

Explaining Consumer Demand for Counterfeit Goods: Social Learning or Low Self-Control?

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Two competing theoretical explanations for the knowing purchase of counterfeit goods are Akers' Social Learning Theory and Gottfredson and Hirschi's Low Self-Control Theory. This A-CAPP Center Backgrounder reports results of a survey among Romanian university students about volitional purchase of non-deceptive counterfeits in physical market settings. The survey found such purchases to be related to association with approving peers and family members and personal attitudes toward counterfeiting, as Akers' theory would predict, and to opportunity for making such purchases, as Gottfredson and Hirschi's theory would predict.

Introduction

Product counterfeiting remains an emerging field in criminology with many gaps, including why consumers may willingly choose counterfeit goods. Two competing theoretical explanations are Ronald L. Akers' Social Learning Theory (*Social Learning and Social Structure: A General Theory of Crime and Deviance*, Boston: Northeastern University Press, 1998) and Michael R. Gottfredson and Travis Hirschi's Low Self-Control Theory (*A General Theory of Crime*, Palo Alto, Calif.: Stanford University Press, 1990).

Social Learning Theory suggests that individuals learn definitions conducive or unfavorable to deviant behavior which identify the commission of an act as right or wrong in the context of groups with which one associates. In other words, friends and relatives may approve or disapprove of counterfeit products, and lead an individual to justify or avoid purchase of such products.

Low Self-Control Theory suggests that low self-control coupled with opportunity leads to the commission of a crime because crimes can

be simple and easy to commit and offer easy or immediate gratification. The purchase of fake goods may offer individuals the thrill of "getting a bargain" or the fulfillment of being a "smart shopper."

Though both these theories offer credible explanations for volitional purchases of counterfeit goods, neither has been rigorously tested in this context. This research explored how well these theories can explain willing purchases of counterfeit goods in Romania.

The Romanian Context

This research surveyed attitudes and practices toward counterfeit goods among students at Babeş-Bolyai University in Cluj-Napoca, the former capital of Transylvania. This setting offered several advantages.

First, because both Social Learning Theory and Low Self-Control Theory were developed in the U.S. context, testing them in an Eastern European setting would help demonstrate whether these theories could be applied elsewhere.

Second, since the fall of communism in 1989, counterfeit versions of virtually every product have flooded Romania from Middle East or Far East countries. As a result, Romania has been characterized by ease of access to counterfeit goods at a wide variety of purchase points ranging from open-air markets to well-established shops. While current Romanian legislation penalizes the manufacturing and trade of goods infringing upon intellectual-property rights, it does not penalize the consumption of counterfeits.

Third, Babeş-Bolyai University, as the largest and the highest-ranked Romanian university, attracts students from virtually every region of Romania. Hence, its students offer an opportunity for testing whether subtle cultural differences may affect willingness to purchase counterfeit products.

Methods and Measures

Altogether, this research surveyed nearly 350 randomly selected students at Babeş-Bolyai University, both graduate and undergraduate. In addition to asking descriptive information such as age, ethnicity, education, gender, income, and region of origin, the survey asked respondents whether they

- Knowingly purchased counterfeit apparel (including accessories), perfumes, or electronics in the previous 12 months.
- Know where counterfeit products can be easily purchased—an indicator of opportunity.
- Have peers or family members who have purchased counterfeit goods in the previous 12 months—indicators of deviant peer or family association.
- Have positive or negative attitudes toward counterfeiting (e.g., consider buying counterfeit products to be unethical or wrong) and counterfeit goods (e.g., like shopping for counterfeit

goods or consider them to be a better choice than genuine products).

- Would be embarrassed purchasing counterfeit products.
- Have been influenced by others to purchase counterfeit goods.
- Have been reprimanded by friends or family for purchasing counterfeit goods.
- Avoid hard tasks, seek risks, prefer physical to mental activity, or exhibit impulsive behaviors, self-centeredness, or bad temper—indicators of low self-control.

Results

Across multiple statistical tests, four indicators proved to be statistically significant predictors of counterfeit purchases. These were deviant peer association, deviant family association, attitude toward counterfeit goods, and number of known opportunities to purchase counterfeit goods.

Deviant peer association and deviant family association, indicated here by having peers or family members who have purchased counterfeit goods, have been one of the most common predictors of crime and deviance. The results of this study for both these variables offers support for Social Learning Theory on why consumers may purchase knowingly purchase counterfeit goods: they see peers and family members doing so.

While the composite measure of low self-control—including such items as whether respondents act on the spur of the moment, seek momentary pleasure regardless of future costs, avoid complicated tasks, take risks, prefer physical activity, look out for themselves first, and lose their temper easily—showed no association with reported counterfeit purchases, another component of the Low Self-Control Theory, opportunity, did. Specifically, the greater the number of locations where the respondents knew

counterfeit goods could be purchased, the more likely the respondents were to report having purchased counterfeit goods.

Beyond the variables related to Social Learning Theory and Low Self-Control Theory, attitudes toward counterfeit products—such as whether respondents agreed that buying counterfeit goods is a better choice than buying genuine products, that they like shopping for counterfeit goods, or that there is nothing wrong with purchasing counterfeit goods—were also statistically significant predictors of actually purchasing counterfeit products. As one would expect, and in line with previous research, a more positive attitude towards counterfeit products increases the likelihood of purchasing them.

On the other hand, several variables that might be expected to predict purchases of counterfeit products did not do so in our models. Among these are education, ethnicity, and region of origin. Possible explanations for this lack of findings include limited numbers of respondents in certain subgroups of interest.

Limitations

This research has several limitations restricting how much its findings may be generalized.

First, it focuses on just three categories of goods. While low self-control may not affect purchases of counterfeit products in the categories of goods we examine, it may in purchases of other categories, such as luxury or high-end fashion goods typically not available to most consumers.

Second, a longitudinal survey, rather than the cross-sectional one administered here, may better establish the causal relationship among deviant peer association, low self-control, and

intentional purchase of counterfeit goods. Third, this survey is subject to the limitations typical of self-administered web surveys.

Fourth, the novelty of the research topic meant that several measures had to be developed or adapted to fit the topic. Further research may provide more refined measures for similar studies. Fifth, this research did not assess possible interaction between Social Learning Theory and Low Self-Control Theory in explaining purchases of counterfeit products.

Implications and Directions for Future Research

Notwithstanding its limitations, this study has several implications for policymakers.

Given that positive attitudes about counterfeiting appear to lead to purchases of counterfeit products, information campaigns educating consumers about the costs and harms associated with the purchase of counterfeit goods may be appropriate. Such campaigns should focus primarily on changing notions that product counterfeiting is a victimless crime, raising awareness of its negative health and economic consequences as well as its immoral nature. These campaigns may be by governments or brand owners, but should make it harder for consumers to rationalize such purchases. Alternatively, these campaigns can stress that consumers of counterfeit products are victims of a crime and deceived by criminals who make considerable profit off the sales of such products, and provide resources for those willing to report instances of counterfeit purchases.

Given that individuals appear to be influenced in their purchasing behavior by peers and family, policymakers may wish to conduct information campaigns similar to those for environmental or social issues. Affecting the

number of deviant peers or family members, and reducing their approval for volitional purchase of fake products, may reduce the amount of deliberate consumption of counterfeit goods. Such campaigns might be modeled on other successful campaigns, such as those against tobacco use. Refinement of measures similar to those used in this research will be essential to evaluations of such campaigns.

Given the relationship between opportunities for purchasing counterfeit products and their actual purchase, policymakers may wish to pursue more efficient enforcement of intellectual property laws, which may reduce the number of locations where counterfeits could be purchased. Such actions might also deflect consumers towards legitimate goods,

whether branded or cheaper but legal alternatives.

Future studies should consider a broader sample of the population and seek to increase response rates among those sampled. Self-reports might be combined with different measures of the same variable to strengthen data collection. Future research might also validate and refine the measures used for this research, as well as devise more refined measures for cultural influences on counterfeiting. Finally, future research should examine the effect of the interaction between opportunity and self-control on counterfeit purchases, as well as that among social learning, low self-control, and volitional purchase of counterfeit goods.

The research reported in this A-CAPP Center Backgrounder is documented in Zoltán Levente Fejes, "Investigating Consumer Demand for Counterfeit Goods: Examining the Ability of Social Learning and Low Self-Control to Explain Volitional Purchase of Non-Deceptive Counterfeit Products in an Eastern European College Sample," Ph.D. Dissertation in Criminal Justice, Michigan State University, 2016, available at a-capp.msu.edu/sites/default/files/DissertationFEJES.pdf The ideas expressed herein are those of the author.



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