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Attitude of Higher Income Group Towards Branded and Counterfeited Goods: A Case Study of Snob Effect at Chandigarh, Sector-17

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Abstract: ***India being the most emerging and fast growing economy of the world. In 2000, India progressed towards free market economy and its growth reached 7.5% which doubled the average income in a decade. It is the sixth largest economy of the world and third largest from purchasing power parity followed by China and United States. On the other hand, along with such development in trade and economy, a biggest menace that has hit the emerging economy is Counterfeiting. It has been considered a crime of the 21st century. Counterfeiting accounts for the 5-7% of the total world trade. Counterfeiting is a term for goods that are just like branded good. This is an infringement of the trademark, copyright, or patent by stealing the name and logo of the other manufacturer. By exploring many views, it has been termed as counterfeiting has become one of the crucial factors which is effecting economy, companies, consumers and marketers also. By keeping all these factors in mind, this paper has been prepared for investigating the effects of this practice that delves into consumer's mind and force them to follow it. In favor of research done, hypothesis are designed based on a survey and with help of regression analysis, the results are compiled.***
Keywords*:* ***Purchase, Trademark, Infringement, Counterfeit, Consumers****.*

I. INTRODUCTION

This term counterfeiting used way back in 600 B.C. It is as old as money; nations used the counterfeited coins called 'fouree' for the warfare. Earlier, it was limited only up to forgery of currency and documentation but with the passage of time it extended its arms in every nook and corner. Many products come under its category like apparel, accessories, electronics, media, toys, pharmaceutical, food, clothing, beverages, cigarettes and military products as well. Nonetheless, journals and chemicals have also been predated by the counterfeiters. After 2009, OECD has seen a rapid growth in imitated products, the contribution of counterfeit and illegitimate goods in world trade had increased from 1.85% in 2000 to 1.95% in 2007.counterfeiting accounts for 8% of china's GDP, Hong Kong, Taiwan, North Korea, Thailand considered to be the most prominent markets for conducting illegal trade. Counterfeiting has been used under diverse expressions as:

A. Knock off

It's a kind of counterfeiting practice where we imitate the physical appearance of the product rather its brand name or logo.

B. Pirate

This is a term most specifically used in the electronics items such as music cd, movies and software.

C. Yundan goods

these goods are manufactured from the scraps or wastes of the original products but without the authorized permission and sold in the black market.

D. Replicas

These are fake or unauthorized goods and of lower quality which during demonstration looks like original ones but actually copy of the branded product. India is a developing nation, the current GDP of the country is estimated to increase at a rate of 9.5% in the 12th five year plan, which ultimately bridges the gap between lower, middle and upper class. With the high economic growth, living standard of the people also rises, everyone is equipped with basic amenities but the need of self actualization and recognition left behind due to commonality of the products. As a result people wants to get something unique which makes them diverse from an

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ordinary group. They swing their consumption pattern from necessities to exceptions. Hence, in the light of this need , marketer brought the word brand for catering to this exclusive section but as the saying "where the god built a church, there the devil would also build a chapel". So all along with the brands mushrooming, the counterfeiters also get their roots spread underneath the market. Various previous studies have been done to know the effect of counterfeiting on consumers. What factors have a great influence on the psychology of the consumer? However, a few of the studies have included the relationship of the higher income group and their preference towards counterfeited goods and original goods. The abovementioned studies explained the individual differences towards the purchase of counterfeiting, delivery channel of counterfeiting goods, factors influencing for purchase of such goods, range of counterfeiting goods, countries which flow such goods to other countries.

E. Counterfeiting

Counterfeiting is one of the practices used by the manufacturer where they produce the product same like branded one and also copy the tag, logo, and brand of the company. Higher income group: higher income is that section of people who had their disposable income level above 90,000 and near 1K. Assoc ham's recent survey on Indian luxury market has considered Chandigarh to be at 4th place which is highly brand conscious. Lavish parties, overseas trips and Maintaining their lifestyle is an extremely important facet of their social life. Attitude: A predisposition or a tendency to respond positively or negatively towards a certain idea, object, person, or situation. Attitude influences an individual's choice of action, and responses to challenges, incentives, and rewards (It is the way you think or feel about something or someone. The purpose of my research was to delve into the high income group and their perception towards counterfeiting goods on moral dimension. Whether they also have the same perception like those who are regular buyers of counterfeited goods or they keep trustworthy perception towards counterfeiting.

F. Previous Studies

The attitude toward counterfeiting is same as it was in the past but there is a difference in the individual attitudes, both the groups have agreed that counterfeiting products have hit their country's economy (Walthers, Alexander Buff, Cheryl L 2008). Consumer experiences, channels of delivery, problems faced by consumers with counterfeit products, irresponsible and ineffective attitude of authorities and lack of awareness and inattention of the consumers also gives boost to counterfeiting (Gary bamossy and Debra 1985). Value conscious consumers were more favorable towards counterfeit products as compared to risk conscious (Celso and carlos 2007). Cyber criminals have taken journals into counterfeiting category by operating their own sites for fetching heavy amount of money (S singh and remeneyi D 2016). Strongest motivators of counterfeit purchase is the perception of luxury and cheap and lit was own labor cost countries (Jean neol and annemichaut 2014). Name association and peer pressure investigated to be the most influential factor responsible for the preference of foreign (Promita Majumdar Sheryl Mehra KritikaGhai 2015). As according to kasitphoyomrattanaphaijit extended the three models drawn by Eng et al. found the demand side of the counterfeit goods is still deficient as compared to supply side and legitimate actions of anti counterfeit agencies. A multifaceted effort and anti counterfeiting technologies can curb the vastly traded business of bogus and life threatening electronics. (M picht and S. tiku 2006). One of the studies of Linnaeus University (2012) found the negative effect caused by similar or copied products on original luxury brands but still the genuineness of luxuries is still prevailing and not decreased. Different types of counterfeiting prevailing in the fashion industry. Looks, designs and credence goods found to be most powerful tool in the hands of counterfeiters. (Brian, chong and Stephen 2004). The frequency, purchase locations and motivations for the purchase and consumption of counterfeiting goods is concerned with everyday behavior of people and place rather than immoral activities related to social disgrace. (Jason rutter and jo Bryce 2008). According to poddaret. (2011) moral profiteering and rational value strongest motivators of counterfeit goods competitively edged by exclusive features companies offered in originals. Materialism as acquisition centrality, attainment of possession and life luxuries had always been considered to be the success factors but not approachable by major section leads to counterfeiting (Richins and Dawson 1992). Economic value is the main concern for people who crave for counterfeit goods and the effect of two components universalism and conformity that define why people go for counterfeit goods (Tom et al.1998). In addition, affluent section for their unique pay extra and those who longed for high status but cannot meet the expense of luxury use counterfeits (Han YE, Nunes JC, Drèze X 2010). Trademark law and legal claims of compensation and put a sturdy restraint against counterfeiters (Tu KV 2010). In the study of evolution and human behavior described the positive treatment received by people with the use of branded and luxury clothing. Eye catching and luxurious brands extracts the attention of the gathering and upbeat the affirmative reflection of personality (Nelissen RMA, Meijers MHC 2011)

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II. RESEARCH METHODOLOGY

Out of the sample data of 125 respondents, 100 respondents was selected who had their disposable income above 90,000. 25 consumers were not considered for the study as they had income level below the set standard. A method of convenience and further snowball sampling was used for reaching the affluent section. Respondents of the population study was selected on basis of characteristics of importance of the research study because the main purpose of the research was to know the preference of higher income group towards counterfeit or branded products. Respondents were taken from the sector-17 at Chandigarh. The area was selected by seeing the high availability of showrooms and easy selection of the respondents with genuine information. Buyers were more prone to the items like Eyeglasses, Clothing, Music items, Foot wears, leather products (Bags, Wallet, Belts and shoes). The main purpose of selection of this market was to find the buyers of original products and counterfeit products.

Out of the 100 the highest percentage of respondents were adults at 75%in the age group of (33- below 50) and teenagers and youngsters and with 22% between (16-32), followed by the older ones above 50 at 3%. From gender point of view, 56% were the males and 44% were the females.Correlation was used to study the findings of the data with independent variable i.e. Income, Impression, Superiority, Ethics, Overpricing, Made in appeal in relation to high class and dependent variable i.e counterfeit goods.

	Income	Outwardly impressive	Brand superiority	Quality driven	Overprice preference	Made in appeal	High class	like counterfeits
Income	1.000							
Outwardly impressive	0.560	1.000						
Brand superiority	0.791	0.309	1.000					
Quality driven	0.801	0.425	0.728	1.000				
Overprice preference	0.786	0.336	0.920	0.791	1.000			
Made in appeal	0.758	0.281	0.909	0.662	0.837	1.000		
High class	0.545	0.202	0.654	0.476	0.601	0.719	1.000	
like counterfeits	-0.678	-0.251	-0.814	-0.592	-0.749	-0.895	-0.803	1.000

Table 1: Correlation Analysis of the variables

As evident from the table 1, seven variables were taken to identify the effect of independent variables i.e outwardly impressive product, Superiority, Quality, Overpricing, Made in appeal and the relationship of all the variables with the high income group and liking of the group towards counterfeits. In the survey it was admitted that people are extremely conscious to take their positions and designationsso it was hypothesized that:

A. H1

The Higher the income, greater the preference towards outwardly impressive product.

In the results it was made truly apparent that there is positive relationship between high income group and its preference towards branded and established products. This is due to the reason that people always want to show themselves superior to others for increasing their self esteem. Another reason could be the elevated promotion of these goods with the endorsement by the celebrities, renowned logos, leading models etc.

B. H2

The more the product is outwardly impressive, the more superior it is.

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Persons with high reputation concern themselves with the superiority and must be ostentatiousand it is positively correlated at 0.309 although many items of women like shopping bags, apparels, high heel foot wears always keep prominent place in her personality andtheir counterpart also recognized from the shoes, watch and wallets so superiority is considered to be the highest concern that they gainonly from the branded product and become the reason of avoiding counterfeiting goods.

C. H3

Quality driven people relates positively to the branded products over counterfeits.

Another issue of abhorrence of people towards copied products is their quality conscious attitude. For getting an image of luxury a company bears a huge cost on the testing of the material, certification of getting ISO mark, creation and promotion of advertisement by a famous celebrity, cost paid to channels and promotion agencies, so quality driven segment detest or dislike to purchase counterfeit rather wish for the original one which henceforth, proves from positive result of ourhypothesis.

D. H4

Quality oriented persons relates positively to the brand even when products are overpriced.

Another influential characteristic of Excellency oriented segment is that they are ready to bear the overpricing of superior products as they have a psychological feeling of "Buy it right or buy it twice "when it comes to status or safety people don't bother the cost of salt if they have big fish to fry. Products come from overseas or border areas and companies themselves have to put up with various slabs of the taxes which compose the pricey combination ofit.

E. H5

The existence of 'Made in appeal' in the product, the higher the chances of overpricing.

In terms of attributes, the greater fascination of 'Made in appeal ' (i.e made in UK or USA) works as a positioning factor in the mind of the consumer which in turn augment the chances of elevated cost of product. Therefore, overpricing bears a strong value asset and becomes a mechanism of psychological pricing.

F. H6

Made in appeal is the strongest motivator of high income group.

Regardless of the price factor, Made in appeal unquestionably tag on to 'bandwagon effect' especially in higher income segment. People hop on to others style and wearing habits when someone is praised or admired at workplace which stimulates others also towards the purchase of expensive product irrespective of the cost which consequently leads to demand for imported products.

G. H7

High income group preference is positively related to purchase of counterfeit goods.

In terms of demographic characteristics, Hypothesis has not been supported and it is negative correlated with the higher income group. People prefer to purchase only the superior and original items whatever be the cost of it. The upper crust contemplates counterfeited goods as of disgrace and an attack on their dignity.

Explanatory Variable	Hypothesis	Findings
The Higher the income, greater the preference towards outwardly impressive product.	Positive	Supported (0.560)
The more the product is outwardly impressive, the more superior it is.	Positive	Supported (0.309)
Quality driven people relates positively to the branded products over counterfeits.	Positive	Supported (0.728)
Quality oriented persons relate positively to the brand whether products are overpriced.	Positive	Supported (0.791)
The existence of 'Made in appeal' in the product, the higher the chances of overpricing.	Positive	Supported (0.837)

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Made in appeal is strong motivator of high income group.	Positive	Supported (0.719)
High group preference is positively related to purchase of counterfeit goods.	Negative	Non Supported (-0.803)

Table 2: Results of Hypothesis

The data has shown positive relationship of preference of high income and quality conscious people towards external outlook of the product, brand superiority, made in appeal, and even overpricing but the same category has quiet negative attitude towards purchase of unbranded and counterfeiting good.

Table 3:

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.92
R Square	0.85
Adjusted R Square	0.84
Standard Error	0.11
Observations	100.00

ANOVA

	df	SS	MS	F	Significance F
Regression	7.00	6.99	1.00	76.56	0.00
Residual	92.00	1.20	0.01		
Total	99.00	8.19			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	3.00	0.07	43.07	0.00	2.86	3.14	2.86	3.14
Income	(0.00)	0.04	(0.00)	1.00	(0.07)	0.07	(0.07)	0.07
Outwardly impressive	(0.00)	0.03	(0.00)	1.00	(0.06)	0.06	(0.06)	0.06
Brand superiority	0.00	0.12	0.00	1.00	(0.23)	0.23	(0.23)	0.23
Quality driven	0.00	0.05	0.00	1.00	(0.10)	0.10	(0.10)	0.10

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Overprice preference	-	0.09	-	1.00	(0.18)	0.18	(0.18)	0.18
Made in appeal	(0.60)	0.10	(6.17)	0.00	(0.79)	(0.41)	(0.79)	(0.41)
High class	(0.40)	0.07	(5.78)	0.00	(0.54)	(0.26)	(0.54)	(0.26)

As we know R^2 is the statistical measure of the how close the data are to the fitted regression line. Fitted line minimizes the distance between the fitted line and all of the data points. It is also known as the coefficient of determination, or the coefficient of multiple determinations for multiple regressions. It also tells how well the key predictors did as a set in predicting the behavior of high income group towards the purchase of counterfeiting good. R^2 ranges between 0 and 1. Hence, .85 means predictors as a group account for 85% of the variance in the purchase of counterfeiting good.

F is also significant at cut off of 5% level. P value signifies that whether the relationship between the dependent and independent variables is significant or not. At 5% level of significance, variables like outwardly impressive, superiority, ethics and overpricing does not bear a significant relationship with purchase of counterfeit product whereas made in appeal and high class perception bear highly significant relationship with the independent variable.

H. Limitations And Implications For Academicians

The study has been concentrated on the single market. If more markets had been taken it might have produced some other evidences of purchase behavior of the upper sections hence, findings may not be sufficiently representatives of the higher income groups. Further, A cross-sectional study of the consumer make the purpose of the research more clear. Therefore further studies can benefit by getting the different types of posh areas of a city or the expensive markets of that place.

III. CONCLUSION

Distinct from the previous findings, this study added some additional findings. In this study, implications are based on the perception and moral grounds of the consumer psychology. At one side, Counterfeiting products are giving a hard hit to the economy and a major segment of the market is being allured by these products. Despite the implementation of stringent rules and regulations related to copyrights and infringement, counterfeited products have become the need of the consumer section. Nonetheless, various sections have been created for forbidding the practice of counterfeiting but it is still prevailing. On the other hand, a higher section of society is still cautious towards their purchase behavior. It has not allowed the counterfeiters to lay a hand on them. Their preferences and status consciousness has still illumined the spirit of originality in their attitude. Superiority, Impression, brand and originality has swept away the inclination of this section towards Knock offs. The study has laid profound effect on the rational behavior of the consumer. Rational behavior of the participants will ultimately be adjusted by the changes in the pattern of their income and purchasing power parity. Hence, forupper strata, a small chunk of bargain is a costly mistake as perceived by this section of society.

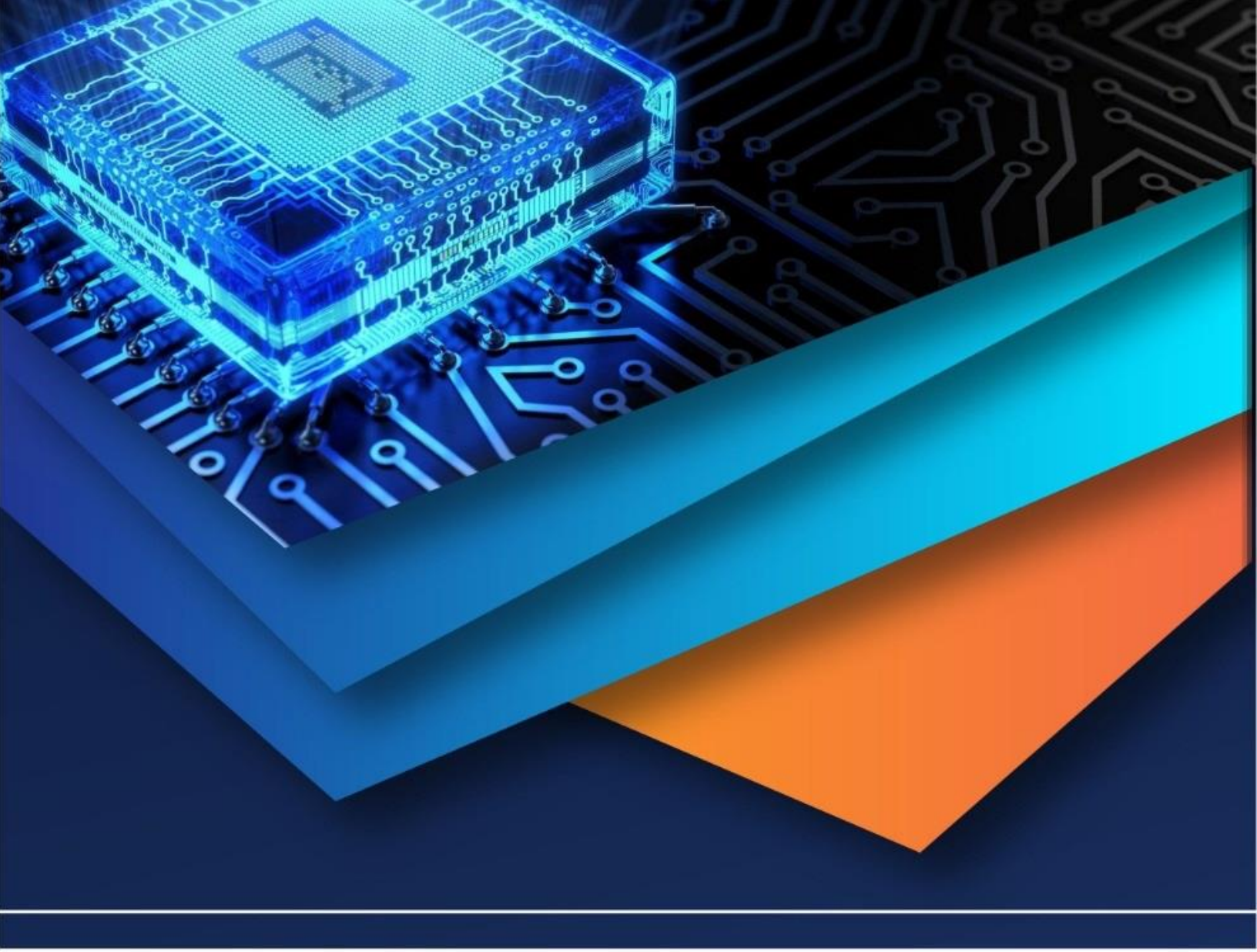
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