

Buying Counterfeit Specialty Goods:
A Multi-Country Exploration of Consumer Motivations

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Extended abstract

Although many governments and corporations around the world have tried to stamp it out, the consumption of so-called Counterfeit Specialty Goods (CSG) is an ever-growing phenomenon without any foreseeable end. Specialty goods are “goods that have a particular attraction for the consumer so that he is willing to make a special purchasing effort” (Kleimenhagen, 1966). Specialty goods can be ‘brands’ as well as ‘goods,’ such as a particular brand of groceries or a product category. Holton (1958) cited automobiles, custom-made products, and other goods with limited distribution as many examples of specialty goods. Today, specialty goods are commonly known as ‘luxury goods’. Specialty goods manufacturers lose billions of dollars of potential revenues each year to counterfeiting, and consumer motivations for buying counterfeit goods remain unclear.

The Organization for Economic Co-operation and Development (2009) claimed that “counterfeit and pirated goods in international trade grew steadily over the period 2000 – 2007 and could amount to up to USD 250 billion in 2007” (page 2). In another study, Ibson (2006) reported that specialty goods counterfeiting cost manufacturers of genuine brands US\$4.3 billion a year in lost sales. In short, it is agreed that counterfeiting is an important issue for all brands, particularly specialty goods brands. Counterfeiting activities not only damage intellectual property rights, they also perpetuate the loss of jobs in countries with strong manufacturing histories such as France. The counterfeit goods market can be segmented along a spectrum, from poorly executed to highly authentic-looking copies. Moreover, fake goods can now be purchased from anywhere (from e-commerce websites to brick-and-mortar stores). With the rising quality in counterfeit goods — combined with easier

access — comes greater temptation for consumers to purchase these more affordable items. US celebrity Courtney Love once attended an event wearing a fake Chanel dress, prompting much industry embarrassment when this was pointed out by Chanel's artistic director (Catwalk Queen, 2007). Given that counterfeit consumers are perceived less favorably by their peers than those who buy genuine products (Oneto and Sundie, 2006), the question arises of why anyone would buy counterfeit goods in the first place.

The goal of this paper is to understand the consumer motivations in buying CSG, apart from the obvious price advantage in comparison to genuine brands. More specifically, the paper aims at answering the following questions: can counterfeit buyers be motivated by social and personal needs? Do their motivations differ across cultures and age groups? Do any of those buyers represent a potential business opportunity for genuine brands? This paper will uncover the underlying motives which drive people to buy CSG, using three different geographic and cultural contexts: France, Japan and China. The paper will be organized in parts. After a literature review of the relevant concepts to conduct the inquiry, methodological insights will be given. Results and analysis of a qualitative survey administered in Paris, Tokyo, Beijing and Shanghai will then be presented, followed by a discussion around the main findings. Limitations and further research will be presented in the last part of the paper.

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