equally concerned about product quality”, “When purchasing a product, I always try to maximize the quality I get for the money I spend”, “I generally shop around for lower prices on products, but they still must meet certain quality requirements before I buy them”, and “I always check prices at the market to be sure I get the best value for the money I spend”.

Past behavior. Past behavior was assessed using two items drawn from Bagozzi and Warshaw (1990) and Beck and Ajzen (1991): “During the past year, I bought the counterfeit products” and “During the past month, I bought the counterfeit products”.

Subjective norms. Subjective norms was measured by means of 4 items drawn from Hsu and Shiue (2008) and Van den Putte et al. (2005): “My family will have positive views on me if they find out I use counterfeit products”, “My friends will have positive views on me if they find out I use counterfeit products”, “My friends encourage me to buy counterfeit products”, and “My relatives encourage me to buy counterfeit products”.

Attitudes. Attitudes toward the product were assessed using four items drawn from De Matos et al. (2007): “I prefer counterfeit market goods”, “Buying counterfeit market goods generally benefits the consumer”, “There’s nothing wrong with purchasing counterfeit market goods”, and “Generally speaking, buying counterfeit market goods is a better choice”.

Perceived behavioral control. This research applied four items to measure perceived behavioral control based on Van den Putte et al. (2005): “I am confident that I can buy counterfeit products”, “If I really wanted to, I could buy counterfeit products”, “I have enough information to find and access counterfeit products”, and “For me to buy

counterfeit products is under my control”.

Intention. Intention to buy counterfeit products were assessed by four items drawn from De Matos et al. (2007): “I intend to purchase counterfeit products”, “I will buy counterfeit products”, “I am willing to buy counterfeit products”, and “I think about a counterfeited product as a choice when buying something”.

Data analysis. Data was analyzed by using AMOS 21. Two steps were performed in analyzing data. First, confirmatory factor analysis was assessed in order to test the measurement model. Second, the structural model was tested following the hypothesized relationships described in a previous section and shown in Figure 1.

RESULTS AND DISCUSSION

Description of sample. Respondents were 350 of which 58.6 percent (205) was female. About 62.3 percent (218) of the respondents were between 25 and 44 years old, 24.5 percent between 45 and above, and 13.2 percent were less than 25 years old. The respondents were more educated than the population, with 73.3 percent having a university degree. About 75.3 percent of the sample had bought counterfeit products. Test of means between gender and attitude towards counterfeit products and intention to purchase counterfeits was conducted. Results from the t-test indicate that there are no statistically significant differences in the means of attitude (male mean = 2.95, female mean = 2.92, t-value = 1.34, p-value = 0.377), subjective norms (subjective norms (male) mean = 3.55, female mean = 3.42, t-value = 1.44, p-value = 0.311), perceived behavioral control (perceived behavioral control (male) mean = 3.05, female mean = 3.12, t-value = 1.75, p-value = 0.309), and intention to purchase (male mean = 3.07, female mean = 2.98, t-value = 1.128, p-value = 0.162).

Measurement and structural models

The measurement model based on all constructs reflecting beliefs was tested first for goodness of fit.

After deletion of some variables with poor loadings and unique commonality with the construct, the measurement model resulted in the following statistics. : $\chi^2=853.381$ DF =194 p = 0.000, RMSEA = 0.08, CFI = 0.851; TLI = 0.803, NFI= 0.803, GFI = 0.912, RMR = 0.109. All major indicators taken together imply that the measurement model has a reasonably good fit to the data.

The result shows that the structural equation model indices indicate a good fit to the data: $\chi^2 = 509.709$, DF=186, p = 0.000 and RMSEA =0.071, CFI = 0.878; NFI = 0.823, GFI =0.90, RMR = 0.084. Intention to purchase counterfeits is explained by attitude towards counterfeits by a significant percentage (R² = 0.639). Attitude is explained by value consciousness and previous experience to a significant percentage (R²= 0.391). Subjective norms is explained by previous experience to a significant percentage (R²= 0.686). Perceived behavioral control is explained by previous experience to a significant percentage (R²= 0.626).

Results showing the hypothesized relationship are given in Table I. From the table we conclude that value consciousness influence attitudes towards counterfeit products. Previous experience influence attitudes, subjective norms, and perceived behavioral control towards counterfeit products. Thus, consumers who have purchased fake products before have a more positive attitude, subjective norms, and perceived behavioral control towards buying counterfeits than those who have not purchased fake products. The following section discusses the results with regard to the proposed hypothesis reported in Table I.

Discussion

Several variables related to beliefs people hold about counterfeit products were proposed as being influential in deciding whether to buy a counterfeited product or not. The beliefs are proposed to affect primarily the attitude towards the fake branded products. From the results, the beliefs that influence attitudes towards counter-

Table 1. Hypothesis results

Hypothesis	Standardized			
	γ/β	t value	Sig	Decision
H1: Value consciousness has a positive influence on attitude toward counterfeit products.	0.318	4.487	0.001	Supported
H2: Past behavior has a positive influence on attitudes toward counterfeit products.	0.521	3.205	0.001	Supported
H3: Past behavior has a positive influence on subjective norms toward counterfeits.	0.342	3.302	0.001	Supported
H4: Past behavior has a positive influence on perceived behavioral control toward counterfeits.	0.909	3.203	0.001	Supported
H5: Attitude toward counterfeit products has a positive influence on intention toward counterfeit.	0.276	2.896	0.004	Supported
H6: Subjective norms has a positive influence on intention toward counterfeit.	0.700	2.305	0.019	Supported
H7: Perceived behavioral control has a positive influence on intention toward counterfeit.	0.281	2.433	0.015	Supported

feits among people who have purchased counterfeits are: value consciousness. On the other hand, previous experience has a positive influence on attitude, subjective norms, and perceived behavioral control. Contrary to other studies, our sample shows that older people (above 45 years old) have a higher intention to purchase counterfeits (mean = 3.8) rather than younger people (mean = 3.12). In terms of income, surprisingly both extremes, low income and high income, show higher interest in purchasing counterfeits.

As expected, the more value conscious respondents are, the more positive their attitude towards counterfeits. This result is consistent with Bian and Moutinho's (2009) finding in that the more value for money people perceive in a counterfeit, the more they tend to purchase the products. In our study we proposed the influence would be indirect through the formation of a positive attitude first.

The social environment also plays an important role in influencing intention, because the more respondents see their friends, family and other people in their society buying counterfeit products, the more they intend to buy fake products. We can assume they interpret what they observe as if there is nothing wrong in buying these fake products since so many others do it.

Subjective norms are a significant factor for the group that is likely to purchase counterfeits indicating that the pressure of significant others is likely to influence purchase of counterfeits. Ajzen (1985) suggests that the degree to which intentions lead to actual behavior depends partly on the amount of control of the individual over this behavior. External and internal factors may diminish or increase control. In the case of counterfeits the easy/difficult access to counterfeit products, the knowledge about these products and individuals' ability to access and purchase the original/counterfeits may serve as

influencing factors. The more an individual finds itself in a position to act, the more likely this individual will display the intention to act. In the case of counterfeits, we assume that perceived behavioral control, i.e. easy access, knowledge about counterfeits, and high ability will positively influence the intention to purchase fake products (Ajzen, 1985, 1991).

Yoo and Lee (2009) demonstrated that customers prefer genuine items over fakes regarding their product experiences. Nonetheless, once customers tried fakes and price information was provided, the preference for the genuine items decreased and individuals expressed a stronger intention to purchase fakes. Swami et al (2009) found that previous experience was meaningful and positively predicted attitude, subjective norms, perceived behavioral control and willingness to buy fake products.

Consumers' past purchase experiences with fashion counterfeit products are likely to engage in favorable attitudes, subjective norms, and perceived behavioral control toward purchasing of fashion counterfeit products which result in repetition of their buying. Consumers who have previous experiences buying fashion counterfeit products may judge counterfeit products to be comparable to the legitimate product more so than consumers who do not have previous experiences buying fashion counterfeit products. The more similar consumers judge products to be, the more similar will be their preference for them (LefkoffHagius & Mason, 1993). Tom et al. (1998) found that consumers who indicated that they have previously purchased counterfeit goods hold attitudes more supportive of counterfeiting and are sufficiently satisfied with fake goods to purchase them again in the future. A similar result was suggested by de Matos et al (2007). They found that consumers who have bought a counterfeit have more favorable attitudes, subjective norms, and perceived behavioral control when compared to those who have not.

MANAGERIAL IMPLICATIONS

The findings reveal that perception of value is one of the common factors in explaining a positive attitude towards counterfeits which induces an intention to purchase these products. This may imply that if prices were to be lower, it is likely that the intention to buy the original would be higher. However, manufacturers and retailers must be cautious in moving to lower prices because consumers may perceive the product as fake or simply of a lower quality. Finding the right price that preserves a premium price for the brand and a perceived "fair" price may be the answer to the problem. Consumers who have personally vested in a counterfeit product (i.e. strongly desire to own the product) are likely give priority to values consciousness. As a one factor which influenced attitude, it seems became a strong factor for people from intending to buy products because these products are perceived of as being as functional as the original ones and cheap to replace. This factor may necessarily produce an effect especially if people perceive these products are becoming better in quality. It may be a matter of how this factor is communicated to the public by emphasizes the moral and ethical values. According to prospect theory, the way the information is presented can make a difference. Perhaps manufacturers should communicate the loss in case of not buying the original product rather than highlighting the positive side of buying the genuine product.

Since subjective norms influence people's intention to purchase counterfeit products, it is possible that influencing the perception that buyers of counterfeits have about what others think may also create an impact. In other words,

if people perceive that many others in the society accept this behavior and it can be demonstrated that it is not the case, this in itself may deter people to act illegally. As stated before that past behavior is a main factor that predicts the attitude towards counterfeits. Attitudes toward counterfeit luxury products were found to have no bearing on consumer intention to purchase the products. Consumers do not perceive the counterfeit trade as illegal, hence is indifferent towards the lawfulness and legality of the trade. The main problem is that people do not see themselves as being unethical in buying counterfeits. Finally but not least, government enforcement is important. Yogyakarta residents do not perceive law enforcers to act strongly in preventing buying counterfeits, and consequently consumers are not afraid to buy these products.

CONCLUSION

This research has several limitations that provide directions for future research. First, this research used non-probability sampling that limit the ability to generalize the research finding. Second, this research applied non-deceptive counterfeit products such as handbags and clothing. Therefore, the results cannot be generalized into other counterfeit products. Third, this study is developed in Indonesian context. Therefore, it is suggested that future research might examines research model into different countries. In conclusion, the result of this research has shown that the extension of the theory of planned behavior (i.e., the added variables of value consciousness and past behavior into the theory) can explain consumer intention on counterfeit products. ■

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