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# A look at how people feel about the fakery of high-end goods

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## ABSTRACT

**Purpose and Scope** This article seeks to examine how the perception of Counterfeit Luxury Goods varies with age, and how different generations' consumer mentalities contribute to the purchase of these items and their subsequent growth in popularity. **Substances and Techniques:** From the city of Amritsar in the Indian state of Punjab, we collected data from 108 participants. Factor analysis may proceed since sufficient correlations were found between the statements during data review. In addition to demonstrating that the data was suitable for component analysis, the low correlations in the anti image matrix confirmed this. We calculated the KMO measure of sample adequacy and got an excellent result of 0.555 (Hair et.al. 2011). The correlation matrix is not an identity matrix, as shown by the significant chi-square value and the results of the Bartlett test. Therefore, these considerations suggest the data is suitable for factor analysis. IBM SPSS and Microsoft Excel were used throughout the research process.

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**Keywords :** Deception in the Eyes Hedonistic pursuits, high social rank, and expensive

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## Introduction

1. Products bearing a trademark that is similar to, or difficult to tell apart from, a brand registered to another person constitute counterfeit goods, and are sold in violation of the rights of the trademark proprietor. To wit: (Xuemei Bian and Luiz Moutinho, 2011).
2. Luxury items are ones that are not essential but do make consumers' lives better and are positively correlated with their level of income. The Organization for Economic Co-operation

and Development (OECD) predicted that in 2019, counterfeit products will account for 3.3% of global commerce, a figure that reflects the industry's meteoric rise. Consumer desire for counterfeits has been cited by several experts as a major factor in the phenomenon's continued existence and explosive expansion (Xuemei Bian and Luiz Moutinho, 2011). The high price tag and limited availability of luxury items contribute to their special status.

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3. According to, the desire to stand out in the marketplace is a powerful motivator for many consumers.
4. Additionally, the makers of counterfeit goods steal money from legitimate brands since they offer products that the brands themselves refuse to sell. Amelia Maria Pinto da Cunha Brando and Mahesh Gadekar (2019). This not only dilutes the exclusiveness of a brand, but also its hedonic worth, since the perceived number of luxury items is more than it really is.
5. Approximately one-third of customers, according to previous study (Xuemei Bian and Luiz Moutinho, 2011), would intentionally buy counterfeit items; this demonstrates that people seek these things and are willing to engage in dishonest tactics to get them. 2
6. The purpose of this research is to examine the motivations and perspectives of consumers who buy

fake products, which is especially important given the rising prevalence of this practice in today's global economy.

## 7. Review of Literature

8. Consumption of counterfeit products does not damage the product's reputation, according to research by Dr. Aarthi Chellasamy, Abhijith Satya Varma, and Nikitha Paarakh (2020). According to their findings, legitimate businesses should not be concerned about the availability of knockoffs. However, if they want to succeed in the market, they need to put their attention where it belongs: on marketing techniques and creating an advantage over the competition. 3
9. Lower price and equivalent quality of counterfeits to originals is an enticing incentive to buy counterfeits, as stressed by Devkant Kala and D.S. Chaubey (2017). Managers should learn how customers feel about fake goods so they can take appropriate action. Managers in charge of marketing need to educate customers about ethical concerns in advertising and the psychology of consumer purchase decisions in order to curb the desire for knockoffs of their goods. 4–6
10. Awareness of financial risk, greater wealth, and fear of legal consequence were variables among customers who had a negative opinion of counterfeit products, as stated by Mathumita Mukherjee Basu, Sumit Basu, and Jung Kook Lee (2015). Value-oriented shoppers were more likely to purchase fakes because they thought they would get the same thing at a cheaper price. Individuals with greater levels of ideology and integrity were also less likely to be drawn to fakes. Therefore, morals and ethics play a crucial role.
11. According to Isabelle Allen, David Eastwood, and Jane Piper (2006), luxury brands are enterprises that need to know their customers and find a happy medium between openness and exclusivity. The need of this was emphasized in
12. Knowing and valuing the customer is now the primary focus for long-term success. He also said that premium brands shouldn't be customer-led, thus the boundary between the two concepts, "customer led" and "customer driven," should be carefully examined.
13. Abram (2012). He said that although the underlying objectives of luxury brands remain the same, how they go about achieving those goals has evolved. premium firms need to expand, share, and increase their presence across numerous social media platforms if they want to prosper and remain relevant to the next generation of premium buyers. The premium company has to figure out how to convey their values online and have a handle on the quirks of the many social media sites. According to his findings, companies who have fully embraced the digital age are reaping benefits in all areas of the company, from customer loyalty to brand equity.
14. F In his study, Spencer Baldwin (1899) concluded that luxury goods are consumed because their high prices reflect the effort required to meet fictitious demands. According to him, lavish living reduces

- one's ability to get things done in the workplace and slows down the process of building one's own riches. Through his studies, he established that affluence had a negative impact on morale by encouraging hedonistic behavior and diverting resources that might have been donated to those in need.
15. Researchers David Dubois, Derek D. Rucker, and Adam D. Galinsky (April 2012) conducted four experiments with a total of 189 participants, finding that people are more likely to select the larger size when they feel helpless or confident about their ability to make a decision. A public display of consumption was hypothesized to mitigate the powerlessness-related increase in demand for oversized items. 7–9
  16. Through their investigation, Julie Fitz Maurice and Charles Comegys (2006) highlighted the significance of materialists in the promotion of luxury products. According to their findings, materialists are sensitive to the social meaning of products, keep up with the changing meanings of different goods, and find that a consumer good's capacity to convey specific meanings to others affects both the enjoyment they get from and the usefulness it provides. Even non-materialists would admit that materialists have a keen eye for determining which products best convey a certain message. According to their findings, marketers may increase their profits by focusing on materialists. It's crucial to learn how materialists might be persuaded to buy and what kind of information they
  17. According to the findings of Yajin Wang and vladas Griskevicius(2013), men and females have
  18. different shopping habits. According to their findings, men purchase luxury items to woo potential partners of the opposite sex, while women buy them to discourage suitors of the same sex.
  19. theft of partners by them. Luxury item purchases are often made by women to demonstrate their partners' esteem and
  - security in the relationship.
  20. Through his research, Young Jee Han, Josephs Nunes, and Xavier Dreze(2010) stressed the need of differentiating between the types of customers that choose loud and quiet items. Additionally, he discovered that there was an inverse relationship between pricing and brand recognition via his studies. Second, it was discovered that the counterfeiters often focus on high-volume items to replicate. Thirdly, his study demonstrated that members of the elite patrician class had a keen understanding of the luxury goods market and the ability to express this knowledge via the use of subtle signals.
  21. According to Ashish Mansharamani and Samit Khanna (2013), customers are continually seeking for novel solutions to meet their ever-evolving demands. As a result, doing in-depth analysis to keep a close eye on things is crucial. Due to rising middle-class incomes, this sector is predicted to expand rapidly. Today, no business can afford to regard its clients as a homogenous group any more.
  22. According to Stephen Brown, Robert V. Kozinets, and John F. Jerry Jr. (2003), the introduction and subsequent success of retro brands has sparked a "retro revolution" in marketing. Brands that capitalize on customers' fond memories of the past are called "retro." There is a need for accurate re-creations of classic brands, as seen by the success of heritage-based marketing efforts for modern products like Budweiser, Hancock, and ivory. The best retro companies successfully blend classic aesthetics with modern conveniences. The ability to tap into the wellsprings of trust and loyalty that consumers hold towards old brands is a competitive advantage, making it crucial to comprehend the enduring appeal of retro brands as a marketing strategy. This is because technology and imitation quickly eradicate first mover advantage.
  23. Managers may get a deeper understanding of their customers' connections to their goods by examining their employees' oldest and most formative product memories, a notion

first proposed by Kathryn A. Braun-LaTour, Michael S. LaTour, and George M. in 2007. To show how these recollections represent the consumer-brand connection and may be mined for insights into brand meaning, the authors use a study of three generations of vehicle buyers. The results show that early and formative events have a significant and predictable impact on preferences throughout the consumer life cycle. Symbolic to the customer, these past experiences provide a fresh perspective on brand meaning that supplements established research approaches. Managers that are looking for approaches that acknowledge that customers coproduce brand meanings may find the information provided by the writers helpful.

24. Conspicuous consumption can take the form of non-confirming behavior, such as entering a luxury boutique in gym clothes rather than an elegant outfit, or the wearing of red sneakers in a professional setting, and can even reflect positive inferences of status and competence in the eyes of others, as stated by Silvia Belleza, Francesca Gino, and Anat Keinan (2014). Multiple studies have shown that people give those who don't comply a better prestige and a higher sense of competence.
25. Consumers' opinions towards luxury products may be divided into several groups, as shown by the work of Bernard Dubois, Sandor Czellar, and Giller Laurent (2005). First, they divide buyers into two groups: those who purchase luxury goods just for the experience (hedonists) and those who do so only for the symbolism (symbolists). The second group includes the elitist and the democratic, with the former arguing that luxury goods are exclusively for a select few and that only the refined should indulge in them. They believe these labels shouldn't be mass-produced or sold in supermarkets. The Democratic Party, on the other hand, has a more inclusive view of who should have access to luxury goods. They think these labels should be manufactured in bulk and sold in supermarkets.
26. According to the third category, these are

the individuals who see the world of luxury as alien and unapproachable. They have no interest in it and never even consider it. They prefer to spend their money on high-quality knockoffs of expensive labels because they find the real thing to be boring and overpriced. 10–16

27. Horizontal and vertical differentiation were recognized by Sara Loughran Dommer, Vanitha Swaminathan, and Rohini Ahluwalia (December 2013) as two methods in which people might set themselves apart from the group via the usage of brands. Vertical brands give difference by bestowing status or displaying one's superiority over others in the group, whereas horizontal brands offer differentiation via the expression of personality, taste, qualities, and so on. The findings show that when people feel like they don't belong in a group (or when they do), those with poor self-esteem are more likely to connect themselves emotionally to companies that are on the horizontal (or vertical) spectrum.
28. Four tests conducted by Matthew Johnson in July 2006 found that consumers' happiness, trust, and loyalty to a luxury brand increased when it was linked to a human brand, such as a celebrity. In addition, he disclosed the depth of emotion available to customers of human-centered companies. He insisted on the need of partnering with human brands to guarantee the best possible outcomes for a premium label.

### **29. Need of Study**

Recent trends indicate that the roughly \$3 trillion luxury counterfeiting market will continue to expand. This is according to the Harvard Business Review. Even though production prices have been falling gradually, many consumers still choose to spend their money on knockoffs rather than genuine goods.

And as the quality of forgeries keeps improving, it becomes tougher for the average person to spot them as forgeries. The underground nature of the sector makes it more challenging to analyze data in order for companies to correct these practices. While some scholars have argued that counterfeit products are beneficial for brands because they serve as an entry point into the luxury industry and boost demand, others have pointed out that the proliferation of counterfeit goods undermines the exclusivity and hedonic value of these labels. To solve this problem and understand the elements that contribute to the development of this industry, it is necessary to conduct research into and analysis of customer attitudes toward luxury fakes and the associated variables that influence their purchasing decisions. 17

**30. Objectives of the study**

- 31. One goal is to learn how people who buy fakes feel about them.
- 32. Second, to aid in theorizing possible solutions by learning more about the impact of counterfeit items on high-end labels.

**34. Demographic Analysis**

\*Percentages may not add up due to rounding error.

**Table 1:** Gender

| Variable          | Number of respondents | % of total |
|-------------------|-----------------------|------------|
| Male              | 69                    | 63.8       |
| Female            | 33                    | 30.5       |
| Prefer not to say | 6                     | 5.7        |

**33. Research Methodology**

- 1. From the city of Amritsar in the Indian state of Punjab, we collected data from 108 participants. Factor analysis may proceed since sufficient correlations were found between the statements during data review. The minimal correlations in the anti-image matrix confirmed that the data was suitable for factor analysis. We calculated the KMO measure of sample adequacy and got an excellent result of 0.555 (Hair et.al. 2011).The correlation matrix is not an identity matrix, as shown by the significant chi-square value and the results of the Bartlett test. Thus, these considerations suggest the data is fit for factor analysis. IBM SPSS and Microsoft Excel were used throughout the research process.
- 2. **Type of research design:** Exploratory Sampling.
- 3. **Sampling technique:** Simple random

**Table 2: Age**

| Variable     | Number of respondents | % of total |
|--------------|-----------------------|------------|
| 20 and below | 47                    | 43.4       |
| 40-50        | 33                    | 30.55      |
| 20-30        | 10                    | 9.25       |
| 30-40        | 8                     | 7.5        |
| 50-60        | 6                     | 5.5        |
| 60 and above | 4                     | 3.8        |

**Table 3: Marital status**

| Variable  | Number of respondents | % of total |
|-----------|-----------------------|------------|
| Married   | 67                    | 62.03      |
| Unmarried | 41                    | 37.9       |

**Table 4: Employment status**

| Variable   | Number of respondents | % of total |
|------------|-----------------------|------------|
| Unemployed | 57                    | 52.77      |
| Working    | 47                    | 43.5       |
| Retired    | 4                     | 3.7        |

**Table 5: Yearly family income**

| Variable          | Number of respondents | % of total |
|-------------------|-----------------------|------------|
| 8 Lakhs and above | 80                    | 74.07      |
| 4-6 Lakhs         | 15                    | 13.8       |
| 2-4 Lakhs         | 9                     | 8.33       |
| Below 2 lakh      | 4                     | 3.7        |

36. Reason No. 1: The Need for Low-Cost Clothing

37. The fact that fashion items make up the bulk of the trade in this industry and that this factor accounted for 25.549% of the variance demonstrated that people are willing to resort to cheap counterfeits in order to satisfy their desire of owning expensive products and increase their perceived worth in society.

38. Hedonistic outlook (factor 2)

39. Status consciousness acts as an encourager of consumption of luxury counterfeit goods, making this the second most important factor (it accounted for 9.801% of the variance). Other factors including travel, advertising, and attitude also play a role.

40. Third, the low cost of fakes is an important consideration.

41. This explained 7.240% of the variation and indicated that those with lower incomes and younger

42. demographics were more likely to purchase fakes. In addition, vulnerable youngsters are more likely to encounter forgeries that attempt to imitate their heroes.

43. 7.4 The Importance of Character and Values

44. This factor accounted for 6.540% of the overall variation, demonstrating that cultural differences in the reception of luxury counterfeit items have a role in the unfavorable views held by women and those with high incomes.

45. Consideration #5: Promotion and Availability

46. This contributor explained 5.491% of the variation by stating that high-end fakes may be purchased when the real thing is hard to come by. Having a more favorable impression of authentic items is inversely related to how you feel about fakes.

47. Factor No. 6: The Ideal Community

48. This explained 4.737% of the variation and demonstrated that the allure of fakes stems from the pursuit of a certain social status as represented by the hedonic qualities of the original, and that this pursuit may be thwarted by the imposition of a suitable legal penalty.

49. 7.7. The Role of Past Interactions

50. This variable explained 4.50% of the

variation; based on it, we may infer that one's age and one's prior exposure to counterfeit items are significant variables.

51. Trial versions may be purchased by customers before committing to the full-priced originals.

52. Factor 8: Wariness about security and lying

53. This variable accounted for 3.789% of the total variation, and its results suggest that consumers maybe dissuaded from buying fake items due to worries about their safety and the possibility of being letdown by the quality.

54. Conclusion

Our results are consistent with those of this study, which conclude that fakes damage the luxury goods market by diluting their allure. According to our findings, rising incomes and aspirations for higher social standing are major forces propelling this sector's expansion. And it turned out that younger people and males in particular had a more optimistic outlook on these products. The findings bolstered the argument for legal penalties as a disincentive to buy these items. Tier 2 and 3 cities, where luxury goods retailers are rare, may consume more counterfeit items because of their greater availability. Finally, consumers' reactions to these luxury items differed depending on whether they were deceived or not.

55. Implications and Recommendations

56. Thanks to our research, many people will be able to work together to solve this problem. First, marketing departments of luxury good manufacturers should increase public understanding of the ethical issues surrounding counterfeits and how to identify counterfeits through advertising and promotion; this is likely to be highly effective in reducing the consumption of counterfeit goods, especially in deceptive cases where innocent customers are scammed and are more likely to avoid the luxury industry as a whole.

57. Second, this article and Mathumita Mukherjee Basu, Sumit Basu, and Jung Kook Lee (2015) agree that a legal penalty is an effective deterrent, and they suggest that the luxury goods industry push for such a punishment. Last but not least, buyers need to understand the immorality of the sector



and reject its products, while also reporting any instances of counterfeiting to the authorities and the corporations in question so that they may take action. To put a halt to such a vast worldwide economy that relies on illegal and immoral tactics, community involvement is crucial.

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