Conspicuous Consumption of Counterfeit and Luxury Products

- A cross-cultural study between Scandinavia and Eastern Asia

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“Shopping is not merely the acquisition of things: it is the buying of identity”

(Wattanasuwan, 2005, pp. 181).
Abstract

This research includes a cross-cultural study between Scandinavia and eastern Asia that are considered to be one individualist (Scandinavia) and one collectivist (east Asia) culture. The purpose is to study the effects of conspicuous consumption regarding counterfeits and luxury products amongst two different cultures. This has not been done in previous research; however, aspects such as conspicuous consumption regarding different cultures have been examined before. In those studies it became clear that there was a noticeable difference between the cultures regarding consumption. In this study, a survey has been carried out to collect data from the two cultures. This research questions previous theories and examines a new aspect of how conspicuous consumption behavior differs between cultures – the consumption of counterfeit and luxury goods.

Keywords

Counterfeits, luxury, conspicuous consumption, culture, East Asia, Scandinavia, identity
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1 Introduction

The following chapter presents the purpose and incentives of this study. The subject is introduced in a background followed by a discussion motivating the problem.

1.1 Background

Since the beginning of humanity there has always been a presence of luxury and it have played an important part in people's lives (Solomon et al., 2010). Most often, luxury have been considered to be symbolic goods that separated and defined the leaders of the culture from the more common people, brought prestige to the owner and by that created status (Ibid). These symbolic goods, often jewelry and treasures were buried along with the dead as a sacrifice (Kapferer & Bastien, 2009; Solomon et al., 2010).

Today a similar behavior can be identified but with several differences (Perez et al., 2010). The consumption of luxurious status goods have increased a lot and what might have been considered luxury before may differ from what is considered luxury today (Ibid). Luxury are not only for the wealthy, even someone with a lower salary can be willing to sacrifice the money needed for products that display a certain social status (Husic & Cicic, 2009; Perez et al., 2010). Young adults have, compared older people lower incomes (dn.se). But still, many of the young adults have a strong need to express themselves, create their own identity and to retain social membership (Veblen, 1899 republished 1996) by using branded products. This leads many of the world’s inhabitants in this mass phenomenon, to spend a higher amount of money on status products that expresses the self, displays a social status and an image of wealth (Souiden et. al, 2011; Smith et al. 2007).

Kapferer & Bastien (2009) estimated that the luxury market would comprise $2 trillion by 2010. However, this is only a tiny part of the luxury market. Brand owners have extended their reach by establishing lower price items in new lines of the brand that gives possibilities to reach new markets (Souiden et al., 2011). By making these genuine branded products demanded by the masses, a huge problem for the industry also appears (Ibid). The threat of counterfeits is increasing in size and the industry looses billions of dollars because of it (Ibid). Counterfeits are considered to be imitated products bearing a trademark that is registered to another party (Ibid). It often has lower
quality and lower price but lately there are so well constructed counterfeits on the market that it sometimes is hard to tell the difference between a counterfeit and a genuine branded product (Bian & Mouthino, 2009; Phillips, 2009). The products that are copied the most are handbags, watches and sunglasses (Souiden et al., 2011). The problem is especially common among countries such as China, South Korea and Singapore where a lot of the products are produced (Ibid).

1.2 Problem Discussion

People consume because it is a form of social interaction with others (Belk, 1998). The concept of social status and identity is highly connected to conspicuous consumption (Ibid) which is a behavior where an individual displays wealth through consumption of luxury products and services (Trigg, 2001). Most researchers argue that possessions are a part of a person’s identity and that material objects that someone own become clues for others to define this person when interacting (Ibid). The possession also manifests people’s extended self, facilitates the creation of a consumption culture and contributes to the construction of an identity (Belk, 1998; Celsi et al., 1993). A person that identifies themselves with prestige brands or with the ones that uses them acquires these products in attempt to be accepted by others (Perez et al., 2010).

However, not all the potential consumers of prestige brands are willing to spend what genuine branded products cost (Perez et al., 2010). Because of that, the market for counterfeit products has grown explosively and today represents a severe threat to the legal brand-owners and by that companies need to know how why people are willing to buy these products (Ibid). For some consumers, the consumption itself is an experience that involves the psychological dimension of consumption (Gistri et al., 2008). But a counterfeit product may fail to provide the experience a genuine product does, because of the low quality that usually is associated with fake products and the lack of economic sacrifice (Ibid). Also, by using counterfeit products, the fear of being discovered as a user of them always is present for the consumer (Perez et al., 2010; Gistri et al., 2008). Counterfeiting has also been linked to growing global threats such as human trafficking, weapons and narcotics smuggling and terrorism (Thomas, 2007). This leads many companies to ally with governments to tackle the problem (Wilcox et al., 2009). However, this seems to be a losing battle (Nia & Zaichowsky, 2000). Therefore, it is
important to know why consumers are willing to buy a counterfeit product and how their consumption behavior differs regarding counterfeits and genuine branded products.

It has also been argued whether there is a difference in conspicuous consumption in different cultures (Podoshen et al., 2010). The phenomena itself may be global but the motivation for it seems to be bound to cultural values (Ibid). In many studies, the distinction is made between individualist and collectivist cultures (Souiden et al., 2011; Podoshen et al., 2010). Many studies examine the difference in conspicuous consumption between an individualist and a collectivist culture (Ibid), but no research has examined an additional connection to counterfeit products. For that reason, it is of interest to examine the difference between a collectivist culture and an individualist culture and the buying behavior of counterfeit and luxury products.

The apparent choice for an individualistic culture is the western culture, preferably Scandinavia that includes Sweden, Norway and Denmark (ne.se), because of the author’s ability to access to the area. In western societies such as Scandinavia there are economic problems with consumers overspending on housing, energy and goods (Podoshen et al., 2010). Here, and in other western societies, happiness seeking by the act of consumption has always been seen as common and originating from (Belk, 1985).

To compare, a collectivist culture is also desirable and required. The choice falls on eastern Asia which includes People’s Republic of China, Japan, North Korea, South Korea, Taiwan, Mongolia, Hong Kong and Macau (nationsonline.org), for the reason that counterfeit products mainly is produced there and also because East Asia and Scandinavia are perceived as diametrical opposites (Podoshen et al., 2010). Other reasons to why these areas are of interest is that eastern Asia has an industrial growth rate that is very high and are currently undergoing big changes in class structure and consumer spending patterns (Ibid). In eastern Asia it is the wake of conspicuous consumption (Ibid). Happiness seeking via consumption is also on the rise in the East Asian cultures as well as a result of emerging economies and western influence (Ibid). Much of the population is looking for a lifestyle that is similar to the ones in the western culture and therefore the consumption of western goods is increasing (Ibid). This interesting relation in between the cultures motivates the choices of areas as well.
There have been many studies done on the subjects of conspicuous consumption and counterfeits and they have been analyzed from several different perspectives. Usually, the phenomenon is investigated with an ethical approach, (Belk et al., 2005; Gupta et al., 2004; Hilton et al., 2004), strategies to decrease counterfeits (Shultz & Saporito, 1996; Krechevsky, 2000; Green & Smith, 2002) or the consumers socio-cultural characteristics (Nia & Zaichkowsky, 2000; Pendergast et al., 2002). More recent research also examines relations between consumption of counterfeits, self-identity and social self image (Perez et al., 2010). Perez et al. (2010) also examined consumers perceived good and bad sides with consumption of counterfeit products and whether individuals can construct a confident self-image through the consumption of counterfeits. This study intends to examine the relations between consumption of counterfeits, luxury products, self-identity, social self-image and an additional cross-cultural approach.

Summarizing, there is a strong urge to study the phenomenon of counterfeit products since it affects economies, individuals and companies in harmful ways. It is of high importance for brand owners to understand this phenomenon and why consumers buy counterfeit products to be able to work against this that constitutes a major threat. For brand owners to succeed with it, it is also essential to understand how this behavior varies cross individualist and collectivist cultures since they have consumers from both cultures. To be able to understand this phenomena to its fullest it is essential to also examine related aspects such as consumption of luxury products and identity.

1.3 Purpose

The purpose is to study the effects of conspicuous consumption regarding counterfeits and luxury products amongst two different cultures.

1.4 Research Question

How does Scandinavian and eastern Asian young adult consumers differ in terms of their consumption behavior regarding counterfeit and luxury products?
1.5 Delimitations

When it comes to the age sampling Podoshen et al. (2010) consider young adults to be people within the ages from 18 to 35. The authors have chosen to limit the study to young adults within the Scandinavian and East Asian cultures because of easier and quicker access to these people. This age group also is a new generation where a lot of people are using the Internet on a daily basis. Since Internet is the media where the authors are collecting data in this study it is suitable to have this focus (Chan & Fang, 2007).

In this study, the focus is on products such as clothes and accessories because of the fact that those are the most copied products and by that it is easier for the respondents to relate to that (Podoshen et al., 2010).
2 Literature Review

This chapter presents the theoretical data. To be able to discuss and understand conspicuous consumption of counterfeit and luxury products, it is also necessary to understand how consumers consume, identity shaping through consumption, why consumers seek counterfeits and how the individualist and collectivist culture differs. The literature review explains the current state of research.

2.1 How consumers consume

Consumer behavior is how people or groups select, purchase, use or dispose products, services, ideas or experiences in order to satisfy needs and desires (Solomon et al., 2010). Early theories on the subject simply assumed that consuming was structured by the properties of the consumption object (Holt, 1995). However, consumers take many different forms with different needs and desires (Solomon et al., 2010). There are purchases that are simple and routine-based and some purchases are even habitual (Kotler et al., 2011). Others involve a comprising gathering of information and evaluation (Ibid). According to Van Tongeren (2003) there are two kinds of consumers; those who have an errand and those who shop for the pleasure only and both have different needs and consume in different paces. A consumer performing an errand is usually in a hurry and knows what to buy (Ibid).

According to Holbrook (1994) the two conceptual distinctions, structure and purpose of consumption, help organize different aspects of consuming. In terms of structure, the consumer both act by consuming the product and interact with the people involved in the consumption process (Ibid). In terms of purpose, the consumption could be intended for the consumers’ self, ending with him or her, or intended for further usage by someone else (Ibid). These conceptual distinctions locates four dimensions or metaphors of consuming, Consuming as Experience, Integration, Classification and Play (see Figure 1) (Ibid).
The consuming as an experience concept has to do with the consumers’ subjective, emotional reactions towards consumption objects create and form the shopping experience (Holk, 1995). The emotional states arouses when shopping (Holbrook & Hirshman, 1982). When integrating with a product the consumer acquire and manipulate the meaning of the consumption object (Ibid). Consumers are able to integrate with the object and thereby allowing them to take or be a part of the qualities that has symbolic meanings (Holk, 1995). Consuming as classification indicates that the consumption objects classify their consumers (Ibid). Possessions and social display helps dividing consumers into groups and as well as helping them classifying themselves (Ibid). Holk (1995) describes consuming as a play as an important aspect of consuming that hasn’t been as recognized before. Solomon et al. (2010) describes consumers as role players, taking on different roles on the market field. To create an identity, different props and costumes are needed (Ibid). The consumption objects are used by the consumers allowing them to play and develop a relationship between all of the three other dimensions; experience, interaction and classification (Holk, 1995).

2.2 The consumption process

Being an experience the consumption process consists of five different phases (Kotler et
First a need is recognized which triggers the purchasing process (Ibid). This need could be activated by an internal stimulus, hunger, thirst or sex, or an external stimulus, an advertisement (Ibid). Depending on if the consumer is interested in a product a search for information can start (Ibid). If the consumers has a strong drive for a product and a satisfying product is near, it is likely that they will buy it then (Ibid). If they do not the consumers store the need in their mind or undertake an information search that is related to the product (Ibid). This information process is followed by an evaluation of alternatives where the consumer processes the information that is gathered to reach a product choice (Ibid). In this stage the consumer rank different products and generally the consumers purchase decision will be to buy the most preferred product (Ibid). The last step in the consumption process is the post-purchase behavior where the product is evaluated leaving the consumer satisfied or dissatisfied (Ibid).

Most research on consumer behavior focus on the decision-making process where the focus is on the choice of product or service and the positive aspects of the person’s choice at the product or brand-level during this stage (Hogg & Michell, 1996). The choice that the consumer make in the initial stages (the search of the product) extend into the later stages of the consumption process (the possession and disposal of the product) and this can be related to the question of a person’s identity and self (Ibid). A consumption process can be seen as a way of understanding the consumer’s needs, desires and practices (Ibid). When undertaking a complex buying behavior the consumer is involved in the purchase and notices significant differences among different brands (Kotler et al., 2011). This behavior is common when choosing an expensive, risky, purchased infrequently or highly self-expressive product (Ibid). The consumer has to learn about the product and invest emotions in every phase of the purchasing process (Ibid). When the product is evaluated the consumer makes a purchase decision (Ibid). However, a consumer might be interested in an expensive, infrequent or risky purchase but do not recognize the differences among different brands (Ibid). In this case the consumer might shop around, exploring and experience the products rather quickly (Ibid). After the purchase, the state of post-purchase behavior appears where the consumer will experience satisfaction or dissatisfaction with the purchase (Ibid).
2.3 Identity shaping through consumption

That consumers use possessions to build and communicate their identity is one of the most cited principles of consumer behavior (Solomon, 2002). “We are what we have” (Belk, 1988, pp. 139) describes the basic and also powerful fact of how consumers value their products and belongings. Many things have a symbolic meaning for the consumer that provides them with the ability to change, construct, maintain and send a message of their identity (Elliott, 1997). All products that consumers buy, activities that they do and beliefs that they pursue tell stories about who they are and with whom they identify with (Ibid). In consumers everyday life consumption is a central part, a person use consumption not only to create and maintain the self but also to locate himself or herself in society (Elliot, 1994). Consumption is an important source of symbolic meanings with which a person can implement and sustain a project on the self (Ibid). In everyday life consumption employs symbolism to create and express the self-concept and to identify relations with others (Elliot, 1997). Consumers who want to project an image of wealth can do so by consuming status products, but there are not only wealthy people that consume these types of products (Ibid). Regardless of the persons economic level consumers might want to display this image of wealth and status even if they don’t belong to that social class (Freedman, 1991). Consumers that want to identify themselves with a social class that is associated with prestige brands might acquire these goods in an attempt to be accepted as equals by significant others (Perez et al., 2010).

In the marketing process consumers are viewed as complex, diverse and capable of producing a cultural meaning of their experiences (Holt, 2002; Firat & Dholakia, 1998). A consumer’s possession becomes a part of their identity, but these things can also become clues for others so that they are able to identify this person (Ibid). These possessions become a part of the person’s self and it contributes in the construction of the personal identity (Belk, 1988; Celsi et al., 1993). This can be even more relevant when it comes to hedonic consumption, like fashion, because the symbolic meaning plays a more important part in this decision making processes (Perez et al., 2010). McCracken (1986) argues that consumers use the meaning of products to express their cultural principles and ideas, to create and maintain lifestyles and to create and survive social changes. The identity can also be located at an individual-society interface, where consumption also is located and represents one way in that a relationship between a
person and society is realized (Dittmar, 1992). Consumption represents a part of the creation of cultural identities by individuals (McCracken, 1986). The consumers self, the identity and consumption are therefore seen as socially constituted and thereby linked together (Dittmar, 1992).

### 2.4 The self-concept
Consumers have a multiplicity of identity, stating that a consumer’s self is a collection of different self-perceptions (Perez et al., 2010). The self includes several images that people are to themselves and to others (Ibid). These self-images motivate people to stand by brands whose images relate to their own image (Ibid). Each brand has a different symbolic meaning that is shared by most of the consumers. The consumers will chose the brand whose image is nearest the consumers self for consumption (Lee, 1990).

A consumer’s self-concept includes almost everything they ever come to own and live with (Banwari, 2006). In this concept six components are included: bodies, values, success and competence, social roles, characteristics and possessions (Ibid). For most consumers, their bodies are an essential part of their self (Ibid). The second part of the self-concept is the values a person holds (Ibid). A person’s values are the goals that they have in life and the resources they find appropriate to achieve these goals (Rokeach, 1979). The third part of the self-concept is the consumers’ perceptions of their own competence and success (Bandura, 1997). Every person has some self-perception of his or her competence and success in life (Ibid). This relates to the concept of a person’s self-confidence which influences their life experience as well as their view of their self (Ibid). The fourth part of the self concept is the social role that the person has, the way that they are linked to the social structure and how they base this view of the self as a part of the social roles they claims to have (Burke & Tully, 1977). The fifth part of the self-concept is a person’s characteristics that are called personality traits (Banwari, 2006). A person can also have personality traits that they are unaware of or that they are in denial of and those do not form the self-concept (Ibid). But a person’s self-image, regardless of whether they actually are so or not, forms their self-concept (Ibid). The last but one of the most important parts of the self-concept is possessions, the thing that a person owns (Ibid). The things that consumers own define them in two different ways,
the first way is that they spend their life with them; they are always in their surroundings so they become a part of oneself (Ibid). The second way is that consumers use things to bring out their inner self so that others may see them for who they are (Dolfsma, 2004). The concept of the self is important because:

"...it acknowledges that consumers have many self concepts and that consumption of a brand may be highly congruent with the self image in one situation and not at all congruent in another situation." (Schenk & Holman, 1980, pp. 612).

This concept is important because it shows that consumers have a number of different self-concepts and also a number of different self-images (Hogg & Michell, 1996). It is also important to understand this because consumption decisions can be seen to vary with the consumers self image, depending on the situation (Ibid). The consumption decisions may not always be seen as consistent when a consumer’s different self-images needs could be fulfilled by different consumption behaviors (Ibid).

2.5 Understanding consumer behavior through possessions

To understand how consumers behave, it is essential to understand the meanings that consumers attach to their possessions (Belk, 1988). A key to understanding what possessions might mean is recognizing that people see their possessions as a part of themselves (Ibid). People’s delicate self-concept needs support and having and possessing goods give the support needed. People are to a large degree what they have and possess (Tuan, 1980). The extended self helps to understand how consumer’s behavior contributes to a broader existence as human beings (Belk, 1987). Objects in a consumer’s possession can extend the self, as when a tool allows them to do certain things that they otherwise would be incompetent of doing (Belk, 1988). Possessions can also symbolically extend a person’s self, for example a uniform can allow a person to convince themselves or others that they are a different person than they would be without the uniform (Ibid).

Something that has been seen to contain a strong connection to the building of the consumer’s identity is the love of objects and the person’s attachment to them (Ahuvia, 2005). Belk (1988) stated that our choice of clothing, homes, foods, fragrances,
entertainments, changes to our body and much more all communicate information about us to others about who we are. The word “love” is as often used when people describe their products as when they describe people in their surroundings (Ibid). The people and belongings that a consumer love has a strong influence on their sense of who they are and their self-concept (Ibid). According to Aron et al. (1991) interpersonal love involves a combination of identities in which a person’s sense of self grows to include the love to others (Ibid). In studies of consumer behavior, consumers’ identity has often more or less been related directly to love, including their possessions, involvement and their relationship to a brand (Celsi & Olson, 1988; Foumier, 1998).

All products that a consumer consumes become possessions (Banwari, 2006). Some products are just consumed while some becomes possessions and not all products that become possessions become a part of a person’s extended self (Ibid). But most products can relate to the consumers self concept without becoming a part of it, and for this reason marketers should understand what role a product play in a person’s self-concept (Ibid). This understanding is essential for a company for positioning and promoting products or brands to fulfill a consumer self-concept (Ibid).

2.6 Why consumers seek counterfeit products

The most obvious reason for consumers to seek counterfeits is the price advantage that is accessible (Belk, 1988). But there are also other advantages that play an important role (Ibid). Researchers suggest that the consumption of counterfeit products mostly is connected with displaying a desired social status image (Grubb & Grathwohl, 1967; Commuri, 2009) as it also is with the genuine products (Perez et al. 2010; Freedman, 1991). Other researchers also add that the consumption of counterfeit products provides psychological and social benefits for consumers that use products as building blocks to construct their identity (Belk, 1988).

A counterfeit product may fail to provide the experience a genuine product does because of the low quality that usually is associated with fake products and the lack of economic sacrifice (Gistri et al., 2008). By consuming counterfeit products, the consumer is exposed to contradicting gains (Perez et al., 2010). To other people they represent an image that naturally belongs to their aspirational group (Ibid). Although,
internally, the consumers are aware of the fact that they only have paid a small fraction of the price of the genuine branded product and that it is illegal (Ibid). Therefore, by using counterfeit products, the fear of being discovered as a user of them always is present for the consumer (Perez et al., 2010; Gistri et al., 2008).

Perez et al. (2010) defines the counterfeit consumer as someone that optimizes their economic resources and is pleasure-loving. Furthermore, other researchers add that consumers of counterfeit goods use the products to create a social self-image by fooling others (Goffman, 1959). By that, most consumers of counterfeit products pretend to use the originals to identify themselves with the image of the luxury brand without paying the demanded prices for the original product (Ibid). Therefore, it serves individuals an adaptive social function and a self-concept expressive function (Wilcox et al., 2009). There are also consumers that own both originals and counterfeit products (Ibid). They get symbolic and realistic gains from the purchase because it contributes to their identity and helps them to project their desired social status image (Perez et al. 2010). A common characteristic that is apparent by many consumers of counterfeit goods is a knowledge and interest in fashion (Ibid). Most people are willing to spend high amounts of money while shopping and describes themselves as smart shoppers (Ibid). They enjoy being perceived as experts by themselves and others (Ibid).

2.7 Culture
Most researchers distinguish between individualist and collectivist cultures (Souiden et al., 2011; Podoshen et al., 2010; Belk, 1988). The difference in-between the cultures appear to be significant and sometimes they are described as diametrical opposites (Ibid). In individualist cultures, materialism is more common than in collectivist ones (Ibid). However, Podoshen et al. (2010) found that young adults in China scored higher in materialism than others. This has not been confirmed by other studies. Materialism is also highly connected to social status seeking behavior (Souiden et al., 2011). Belk (1988) also states that countries with high individualistic values are motivated to consume conspicuous by the consumer’s materialism and self-enhancement. Also, in individualistic societies, social status is pursued by consumers who are mainly concerned with the impression they give to others (Browne & Kaldenberg, 1997). The meaning of individual goals and achievements in this culture is very important (Triandis et al., 1988).
A collectivist culture has a strong focus on family and proper manners (Podoshen et al., 2010). The Asians often sees their identity as something that is found in terms of family, professional and social relationships and the culture (Ibid). Conformity is also common, desired and accepted (Yang, 1963). Triandis et al. (1988) add that people in a collectivist culture sees relationships as more long term than those in individualist cultures. Collectivist cultures have an emphasis on the needs, goals and views of the whole group rather than the one self (Triandis et al., 1988). In eastern Asian societies the concept of “face” is of visible significance (Podoshen et al., 2010). It is often represented by symbols of prestige and reputation gained through the expectation of an impression on others (Ibid). Consequently, eastern Asian consumers value similar material goods that other members in the society possess (Wong & Ahuvia, 1998). In collectivist cultures materialism is not as apparent as in individualist cultures (Souiden et al., 2011).

In both individualistic and collectivist countries, conspicuous consumption is influenced by social status display (Souiden et al., 2011). The impact of social status on conspicuous consumption is stronger in collectivist cultures than individualist cultures (Ibid). Both cultures believe that conspicuous consumption may affect their social status positively but in the individualist culture the consumption patterns did not affect the consumer’s self-esteem (Ibid). In the collectivist culture, social status plays a very important role and does influence the consumer’s self-esteem which suggests that individualistic consumers will purchase goods that positively affect their self-image and self-esteem (Ibid). Materialism is more prevalent in individualistic cultures, which leads to that conspicuous consumption would be more common in individualistic societies (Ibid). This connection has been established by Eastman et al. (1997). Contradicting to that, Podoshen et al. (2010) examined materialism and conspicuous consumption in the Chinese youth culture. They found that Chinese young adults scored higher in both materialism and conspicuous consumptions (Ibid). This has not been established by any other researcher. The western, individualistic cultures are also affecting the collectivistic cultures leading to that the collectivist culture is under change (Podoshen et al., 2010).
2.8 Summary of literature review

This is the theoretical framework for this research and the basis of it is conspicuous consumption. As seen in the literature review, consumption of counterfeit products have not been examined with a culture-aspect and by that the researchers have chosen to do so. To be able to examine consumption of counterfeit and luxury products, relating elements such as self identity also has to be examined.
3 Methodology

In the following chapter the methodology of this research is presented including aspects such as research approach, design and strategy, pre-study, data collection and quality criteria. A pre-study was executed in the form of two focus groups and works as a foundation for the design and content of the survey representing a quantitative study.

3.1 Research approach

3.1.1 Inductive vs. Deductive Research

An inductive research approach is when conclusions are derived from experience. The deductive research approach is the most common view (Bryman & Bell, 2011) that also is used in this research. The researchers creates a research question on basis of what already is known in a domain of theory that then is examined by empirical methods (Ibid). A deductive approach have been applied by first examining theories around the subject and out of the knowledge gathered created the research question. Subsequently, the data collection started and the data gathered was analyzed. This resulted in findings that can question previous theories within the area.

3.1.2 Qualitative vs. Quantitative Research

A mixed method research has been used in this study; both a qualitative and a quantitative research method. Researchers often distinguish between qualitative and quantitative research methods but in reality it is harder to separate the two and many studies consist of both qualitative and quantitative methods (Bryman & Bell, 2011). According to Bryman and Bell, (2011), support is an approach that can be used in a multiple research strategy. It involves the use of research strategies that support or help when applying the second strategy (Ibid). This method was chosen because the researchers sought after a broader view of the subject before deciding which way to collect the data. Therefore, two focus groups were used as a pre-study; to stimulate the researchers thinking around the subject and to act as support for the design and content of the survey. It was also an opportunity to see what the future respondents to the survey thought around the subject. This is a common way of using qualitative methods to stimulate the researchers thinking and create hypotheses that later can be examined with quantitative methods (Bryman & Bell, 2011).
3.2 Research Design

In this research, a comparative design has been used to examine the social phenomena of consumption of counterfeit products in relation to two different cultures. A comparative design is preferable when you have two or more contrasting cases and is also suitable when examining a social phenomenon in a cross-cultural study (Hantrais, 1996) as in this case where data have been collected from two cultures. Hantrais (1996) describes it as when a particular phenomenon is examined in two or more countries with the intention of comparing the countries’ manifestations in different socio-cultural settings. It is essential for companies to know how the consumers of their goods differ culturally from each other because of the fact that they most likely have consumers from both cultures.

3.3 Data sources

Primary sources are data that the researchers have collected themselves (Bryman & Bell, 2011) in this case the survey. This was a vital source since the researchers got a view into the subject and had control over the material. The data is also up to date since it was collected within the time span of this thesis. Secondary sources are data that have been collected by someone else and therefore have a purpose that the researchers may not know. Using secondary sources is time and cost saving but the data could also be very complex (Ibid). Therefore, only a minor amount of secondary sources have been used as information sources for the introduction. It was important to not let these sources influence the result of the thesis since the purpose for the data gathering of these sources is unfamiliar to the researchers.

3.4 Research strategy

There are several research strategies within a comparative design (Bryman & Bell, 2011). The main strategy used in this research is the social survey strategy that also is the most common qualitative one (Ibid). As a pre-study, a quantitative method have been chosen because there were a need and ability to seek comparison in between two cases, as Bryman and Bell suggests (2011).
3.5 Data collection method

The data collection method was an online survey. It was used to collect data from individuals by utilizing a survey instrument administered in Scandinavia (Keysurvey), but used to collect answers from both Scandinavia and East Asia. Using a survey to collect data from individuals is one common way of applying this research strategy (Christensen et al., 2010).

A survey is a written summary of open and close questions where the respondent either has to answer the questions in their own words or has to fill in an already given answer (Christensen et al., 2010). Sending out surveys via the Internet have become an important method in quantitative research all over the world and it has, compared to other surveys a low cost and a high speed (Phuong & Hoffmann, 2011). The usage of an online survey was motivated by the time limit and the distance between the researchers and one of the areas of interest (East Asia). This type of surveys have become one of the most common tools for marketing research (Ibid), however online survey response rates are quite low which can threaten the efficiency of this type of survey (Christensen et al., 2010).

3.6 Pre-study

In this research, two focus groups have been applied as a pre-study. The interview guide for the focus groups was pilot tested and examined by a person experienced within the field. The purpose of the focus groups was to see what consumers thought around the subject, gather information for the survey and test some of the proposed questions for the survey. Focus groups are often considered a type of group interview, where a moderator guides the group to talk about a predetermined subject (Bryman & Bell, 2011). The researchers do not only listen to the discussion – they also try to understand emotions, contradictions, tensions and ironies. By that, the meaning behind the facts is confirmed (Grudens-Shuck et al., 2004). The focus group method was chosen because it is suitable for qualitative methods and also because it offers an opportunity to do a pre-study before conducting the survey. Since the aim was to examine two different cultures, the groups were separated according to both Grudens-Shuck et al. (2004) and Calder (1977). According to Calder (1977), this is a common and accepted way of using focus groups. The researchers may want to use qualitative research to generate theoretical ideas and hypotheses and then later verify those with quantitative research.
When this is the purpose, the focus group is often less structured and there is freer talk in-between the respondents (Calder, 1977), which was the case in this research.

If the focus group study is planned on examining a diverse population as in this case, Grudens-Shuck et al. (2004) claims that it is necessary to conduct more than one session on the same topic. Therefore, two sessions were conducted. The groups should both be alike in some way but also differ according to another criterion (Ibid). Following that criterion, both groups were young adults but one group was Scandinavians and the other East Asians. Sample size for the focus group was determined by what was recommended by Bryman & Bell (2011). One focus group ended up with twelve participants, and the other with eight. The first focus group was with Scandinavian participants and the other with eastern Asians. The two were separated so that they would not affect each other’s answers.

The information gathered from the focus groups (see appendix 3) was used to come up with different aspects of the subject that could be relevant to bring up in the survey. It was important to see what aspects the consumers thought were related to the subject because those aspects are also important for the literature review and the operationalization, due to the absence of previous studies within the area. By that, the discussion of this thesis does not include the focus group, and therefore it is essential to briefly summarize the discussions in the focus groups here because they influenced the theories chosen for the literature review.

3.6.1 Summary of focus groups
There were several differences between the cultures found in the focus groups. The main difference was that the Scandinavians felt that functionality; usability and good design was of high importance when buying a product. The eastern Asians talked a lot about how buying products was to “show off” a certain social status and wealth and that design was the most important. The Scandinavians believed that people buy genuine branded products because they identify themselves with the brands’ image. One respondent said that anyone can afford whatever he or she wanted – it is just a question of if they are willing to sacrifice what is needed. Consuming these status products could be to show off wealth – but also to show that you are a person that is aware of trends (a “fashionista”). The main reason for buying a counterfeit product was in both groups the
price advantage. Although, more Scandinavians were open to buying the genuine product than the East Asians. For the East Asians, a counterfeit could be of even better quality than the genuine product, which would lead them to prefer a counterfeit.

Both groups discussed the fear of being caught as a user of counterfeits, and said that wealthy people can buy counterfeits without being discovered. Both groups mentioned that buying a counterfeit would not give the same feeling and that the product would not be as highly appreciated by themselves as something more expensive. Although, the eastern Asians seemed to care of the concept of “face” that is very common in the Asian societies. It has to do with pride – people do want to buy the genuine product. Contradicting to that, the respondents were proud of their countries’ abilities to produce good quality counterfeits. This information was important when deciding which aspects that would be of interest in the survey. Also, a difference between the cultures could be noticed here and it would be of interest to examine if this difference also was visible in the data analysis. More information from the focus groups can be seen in appendix 3.

Some researchers argue the importance of specifying terms and methods in order to establish and evaluate the quality of a qualitative research and to be able to formulate alternative representing reliability and validity (Bryman & Bell, 2011). Two basic criteria are trustworthiness and authenticity where trustworthiness consists of four different subheadings; Credibility, Transferability, Dependability and Conformability (Ibid). This qualitative study, two focus groups, has only been used as a pre-study to help the researchers to form and design a survey and is therefore not as important as the quantitative study. However, since the participants in the focus groups have a relevant background for this study the researchers believe that they posses knowledge and experience that make the data both trustworthy and authentic.

3.7 Data collection instrument

3.7.1 Operationalization and measurement of Variables

Operationalization the process of coming up with a measurement for a certain concept, and defining an unclear concept and make it clearly distinguishable and measurable (Bryman & Bell, 2011). The concepts used in this research are all included in the literature review. Operationalization refers to the process of specifying the extension of a concept and by that describing what is and is not a part of the concept (Ibid). The
The concepts used in this research are: identity shaping, consumption, reasons for consumption and culture. The concepts are the underlying basis for the theory and the basis for the implementation of the research (Ibid). If a concept is going to be used in a research it has to be measured in some way (Ibid). The measurement of a concept allows describing the small differences between people in terms of the variables that are current (Ibid). It also allows describing the small differences between people in terms of the variables that are current (Ibid). The measurement also provides a tool to measure these differences between people (Ibid), which were important in this study. In this case, the questions in the survey have been constructed to measure a certain concept. To decrease the likelihood that the concepts would be measured wrong a focus group was used to act as support for the questionnaire. The survey was also pilot-tested for the same reason. This was to assure that the concepts would be measured correctly and that the result would be accurate.

Not many studies have been done on this subject. Due to this, the authors have not found previous similar studies where the questions could be used to inspire the questions in the survey. Therefore most questions were motivated by the information used in the literature review. As a result, all questions have been influenced by the focus group. There are not any questions except for “Please indicate your ethnicity” that has to do with the culture-concept. All questions will be analyzed from both cultures. A table is presented displaying the concepts, which questions that are used, what scale it is and the references for the question (See table 1. Operationalization).

<table>
<thead>
<tr>
<th>Concept</th>
<th>Questions</th>
<th>Type of scale</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identity shaping</td>
<td>15. Do you think it is the same people that buy counterfeit products and luxury branded products?</td>
<td>Dichotomy scale</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td></td>
<td>16. Out of all your possessions which are the ones you place the highest value upon?</td>
<td>Nominal Scale</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td></td>
<td>17. Do you think people buy luxury branded products to boost their self-esteem?</td>
<td>Dichotomy scale</td>
<td>Adopted from Podoshen et al. (2010)</td>
</tr>
<tr>
<td>Consumption</td>
<td>4. How often do you go shopping?</td>
<td>Ordinal scale</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>---------------------------------</td>
<td>---------------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td>5. Have you ever bought a luxury branded product?</td>
<td>Dichotomy scale</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td></td>
<td>6. If yes on question 5 how many luxury branded products have you bought?</td>
<td>Ordinal scale</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td></td>
<td>7. Have you ever bought a counterfeit product?</td>
<td>Dichotomy scale</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td></td>
<td>8. If yes on question 7 how many counterfeit products have you bought?</td>
<td>Ordinal scale</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td>Reasons for consumption</td>
<td>9. Why would you buy a luxury branded product?</td>
<td>Nominal Scale</td>
<td>Adopted from Podoshen et al. (2010), focus group discussion</td>
</tr>
<tr>
<td></td>
<td>11. What would make you choose a luxury branded product instead of a counterfeit product?</td>
<td>Nominal Scale</td>
<td>Adopted from Gistri et al. (2008), focus group discussion</td>
</tr>
<tr>
<td></td>
<td>13. Do you see a downside with using counterfeit products?</td>
<td>Dichotomy scale</td>
<td>Adopted from Podoshen et al. (2010), focus group discussion</td>
</tr>
<tr>
<td></td>
<td>14. If yes on question 13 specify</td>
<td>Nominal Scale</td>
<td>Adopted from Podoshen et al. (2010), focus group discussion</td>
</tr>
<tr>
<td></td>
<td>18. Which of the following statements do you agree the most with?</td>
<td>Nominal Scale</td>
<td>Adopted from Holbrook (1994)</td>
</tr>
<tr>
<td>Culture</td>
<td>3. Please indicate your Ethnicity</td>
<td>Nominal Scale</td>
<td></td>
</tr>
</tbody>
</table>
3.7.2 Questionnaire design

To get a better and overall insight in the differences between the cultures regarding consumption of counterfeits and luxury products an online survey was conducted. When using online surveys, it is important to improve the response rate without compromising with the low-cost advantages (Liyin, 2010). The participation in a survey can also be improved by persuade the respondents that the research is beneficial to them (Ibid). It can also increase if the topic of the survey is consistent with the respondent’s attitudes, beliefs or values (Ibid) or if they are invited by people who are similar to them (Biemer & Lyberg 2003). By using an introduction letter, in line with Bryman and Bell’s (2011) recommendation the researchers tried to increase the response rate. The introduction letter was attached to messages sent on social networking sites and via e-mail. It included information regarding why the respondents where chosen and selected. After 1 week, a reminder was sent out since it is also a way to gather as many answers as possible (Bryman & Bell, 2011). Another reminder would have been valued high but due to time restrictions this was not possible.

The survey started with an introduction similar to the one attached in the personal messages but also with explanation for terms that might be unfamiliar to the respondents (counterfeits and genuine branded products). The length and presentation of the questions can influence the participation rates and it increases with 2 % if the questions include visual elements, like images and pictures (Deutskens et al. 2004). Therefore, the questions have been written shortly and concise, and the survey includes a picture with the University’s logo. The survey comprises 18 questions, divided into two parts and took three to five minutes to answer. This is important along with a clear and attractive layout with instructions (Bryman & Bell, 2011).

The first part of the survey aims to identify the respondents and who they are by indicating age, gender and ethnicity. Ethnicity was of high importance and therefore, to make respondents answer correctly, the option “other” was selectable so that no one would feel that there was no option that suited them. The second part of the survey aims to find out more about the respondents’ consumption behavior. Here, approximately every question has one answer that the respondents can fill in themselves. This is to reduce irritation if the respondent feels that no answer is the right one. The questions examine aspects such as if the respondent have purchased a certain product, how
frequently the respondents purchase this type of product and motives for buying this product. The questions that examine purchase of products are separated into one question regarding genuine branded products and one regarding counterfeit products. The latter questions examine what would make the respondent choose either a genuine branded product over a counterfeit and vice versa.

By using open questions the respondent are allowed to respond as they wish in their own words (Bryman & Bell, 2011). He or she is not either controlled to respond in a predetermined way, and this gives them the opportunity to respond as fully as they wish (Ibid). However, open questions make it more difficult to collect and code the answers, which makes it time-consuming for the researchers (Ibid). The opposite, a closed question, is a question which has given structured answers where the respondents choose the answer that corresponds to their opinion (Christensen et al, 2010). Closed questions are easy for the researchers to process and compare the answers with each other (Bryman & Bell, 2011). A closed question can also clarify the meaning of a particular issue to the respondent (Ibid). By that, all questions are mandatory and closed so that no problems will occur when collecting the data. On approximately every question it is an opportunity to fill in another answer to reduce frustration if the respondent feels that no other choice is suitable for them, which is a common problem with closed questions (Ibid).

It is important to keep in mind that not all of the world’s citizens are Internet users (Manfreda et al. 2008) and by that, the researchers limited the study to young adults that are more prevalent on social networking sites than people in older ages (Chan & Fang, 2007).

3.7.3 Pretesting
After the pre-study, a pilot study was conducted with the survey. It was examined by a person experienced in the area (university-lecturer) and potential respondents before the collection of empirical data started. The survey was sent out to a testing group of 10 people that were able to comment the design, content and structure of it. Some adjustments were then made so that the data collection methods would function at their best. This is always desirable if possible, because it gives the researchers an opportunity to ensure that the planned research overall functions well (Bryman & Bell, 2011). It is
crucial in self-completion survey, since there is no ability to explain for the respondents (Ibid) and therefore this was very important for this study.

3.8 Sampling
Afterwards the pre-testing, the sampling process started. Bryman and Bell (2011) describes a population as the collection of units that belong to the same group and geographical area and from which the sample is to be selected. In this case the population is Scandinavian and East Asian young adults. A sample is a part of the population that is selected for research (Bryman & Bell, 2011). When sending the online survey out to possible respondents a convenience sampling was used in a non-probability sample. In a convenience sampling the respondents are chosen because they are available for the research at this given time (Bryman & Bell, 2011). The advantage of a convenience sample is that it is easy to access and it does not require as much effort from the researcher (Ibid). A disadvantage could be that it is not an accurate representation of the whole population (Ibid). To be able to reach East Asian people the researchers used the contact from the International Relations office at Linnæus University were they could come in contact with a larger number of East Asian former and current students at the university. The population is very large and by that it is hard to see how much of a part the sample was of the population.

3.8.1 Sampling frame
A sampling frame is a list of all the components in the population from where the sample is selected (Bryman & Bell, 2011). The sampling frame was selected due to time and cost constraints and the respondents were chosen since they were available at social networking sites. By using snowball sampling, the survey was sent on further to other people that would be interesting for the research. This method was chosen since the main group that this thesis is focusing on is young adults. Those are highly active on social networking sites (Chan & Fang, 2007). The sampling frame concerned young adults with ages from 18-35.

3.8.2 Sample selection and data collection procedure
Sample size in the survey was determined by what would be realistic in relation to the time the survey was up. With the survey, 257 answers were collected and out of those
237 answers were considered valid because the other respondents did not indicate their culture belonging to either Scandinavian or East Asian, or their age to 18-35.

3.9 Data analysis method

The researchers have collected the data in order to test and extend previous theories. The data collected from the survey was analyzed with the computer software PASW Statistics 18. Depending on the question they have either been analyzed with a descriptive statistic or an compare mean test that are a form of quantitative analysis where two variables are analyzed to determine the assumed relationship between them (Bryman & Bell, 2011). The two variables relate to one another depending on how they simultaneously change together (Ibid). The purpose of a t-test is to measure the difference between the expected or observed frequencies, in other words test if the frequencies of a number of results are similar to the hypothesis (Ibid), which was suitable for the purpose. When the test is completed the hypothesis will either be rejected or not. In order to be significant the X2 needs to be equal to or more than X2 (Ibid). If the significance is less than X2 the hypothesis cannot be rejected thus it is considered to be a coincidence (Ibid). The significance level that was acceptable for this research was 0,05 (5%) in line with Bryman and Bell’s (2011) suggestion.

3.9.1 Response rate

When a snowball sampling is used and in this type of selection where respondents are asked to pass forward the survey it is difficult to calculate the response rate (Wyatt, 2000). It is not easy to estimate because the researchers do not know how many people that came in contact with the survey. The researchers asked several respondents to send the survey further via mail and on social networking sites and this makes it difficult to estimate how many people that in the end received the survey. It could be the case that some of the respondents do not pass forward the survey to anyone and some might send it to a numerous amount of people. This results in that the researchers cannot calculate the response rate since they don’t know exactly how many people that have had access to the survey. By identifying the respondents with the ethnicity question the researchers could ensure that the right people were included in the data analysis.
3.10 Quality Criteria

3.10.1 Validity

Validity concerns how well the result match the reality (Christensen et al. 2010). It also has to do with concepts and how sure the researchers can be that they measure the right variable (Bryman & Bell, 2011). This was ensured by creating questions in the survey that were inspired by earlier studies done in similar subjects where the researchers then knew that the questions measured the right variables. The questions in the survey were also inspired by the theoretical data and the focus group.

3.10.2 Reliability

Reliability concerns to what extent the result of a study can be replicated if the study is to be performed in a similar or identical way at another time (Bryman & Bell, 2011). Since the questionnaire is based on mainly discussions in a Scandinavian group and an East Asian group it is directed to these two cultural groups. The authors believe that if this study is to be performed at another time the result will be somewhat similar, however since the questionnaire is based on a qualitative study the result might differ depending on when the study is conducted and depending on how many from each culture participate in relations to this study. The authors do have in mind that there are subcultures within the culture, which can affect the final result of the study. Since there is an importance of both high validity and high reliability, the authors have strived after receiving as many respondents as possible, giving the study a broader range within the cultures.

3.11 Summary of Methodology

This research includes a quantitative survey method and a pre-study in the form of two focus groups. All decisions have been made based on what theories around methodology recommended. A deductive approach and a comparative research design have been used. The primary source is the data collected with the survey, where the sample was taken from students at a University in Sweden and people available at social networking sites.
4 Data analysis

In this chapter the data collected from the survey are analyzed with different statistic methods such as descriptive statistics and compare mean test. The analysis is shown in both text and a table.

With the online survey 257 answers was received and out of them 237 answers where considered to be valid. Those answers that was invalid was from respondents that did not indicate their cultural belonging to either Scandinavian or East Asian, or was not within the age group and by that there was not of interest for this research. Out of the 237 respondents 83% were Scandinavians and 17% were East Asians. To calculate these questions an analysis with descriptive statistic with frequencies was made. Out of the Scandinavians 71,5% where females, 27,5 % male and 1% preferred not specify their gender and out of the East Asian respondents 82,5% where female, 12,5% where male and 5% preferred not to specify their gender. The average age among the Scandinavian and East Asian respondents were 21-25 years which was 62,5% of the respondents. This was calculated by an analysis with a descriptive statistic with cross-tabulation.

The respondents from Scandinavia shop (products such as clothes and accessories) mostly once a month and the second most chosen alternative were two to three times a month. The East Asian respondents mostly shops two to three times a month or secondly chosen alternative were once a month, this was calculated by an analysis with descriptive statistic with cross tabulation. In terms or luxury products 69% of the respondents from Scandinavia had bought such products and 50% of the respondents from East Asian had bought a luxury branded product. Out of that number the most Scandinavian had bought two to three luxury branded products or more than five and the East Asian had bought more than five luxury branded product or two to three items. In terms of counterfeit products 58% of the Scandinavian respondents had bought such products and 40% of the East Asian respondents had bought a counterfeit product. Out of that number most of the Scandinavian and East Asian respondents had bought two to three or more than five counterfeit products. These questions were calculated by an analysis with a descriptive statistic with cross tabulation. One of the questions from the survey was excluded from the analysis since it did not contribute to purpose of the
research (Q18) (see appendix 2).

For the results with significance-value an analysis with compare mean test was made with an independent sample t-test and by that it could be seen if an equal variance was assumed or not. Question Q15 (see appendix 2) had a significance of 0.733 (see table 2. Data analysis) it means that equal variances are not assumed with the Scandinavian answering 74% yes and East Asian 70% yes. Question Q17 (see appendix 2) had a significance of 0.541 (see table 2. Data analysis) it means that equal variances are not assumed with the Scandinavian answering 27% yes and East Asian 37.5% yes (see table 2. Data analysis). Question Q19 (see appendix 2) had a significance of 0.029 (see table 2. Data analysis) it means that equal variances are assumed with the Scandinavian answering 85% yes and East Asian 72.5% yes.

For the results with percentage the questions had a multiple response set and by that it is not possible to calculate significance. On these questions an analysis with compare mean test was made with an independent sample t-test. By that the frequencies on every question in every response group could be seen and out of that a percentage was calculated so that the differences would be clearer (See table 2. Data analysis).

Table 2. Data analysis

<table>
<thead>
<tr>
<th>Question</th>
<th>Response options</th>
<th>Scandinavian</th>
<th>East Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q11. Why would you buy a</td>
<td>Q11a1l, to express a social status</td>
<td>17%</td>
<td>17.5%</td>
</tr>
<tr>
<td>luxury branded product?</td>
<td>Q11a2l, to influence my self-esteem positively</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>Q11a3l, to make others think positively of me</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Q11a4l, to be accepted by others</td>
<td>1.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td></td>
<td>Q11a5l, because I like the design</td>
<td>81%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Q11a6l, because of the good quality</td>
<td>75%</td>
<td>57.5%</td>
</tr>
<tr>
<td></td>
<td>Q11a7l, I would not buy a luxury branded product</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Q11a8a, other</td>
<td>3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Q12. Why would you buy a</td>
<td>Q12a1l, to express a social status</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>counterfeit product?</td>
<td>Q12a2l, to influence my self-esteem positively</td>
<td>1%</td>
<td>7.5%</td>
</tr>
<tr>
<td></td>
<td>Q12a3l, to make others think</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Q12. Why do you buy a branded product instead of a low price counterfeited product?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12a1, to be accepted by others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12a2, because I like the design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12a3, because of a low price</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12a4, I would not buy a counterfeit product</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12a5, other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 1% | 5% | 48% | 22,5% | 63% | 37,5% | 25% | 32,5% | 6% | 10% |

<table>
<thead>
<tr>
<th>Q13. What would make you choose a luxury branded product instead of a counterfeit product?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q13a1, because I can afford it</td>
</tr>
<tr>
<td>Q13a2, because of better quality</td>
</tr>
<tr>
<td>Q13a3, because of fear of being discovered as a consumer of counterfeit products</td>
</tr>
<tr>
<td>Q13a4, the warranties are better</td>
</tr>
<tr>
<td>Q13a5, I would not buy a luxury branded product</td>
</tr>
<tr>
<td>Q13a6, other</td>
</tr>
</tbody>
</table>

| 31,5% | 15% | 77% | 62,5% | 10% | 17,5% | 27,5% | 22,5% | 7,5% | 12,5% | 5,5% | 7,5% |

<table>
<thead>
<tr>
<th>Q14. What would make you choose a counterfeit product instead of luxury branded products?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q14a1, because of a lower price</td>
</tr>
<tr>
<td>Q14a2, because I believe that the quality is similar in both products</td>
</tr>
<tr>
<td>Q14a3, because I like the design</td>
</tr>
<tr>
<td>Q14a4, I would not buy a counterfeit product</td>
</tr>
<tr>
<td>Q14a5, other</td>
</tr>
</tbody>
</table>

| 68,5% | 12,5% | 12,5% | 35% | 15% | 26% | 27,5% | 3% | 2,5% |

<table>
<thead>
<tr>
<th>Q15. Do you see a downside with using counterfeit products?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal variances not assumed, Sig 0,733</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q16. If yes on question 13 specify</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q16a1, people can find out that I am using counterfeit products</td>
</tr>
<tr>
<td>Q16a2, the quality may be less good than in a luxury branded product</td>
</tr>
<tr>
<td>Q16a3, the warranties are not the same as when buying a genuine branded product</td>
</tr>
<tr>
<td>Q16a4, it is illegal</td>
</tr>
<tr>
<td>Q16a5, it harms the genuine brand</td>
</tr>
<tr>
<td>Q16a6, other</td>
</tr>
</tbody>
</table>

| 8,5% | 20% | 49% | 47,5% | 36,5% | 27,5% | 35% | 20% | 47% | 17,5% | 5% | 5% |

<table>
<thead>
<tr>
<th>Q17. Do you think it is the same people that buy counterfeit products and luxury branded products?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal variances not assumed, Sig 0,541</td>
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<table>
<thead>
<tr>
<th>Q19. Do you think people buy luxury branded products to boost their self-esteem?</th>
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<td>Equal variances assumed, Sig 0,000</td>
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35
4.1 Reliability testing

To measure the reliability Cronbach’s alpha can be used. A Cronbach’s alpha calculates the average of the coefficients from all possible combinations that are split in half. Coefficient alpha has ranges scale from zero to one were 0.0 to 0.5 is unacceptable, 0.5 to 0.6 is poor, 0.6 to 0.7 is questionable, 0.7 to 0.8 is acceptable, 0.8 to 0.9 is good and 0.9 to 1 is excellent. To measure a particular concept, a minimum of three items should be used and the items used in the test should be positively correlated (Hair et al., 2003).

The survey included many different variables and not all of them have to be calculated by Cronbach’s alpha so the authors chose to make two analyses with Cronbach’s alpha. The first analysis concerned Ethnicity (see Q4 in appendix 2) and How often do you go shopping? (see Q6 in appendix 2). The Cronbach’s alpha came out as 0.83, which is considered to be an good alpha value. The second Cronbach’s alpha analysis concerned Gender (see Q2 in appendix 2) and Do you see a downside with using counterfeit products? (see Q15 in appendix 2). The Cronbach’s alpha came out to be 0.78, which is considered to be an acceptable alpha.
5 Results and discussion

In the following chapter earlier theories are compared with new findings regarding conspicuous consumption of both luxury products and counterfeit products and compared with a cultural aspect.

According to the data analysis, East Asians shop more often than the Scandinavians. According to Banwari (2006) people that shop often could have a greater need of creating another identity since products that are consumed are considered one of the most central parts of a consumer’s self-concept. Souiden et al. (2011) states that conspicuous consumption is more common in individualist cultures, however, assuming that conspicuous consumption means that people shop more often, this cannot be detected in this case. This could be because of the usage of an Internet-based survey in this research. The issue with an online Internet-based survey is that only people who have access to Internet will be able to respond (Manfreda et al., 2008).

5.1 Consumption of luxury branded products

Souiden et al. (2011) describes that materialism is considered more common in individualist cultures. Within the response group more Scandinavian people have bought a luxury branded product than East Asian people. Being of an individualistic culture the Scandinavians could be considered to be more materialistic and tempted to buy a luxury branded product, however, the East Asians have bought a higher amount of luxury branded products. This contradicts with previous studies where the individualists are considered to be materialists. (Souiden et al., 2011; Podoshen et al., 2010; Belk, 1988). According to Souiden et al. (2011) materialism is highly connected to social status seeking behavior and thereby also conspicuous consumption. As Belk (1988) stated the individualistic cultures tend more to consume more conspicuously than collectivistic cultures. However, the Internet has caused a worldwide globalization, allowing the cultures easy access of information from other cultures, and this research challenges earlier theories because of the East Asian respondents’ high amount of luxury goods purchased per person. Researchers describe consumption as being a way to express a personal identity (Solomon, 2002). Belk (1988) claim that consumption of products is a way to express a belonging to a social group. In a materialistic society such as Scandinavia the possession of a few prestige branded products might be the key to reach a higher social status and a cultural belonging. However, previous theories
assume that collectivist cultures place a higher importance on social status and luxury products since it effect on their self-esteem (Souiden et al., 2011). That could be an indication to why the East Asians have bought more luxury products than the Scandinavians because of their belief that it will affect their self-esteem positively.

5.2 Reasons for buying a luxury branded product

Most Scandinavians are motivated to buy a luxury product when they find a design that attracts them. With possessions identities are built and communicated to others (Solomon et al. 2010). As Belk (1988) declared, “we are what we have” consumers relate to their own possessions. Again the cultural aspect of being an individualistic culture could be an influencing factor. A product with an attractive design could help the consumer to enhance his or her self-esteem. The attraction of the product could trigger a desire to make the product a part of the consumer’s self. While the Scandinavians priorities the design, the East Asians buy a luxury branded product because they perceive that such a product have good quality and by that they are also more concerned with the functionality. According to Podoshen et al. (2010) there is a strong focus on family and proper manners within the collectivistic cultures. While the individualistic Scandinavians identify themselves with possessions Podoshen et al. (2010) claims that individuals within collectivistic cultures identifies themselves with family and other relationships.

5.3 Comparing luxury branded products and counterfeit products

If the respondents in both cultures were to choose a luxury branded product over a counterfeit product it would be because of the perceived better quality. According to Kotler et al. (2011) the consumer gets more involved in the purchase when choosing an expensive or high self-expressive product. The consumer notice significant differences among different brands and the consumer will choose the brand that is nearest to their identity (Kotler et al., 2011; Lee 1990). However, when the design aspect is eliminated the quality becomes a highly influencing factor for Scandinavians during the purchase decision. Still, there is a certain materialistic attitude with the Scandinavians as they place “because I can afford it” as the second reason to buy a luxury branded product. The warranties of a product does not matter as much as the knowing that they actually
could pay and afford this luxury branded product, often bringing some prestige to their own identity. While the Scandinavians consider warranties as the third most important factor the East Asians believe that the warranties are a little bit more important, placing it second. The East Asians do not consider being able to afford a luxury product as a reason enough to buy a luxury product. They prioritize quality and good warranties. The East Asians are concerned with how they will be perceived by others and “the fear of being discovered as a consumer of counterfeit products” is the third most chosen reason to why they would buy a luxury branded product. This can be drawn to earlier theories and the concept of face where collectivist cultures gain prestige from the expectation of an impression on others (Podoshen et al., 2010). Being a consumer of counterfeit products could therefore be assumed to harm the collectivist culture-belonging and the person’s pride and prestige.

If the respondents, in both cultures, were to choose a counterfeit product over a genuine branded product it would be because of the low price, which is the same reason to why they would choose a counterfeit product in general (Belk, 1988). Being of an individualistic culture the Scandinavians again value the design high and place it as the second most influencing reason to buy a counterfeit product over a genuine branded product while the East Asians to a higher extent would not buy a counterfeit product. Materialism is highly connected to social status seeking behavior (Souiden et al., 2011). Belk (1988) states that the materialism and self-enhancing point of view with consumers from individualistic countries are motivated to consume conspicuous. With a limited budget and a strong desire to express an image the individualistic Scandinavians place a higher value on a design that fit their identity even if it is a counterfeit product while the collectivists do not even want to be associated with counterfeit products. However, some Scandinavians do take distance from counterfeit products and would not buy products from the counterfeit market. This group of Scandinavians could be considered to be those who can afford a luxury branded product and are loyal to brands. According to the respondents those who buy counterfeit are not the same consumers as those who buy genuine branded products. But according to earlier theories there are those who buy both counterfeit products and genuine branded products (Wilcox et al., 2009). The purchase helps them communicate their desired status and they consider themselves being smart shoppers (Perez et al., 2010).
Buying a luxury product could be considered a complex buying behavior, mostly because of the economic risk. The consumer also notices significant differences among the different brands (Kotler et al., 2011). Learning from the two focus groups conducted (see appendix 3), buying these luxury products or counterfeit products engages the consumer in a, for them, complex and important process.

5.4 Consumption of counterfeit products
Consumers that seek counterfeit products do so mostly because of the price advantage that such products offer (Belk, 1988). This research also indicates that the low price of counterfeits is a strong motivation for both Scandinavians and East Asians to buy counterfeit products. According to the respondents there are more Scandinavians than East Asians who have bought a counterfeit product. However, those East Asians who have bought counterfeit products have bought more products than those Scandinavians who have bought counterfeit products. There are other advantages than the low price that influence the consumers to choose a counterfeit product (Belk, 1988). Researchers such as Grubb and Grathwohl (1967) suggest that the consumption of counterfeit products mostly is connected with displaying a desired social status image, which is also the case with luxury branded products. Belk (1988) also add that consumption of counterfeit products provides benefits for consumers that use products to construct their identity. People that buy counterfeit products might want a certain identity and has a desire to project an image of wealth which they cannot afford. Instead they buy counterfeit products. While the concept of face keeps more East Asians from buying counterfeit products the Scandinavians with a materialistic desire tries to climb the social ladder by projecting a wealthy image through counterfeit products. The easy access of counterfeit products allows those East Asians consumers of such products to buy more than those Scandinavians consumers.

5.5 Disadvantages with counterfeit products
The low price along with other advantages gives consumers enough reasons to keep on buying counterfeit products. However, this study shows that consumers from both individualistic and collectivistic cultures have noticed a downside with counterfeit products. This is supported by Gistri et al. (2008), who argue that because of the lack of
quality a counterfeit product may fail to provide consumers with the same experience as a genuine branded product. The respondents from both East Asia and Scandinavia place bad quality as the main downside of counterfeit products. This was also something that were noticed in the focus group where some respondents stated that buying a luxury product would give a better feeling than a counterfeit and that the consumer would feel stronger affection for the product.

Besides the perceived low quality of counterfeits the Scandinavians choose not to buy counterfeit products because it could harm the image of the genuine brand. Usually when buying a luxury product of a genuine brand the purpose could be considered to create an identity. The products become a part of the consumer’s self and helps the consumer to express him- or herself. McCracken (1986) described that consumers use the meaning of products to express their cultural principles and ideas in order to create a lifestyle that will follow the social changes. Being an individualistic culture Scandinavia might just need a certain set of branded products helping the Scandinavians to identify themselves with these products and this culture. If one of these products that the Scandinavians identifies themselves with would be copied and concurred by a counterfeit product the brand could lose consumers’ trust and value. The counterfeit product would not just harm the brand but also the materialistic and individualistic culture. As a collectivistic culture East Asians are not as concerned with the harm a counterfeit product might cause to a genuine brand as the Scandinavians. The East Asians are more concerned with the warranties that are not the same as with a genuine branded product. Many counterfeit products are produced in East Asia (Podoshen et al., 2010; Souiden et al., 2011). Assuming that this makes counterfeit products less exotic and more of an everyday phenomenon for East Asians they have accepted the counterfeit market or simply care less about the genuine branded product. Souiden et al. (2010) also argues that collectivistic cultures are not as concerned with materialism as individualistic cultures. If low quality combined with no warranties are holding the East Asians back from buying a counterfeit product it seems like the brand itself does not have as great importance for East Asians as it does for Scandinavians. Instead East Asians place higher importance on the functionality of the product instead of the brand and they do not seem to be as concerned with how their own image is perceived as Scandinavians are. However, this is contradicting to the concept of face where East
Asians seem to place importance on their image.

5.6 Reasons for buying counterfeit products
Personal belongings usually has a sentimental value to the consumer (Elliott, 1997). It possesses a symbolic meaning providing the consumer with the ability to build an identity (Ibid). Products reveal stories about people and who they are (Ibid). If a person wants to be perceived as someone with a higher social status products or brands with a high status can help the person achieve this status (Ibid). The availability of counterfeit products on the market has made it harder to detect those with an actual higher status from those who buy fake products. Perez et al. (2010) described a consumer of counterfeit products as being someone who optimize their economic resources and is pleasure-loving. By fooling others into perceiving a higher status, consumers of counterfeit products create a social self-image (Goffman, 1959). According to both the East Asian and Scandinavian respondents those who buy counterfeit products are not the same as those who buy the genuine branded products. Today people who want to project an image of wealth can do so without actually being wealthy, just by consuming luxury products (Husic & Cicic, 2009; Perez et al., 2010). This eliminates the fear of getting caught with a counterfeit product (Perez et al., 2010; Gistri et al., 2008). If they were to buy a counterfeit product the consumer might loose the status already achieved. However, there are still those who want to identify themselves with a higher social class but cannot afford it and turn to counterfeit products knowing the risk of getting caught (Ibid). According to the majority of the respondents these consumers would never buy a genuine branded product.

According to Freedman (1991) consumers project an image of wealth by consuming status products and regardless to a person’s economic level consumers might want to display this image of wealth and status even if they do not belong to that social class (Ibid). Consumers also buy these products to create an identity and to boost their self-esteem.

5.7 Reasons for conspicuous consumption
For Scandinavians shopping is mostly considered a fun and emotional experience. Being of an individualistic culture, where materialism dominates, Scandinavians find
the whole shopping experience as a social event where purchase becomes a pleasure. This is identified as consuming as experience within Holbrook’s (1995) model Metaphors for consuming. Most of the East Asians shop because they like the product to be a part of them selves, communicating who they are which is identified with consuming as integration within Holbrook’s (1995). Scandinavians secondly shop because they like the product to be a part of themselves while East Asians also shop for the fun emotional experience. Both cultures have the third most valued reason for going shopping in common, being they shop to create an identity which is identified with consuming as play. The fourth most chosen is “I shop to feel belonging of a certain social group” which is recognized with consuming as classification. By that, the cultures are very similar in this question. According to previous theories regarding collectivist cultures, the people within this culture is more concerned with the groups’ values, goals and views rather than the self (Triandis et al., 1988) and identity is found in terms of family and culture. By that, it could be assumed that the East Asians would feel a greater need to fit into a group. But in this research, it was more Scandinavians that chose this option than East Asians.

However, the concept of face is widely spread in the East Asian society (Podoshen et al., 2010) and the East Asian respondents do place design as the second most important factor of buying a luxury product while the Scandinavians placed the quality as second. The third most chosen is the same in both groups: “to influence my self-esteem positively”. This shows a conspicuous consumption behavior within both cultures. The two cultures are more similar than earlier studies have assumed, where the groups were found out to be very diverse regarding consumption (Souiden et al., 2011; Podoshen et al., 2010; Belk, 1988). This could be due to the Internet contributing to a change within the collectivist culture and making it more individualistic. Those who do not have access to Internet in East Asia might be more collectivistic than those who have participated in this research.

5.8 The consumption process
The consumption process includes five steps (Kotler et al., 2011). However, it could be discussed whether all these steps are included when buying a counterfeit product. Buying counterfeit products is not always intentional, by that a need is not always recognized before the purchase. Neither is the steps search for information and
evaluation of alternatives included to such as high degree as when buying a luxury branded product. Drawing connections to the pre-study conducted, this is something that was confirmed by the participants.
6 Conclusion

*Here the final implications and findings of this research are presented. Included in this chapter is also information regarding how companies can embrace this information, limitations, academic implications and directions for future research.*

There are several aspects regarding culture and conspicuous consumption of counterfeit and luxury products that have been found in previous theories that cannot be detected in this study. In the question regarding if the respondents have ever bought a luxury branded product, and if so, how many, the answers do not match earlier studies. Here, East Asians have a stronger need for buying these products. Regarding motivations for buying these products, the cultures are very similar. This also shows a difference from earlier theories where East Asians are considered to buy luxury products because it affects their self-esteem positively. However, more Scandinavians actually believe that luxury products affect people’s self-esteem in a positive way.

In this study the East Asians are more concerned with quality and warranties while Scandinavians prioritize the brand, design and what image it might bring. This contradicts with the East Asians’ view on the concept of face. The concept of face appears to be a phenomenon that has been of great influence when making a purchasing decision in East Asia. The fear of what others might think when getting caught with a counterfeit product, which could harm the consumer’s image, have kept the East Asians from buying these kinds of products. But there is a change within the East Asian community. A new generation of young adults strives to express themselves, which could be considered as a more individualistic approach. At the same time, the young adults from Scandinavia who have grown up in a materialistic setting purchases the same kinds of luxury brands in order to fit in and create a social status.

Former theories also state that collectivist- and individualist cultures are opposites. However, in this research, there are some points where the cultures do have similarities. Both cultures seek counterfeits for the obvious reason that is price advantage. They also believe that people who buy counterfeits and genuine branded products are not the same people. The reason for buying luxury or counterfeit products is to construct a desired identity. This is visible in both cultures but the reasons for wanting to create an identity
varies from people to people. By that, in this study it cannot be confirmed that reasons for wanting to create an identity are cultural bound.

This study’s result shows that the cultures differs from earlier theories in some parts and is similar in others regarding consumption of counterfeit products. This could be due to a current change within the collectivist culture where the young adults of the culture slowly turns out to be more and more similar to the individualist culture. It could also be of other reasons, although the one mentioned is the most likely since that change have been explained by other theories (Podoshen et al., 2010). Podoshen et al. (2010) also found that collectivist young adults were very materialistic. This research also has findings that show a similar change. This makes the authors wonders whether there is a significant difference between the two cultures or not. The changes within the East Asian culture appear to make the East Asians more individualistic, hence materialistic.

Summarizing, the results of this study are very contradicting and is not always similar to previous studies. The results could be interpreted as an indication to a changing collectivistic culture, which means that the two cultures are merging together and their consumption behavior regarding counterfeit and luxury products is quite similar. The reason for conspicuous consumption differs between individuals but not as much between the cultures.

6.1 Limitations

If the time available for doing this research had been longer, sending out the survey to more people with more reminders would have been valued high. It would also give an opportunity to get more diverse respondents since the sample was predominantly female and there were more Scandinavians than East Asians.

This study’s population is limited to young adults and the population is consequently both small and homogenous since it is drawn from a university population and people available at social networking sites. Therefore, generalizing the result of this study towards other groups than this population could create problem and are not recommended. However, the sample gives an opportunity to interpret the result and point out questions that may be a direction to further research within this unexplored
6.2 Managerial implications
This research shows that the reason for people to seek counterfeits is a smaller economic sacrifice than when buying a genuine branded product. Therefore, this suggests that it would be good for luxury brand owners to create cheaper lines of the brand where the people who wish to identify with the brand can buy the products for a lower price. By that, the brand will make their products more suitable for conspicuous consumption. This could however be negative and could lead to that the exclusivity of the brand is harmed which no company in this business wishes for. Here, companies have to choose what are most important: fighting counterfeiting or letting some of the exclusivity go.

Previous theories indirectly suggest that companies should make a difference when selling products to different cultures, because of the cultures’ diametrical differences. This research suggests that this may not be needed in a future where the collectivist and the individualist culture merges together and becomes more similar to each other.

6.3 Academic implications
The results of this study, that is quite contradicting, suggest that the starting point when doing research within this area should be that previous theories might not be true. The two cultures appear to turn more and more similar. A focus on young adults is motivated because a current change appears to take place within the collectivistic youth culture.

6.4 Directions for future research
Future research should include self-esteem in the survey to be able to see a connection between the different cultures and how consumption of these products affects their self-esteem. It should also include income level so that a relationship between income-level and consumption (e.g. willingness to pay) can be examined. Future studies could also examine beliefs and attitudes towards the consumption of counterfeit products. The results of this study were both contradicting and similar to earlier theories. As said earlier, coming research should include a view on the collectivist culture (especially...
young adults) as a culture that might be changing rapidly.
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Consumption of counterfeit products

Hi! We are three students at the Linnaeus University in Sweden who are currently writing our Bachelor Thesis around the subject consumption of counterfeit products. Our study includes a comparison between East Asia and Scandinavia and that is why we need your help.

To help you while answering the survey: Counterfeit products is often called “fake products”. It is a product that is made to look like a special brand, but is not made by the brand owner. Luxury branded products are regarded as images in the minds of consumers that have associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations.

If you have any further questions about the survey please contact us at epegr09@student.lnu.se

Let us begin!

Part 1

First we wish to identify you and who you are as a consumer.

1. Gender

- Male
- Female
- Prefer not to specify
2. Age

- <20
- 21-25
- 26-30
- 31-35
- >36

3. Ethnicity

- Scandinavian
- East Asian
- Other

**Part 2**

*Now we want to find out more about your consumption behavior.*

4. How often do you go shopping?
   *In terms of products such as clothes and accessories*

- Less than once a month
- Once a month
- 2-3 times a month
- 4-5 times a month
- More than 5 times a month

5. Have you ever bought a luxury branded product?
6. If yes on question 5 how many luxury branded products have you bought?

- 1
- 2-3
- 4-5
- More than 5

7. Have you ever bought a counterfeit product?

- Yes
- No

8. If yes on question 7 how many counterfeit products have you bought?

- 1
- 2-3
- 4-5
- More than 5

9. Why would you buy a luxury branded product?
   
   You may choose one or more.

- To express a social status
- To influence my self-esteem positively
- To make others think positively of me
- To be accepted by others
10. Why would you buy a counterfeit product?
You may choose one or more.

- To express a social status
- To influence my self-esteem positively
- To make others think positively of me
- To be accepted by others
- Because I like the design
- Because of a low price
- I would not buy a counterfeit product
- Other

11. What would make you choose a luxury branded product instead of a counterfeit product?
You may choose one or more.

- Because I can afford it
- Because of better quality
- Because of a fear of being discovered as a consumer of counterfeit products
- The warranties are better
- I would not buy a luxury branded product
- Other
12. What would make you choose a counterfeit product instead of luxury branded products?  
You may choose one or more.

☐ Because of a lower price

☐ Because I believe that the quality is similar in both products

☐ Because I like the design

☐ I would not buy a counterfeit product

☐ Other

13. Do you see a downside with using counterfeit products?

☐ Yes

☐ No

14. If yes on question 13 specify  
You may choose one or more.

☐ People can find out that I am using counterfeit products

☐ The quality may be less good than in a luxury branded product

☐ The warranties are not the same as when buying a genuine branded product

☐ Because it is illegal

☐ Because it harms the genuine brand

☐ Other

15. Do you think it is the same people that buy counterfeit products and luxury branded products?

☐ Yes
16. Out of all your possessions which are the ones you place the highest value upon?

- The ones that have cost the most
- The ones that have sentimental value to me
- Other

17. Do you think people buy luxury branded products to boost their self-esteem?

- Yes
- No
- Other

18. Which of the following statements do you agree the most with?

Shopping of products such as clothes and accessories, you may choose one or more.

- I shop because it is an fun emotional experience
- I shop because I like the product to be a part of my self
- I shop to feel belonging of a special social group
- I shop to create an identity

Submit
Appendix 2, Coding scheme

Q1 (Introduction part 1)

Q2 (Gender)
1 = male
2 = female
3 = prefer not to specify

Q3 (Age)
1 = <20
2 = 21-25
3 = 26-30
4 = 31-35
5 = >36

Q4 (Ethnicity)
1 = Scandinavian
2 = East Asian
3 = other

Q5 (Introduction part 2)

Q6 (How often do you go shopping?)
1 = less than once a month
2 = once a month
3 = 2-3 times a month
4 = 4-5 times a month
5 = more than 5 times a month

Q7 (Have you ever bought a luxury branded product?)
1 = yes
2 = no
Q8 (If yes on question 5 how many luxury branded products have you bought?)
1= 1
2= 2-3
3= 4-5
4= more than 5
. = no answer

Q9 (Have you ever bought a counterfeit product?)
1= yes
2= no

Q10 (If yes on question 7 how many counterfeit products have you bought?)
1= 1
2= 2-3
3= 4-5
4= more than 5
. = no answer

Q11 (Why would you buy a luxury branded product?)
Q11a1l (to express a social status) 1= selected .=non selected
Q11a2l (to influence my self-esteem positively) 2= selected .=non selected
Q11a3l (to make others think positively of me) 3= selected .=non selected
Q11a4l (to be accepted by others) 4= selected .=non selected
Q11a5l (because I like the design) 5= selected .=non selected
Q11a6l (because of the good quality) 6= selected .=non selected
Q11a7l (I would not buy a luxury branded product) 7= selected .=non selected
Q118a (other) explanation why

Q12 (Why would you buy a counterfeit product?)
Q12a1l (to express a social status) 1= selected .=non selected
Q12a2l (to influence my self-esteem positively) 2= selected .=non selected
Q12a3l (to make others think positively of me) 3= selected .=non selected
Q12a4l (to be accepted by others) 4= selected .=non selected
Q12a5l (because I like the design) 5= selected .=non selected
Q12a6l (because of a low price) 6= selected .=non selected
Q12a7l (I would not buy a counterfeit product) 7= selected .=non selected
Q12a8l (other) 8= selected .=non selected
Q12a8 (explanation why)

**Q13 (What would make you choose a luxury branded product instead of a counterfeit product?)**
Q13a1l (because I can afford it) 1= selected .=non selected
Q13a2l (because of better quality) 2= selected .=non selected
Q13a3l (because of fear of being discovered as a consumer of counterfeit products) 3= selected .=non selected
Q13a4l (the warranties are better) 4= selected .=non selected
Q13a5l (I would not buy a luxury branded product) 5= selected .=non selected
Q13a6l (other) 6= selected .=non selected
Q13a6 (explanation why)

**Q14 (What would make you choose a counterfeit product instead of luxury branded products?)**
Q14a1l (because of a lower price) 1= selected .=non selected
Q14a2l (because I believe that the quality is similar in both products) 2= selected .=non selected
Q14a3l (because I like the design) 3= selected .=non selected
Q14a4l (I would not buy a counterfeit product) 4= selected .=non selected
Q14a5l (other) 5= selected .=non selected
Q14a5 (explanation why)

**Q15 (Do you see a downside with using counterfeit products?)**
1= yes
2= no

**Q16 (If yes on question 13 specify)**
Q16a1l (people can find out that I am using counterfeit products) 1= selected .=non selected
Q16a2l (the quality may be less good than in a luxury branded product) 2= selected .=non selected
Q16a3l (the warranties are not the same as when buying a genuine branded product) 3= selected .=non selected
Q16a4l (because it is illegal) 4= selected .=non selected
Q16a5l (because it harms the genuine brand) 5= selected .=non selected
Q16a6l (other) 6= selected .=non selected
Q16a6 (explanation why)

Q17 (Do you think it is the same people that buy counterfeit products and luxury branded products?)
1= yes
2= no
3= other
Q017 (explanation why)

Q18 (Out of all your possessions which are the ones you place the highest value upon?)
1= the once that have cost the most
2= the once that have sentimental value to me
3= other
Qo18 (explanation why)

Q19 (Do you think people buy luxury branded products to boost their self-esteem?)
1= yes
2= no
3= other
Q019 (explanation why)

Q20 (Which of the following statements do you agree the most with?)
Q20a1l (I shop because it is an fun emotional experience) 1= selected .=non selected
Q20a2l (I shop because I like the product to be a part of my self) 2= selected .=non selected
Q20a3l (I shop to feel belonging of a special social group) 3= selected .=non selected
Q20a4l (I shop to create an identity) 4= selected .=non selected
Appendix 3, Focus group

Focus group with Scandinavian participants
First, the group was introduced to the moderator and the observators. The purpose of the focus group was explained. The first question was regarding which product attributes they place importance on when buying a product. The group says that attributes such as usability, functionality, price, quality and good design are important for them. The quality should be in relation with the price - a high price should come with good quality. Most of the participant’s say that the important product attributes differs a lot from which need they have for the product.

Further on, the moderator asked the participants why they believe that people buy genuine branded products. They say because it people build up an image around the product that also shapes the image of the self. Some believe that history and heritage of the brand is important as well because it creates a feeling of safety when the brand is well known. One participant says that it is to show that people have money but the others believe that it could be to show something else as well. This would be creating an image around them as a “fashionista”. However, they also say that people who are truly devoted to the fashion industry would not buy a counterfeit product. The ones saying this also states that “even products from H&M can sell out” and that indicates that showing off wealth is not the only reason.

To the question “why do you believe that people buy counterfeit products” most participants believe that it is because of money-saving reasons. The whole group states that sometimes the counterfeit products are even better than the genuine branded product. They believe that a person who has money would not buy a counterfeit product but some also argue that those who are wealthy can easily buy a counterfeit product without being accused as an owner of one. They discuss the “fear of being caught” and also state that it feels wrong to buy counterfeit products since it sponsors a “bad industry with criminality”.

Further, the participants were asked if they believed that it is the same people that buy counterfeit products and genuine branded products. The whole group said yes and that
people do everything to create and sustain a personal image. Some mix counterfeit and genuine branded products, to sustain their own personal style to a cheaper price.

The moderator asked the participants to rank different product attributes that they thought was important when buying a product. The product attributes was pre-selected and written down before the focus group by the researchers. These words were; price, quality, prestige, uniqueness, brand, functionality and accessibility. The participants ranked them; functionality, quality, price, brand, uniqueness, prestige and accessibility. They discussed that it all depends on what product you buy and the need for the function. Prestige and uniqueness depends on what function the product has and also that a unique product can give prestige. The participants also say that they don’t always want to be unique.

“How unique are we? People buy the same damn clothes” - Respondent

If you buy clothes the brand can be more important than the price. And that the things you buy reflect your personality and who you are as a person. All people that want something can afford it if they really want the product.

“Your personality reflects what you are buying and what you are buying reflects your personality” - Respondent

Further on the moderator asked why they thought that people choose counterfeit products instead of a genuine branded product. They came to the conclusion that sometimes the counterfeit product is better than the genuine one, because the counterfeit product can have a quality that is as good as the genuine product. The brand plays a big role when you buy a product because you pay for the brand and one participant said that you buy/pay for the air when you buy a genuine product. People that cares about fashion don’t buy a counterfeit product, they save their money to buy the real product instead. The most people that buy counterfeit products are those who expose themselves to them, for example on vacation in Thailand. But the biggest reason why people buy counterfeits is the price.

On the question why they thought that people buy genuine products instead of counterfeit products the participants answer that they want the feeling of the genuine product. The genuine product has a better quality and that it feels wrong to buy a
counterfeit product because you don’t want to support that business. If you buy a genuine product you know that it has better quality and you get that feeling of a real genuine product.

Based on the moderators question if a copied product creates the same feeling with the consumer as genuine branded product, the participants believed that there were a difference in the building of emotions towards genuine branded products and fake products. People can tell if a person is using a fake product. For someone who builds a complete lifestyle with only counterfeit products, the consumption could be considered a good feeling as the outcome of deceiving others. Even though the feeling of buying a counterfeit is similar towards the feeling received when buying the genuine branded product there is still a drive of purchasing the genuine product. The participants agree on that the acknowledgement received through buying a genuine product is important in order for the emotion to occur.

The respondents believe that the phenomenon of branded products and counterfeits is common within the middleclass. A product of even higher quality or status does not reveal the brand name, since the person wearing it does not feel the need to brag about it.

Focus group with East Asian participants
The group was introduced to the moderator and observers, the purpose and structure of the focus group was explained. The participants shared their heritage, coming from Japan, China and South Korea. When asked which attributes that was of most importance when buying a product the participants all agreed that the most important features was the design followed by quality and brand depending on the product category. There are many different products with a brand name but design is the first thing the consumer sees. If a product is not attractive the consumer will not purchase it. The group also agrees on that when the quality is low the price becomes more important.

The moderator asked the participants why they believe that people buy genuine branded products. The participants answer that people buy genuine branded products in order to project a certain social status. They want to state who they are and that they
have a higher financial position. People also want to show that they are able to pay for a certain brand without the risk of being revealed as a user of a counterfeit. The participants think that the Scandinavians are more concerned with fitting in which is why they buy products from the same brand. For example, laptops and phones are often the same brand.

Further the moderator wonder why they believe that people buy counterfeit products. The group says genuine branded products are expensive and if the same design could be found elsewhere, as a counterfeit, at a lower price a consumer might turn to the counterfeit instead. One participant states that she likes to follow trends but trends changes and it is expensive to keep up with them when buying expensive brands. A counterfeit gives the consumer a chance to keep up with the moving trends and have more options in the wardrobe, yet have money left to buy other products. The buying process is an experience reflecting the consumers’ mood. Many girls want to carry many shopping bags and see it as a part of the experience. A consumer could for example either buy one genuine product or three counterfeits for the same amount of money. The participants believe that consumers chooses to buy genuine products in a higher range when it involves products with a classic long lasting design because of the better quality.

The discussion continues and the participants mention the concept of face. People buy status seeking products for face. They turn to counterfeits because it is cheap and often almost the same quality. It is also hard to tell the difference between a genuine branded product and a counterfeit depending on where the counterfeit is made. One participant explained how the CEO of LVMH at one point could not tell the difference and thought the counterfeit even held a higher quality. There are many instructions to follow when buying a genuine branded product in order not to ruin it, leaving the participants with questioning why to buy a genuine brand.

The ones who buy the genuine branded product believe that it is of better quality. They think they know the value of the brand. Sometimes it is the same people buying genuine branded products as buying counterfeits. The participants says that rich people occasionally buys counterfeits because people assume they have only buy genuine branded products and can get away with having counterfeits. Those who usually buy
could decide to move up to the real deal. People who work usually own one Louis Vuitton or Prada to show off.

The moderator introduced a group exercise asking the participants to rank seven different attributes that they thought was important when buying a product. The product attributes was pre-selected and written down before the focus group by the researchers. The words were; price, quality, prestige, uniqueness, brand, functionality and accessibility. The participants did not feel that functionality was important. Again they all agreed on that the design was important placing uniqueness and brand as having the most influence on the purchasing decision. The price, quality, warranties and access of the product were also considered important features. Now most products are offered online on auction sites online which makes it easier to access.

Further on the moderator asked why people choose counterfeit products instead of a genuine branded product. The group responded that consumers buy counterfeits instead of genuine branded products because of the price or because the genuine branded product is not available. Instead of buying counterfeits consumers buy genuine branded products to show off. They themselves knows it is the real deal and wants to show a loyalty and honesty to the brand which makes them feel better about themselves. The group claims that what we wear we are and a counterfeit won’t create the same feeling as a genuine branded product. Those who carry counterfeits will be worried of getting caught and feel ashamed. The face and how people perceive you are very important. Consumers may not appreciate a counterfeit as much as a genuine branded product because they easily can buy another. A genuine branded product that is more expensive will be more appreciated because of the consumer’s effort to save money to buy it. This product will also be better taken care off and worn more carefully.

Finally the moderator asked whether there is a difference of attitudes towards status seeking consumption, genuine branded products and counterfeit products between the cultures in Scandinavia and East Asia. The participants do believe there is a difference in the consumer behavior and attitudes towards status seeking consumption and counterfeits between cultures. In East Asia and Scandinavia people think differently. East Asians show off more than Scandinavians but in Scandinavia the genuine branded products are more appreciated while in East Asia consumers travel to buy counterfeits.
Counterfeits are more common in East Asia than in Scandinavia and Europe. It is not as easy to buy counterfeits in Europe and certainly not in Scandinavia. Instead Scandinavians travels to East Asia to buy counterfeits. Tourists do not care if they are seen purchasing a counterfeit. Those counterfeits available in Europe are often sold on the street by Africans and are of bad quality and obvious as knock-offs in their design. One participant describes a counterfeit spotted in Milan, which carried three different brands. They all agree on that they trust counterfeits from East Asia and would never buy a counterfeit in Europe.
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