Master's Thesis

Consumer Quality Perceptions of Non-deceptive Counterfeits of

Luxury Brands: An Empirical Study in Vietnam

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CERTIFICATION PAGE

I, <u>TRAN Trung Anh</u> (Student ID No. 52115002), hereby declare that the contents of this Master's Thesis are original and true, and have not been submitted at any other university or educational institution for the award of degree or diploma.

All the information derived from other published or unpublished sources has been cited and acknowledged appropriately.

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Tran Trung Anh

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SUMMARY

Background

Counterfeit or piracy is defined as the action of reproducing copies that are identical to the legitimate articles including packaging, trademarks, and labeling (Kay, 1990). Illegal trade in counterfeiting and piracy has witnessed its rapid expansion to include almost every product sector, and its international trade was $461 million (or represented up to 2.5% of world trade) in 2013 (OECD/EUIPO, 2016).

Researchers have identified many factors that explain why consumers knowingly purchase counterfeits including low price advantage (Bloch *et al.*, 1993), non-price determinants (Wee *et al.*, 1995), brand influences (Bian & Moutinho, 2009; 2011), and social & personal factors (Phau & Teah, 2009).

Recently, counterfeits have been increasingly improved competitiveness in terms of quality in the presence of better technological development (Nill & Shultz, 1996; Wilcox *et al.*, 2008). In the context of global economic crisis, the narrowed quality gap between luxury branded products and their counterfeiting counterparts would pose enormous challenges for brands to retain their customers from switching to counterfeiting substitutions with good quality. Thus, this research aims to identify major factors that influence consumers' perceptions towards the quality gap in the context of non-deceptive counterfeiting.

Aware of the economic damage of counterfeits, many researchers have focused on the demand side in big markets such as USA, China, or Australia (Huynh & Wilson, 2014). However, there is a lack of research attempting to investigate counterfeiting trade in

Southeast Asia, especially in the emergent counterfeiting market – Vietnam (Van, 2014). Vietnam counterfeit goods market value is around $422 million (ranked fifty-third globally) out of the total global value of $654 billion (Havocscope, 2016). According to Van (2014), over 25,000 cases of counterfeit goods entering Vietnam in the first 4 months of 2014, 80% of the counterfeit goods sold in Vietnam originate from China, and 90,000 cases of counterfeits on average being sold across the country.

Objectives

The main objective of this paper is to answer the question "How consumers make judgement on the quality of counterfeit compared to authentic luxury brand?" In addition to this, this research attempts to measure the impacts of different factors on the perceived quality gap by answering the question "What are the factors that influence the most on the perceived quality gap between brand and counterfeit?"

Conceptual Framework

Drawing from the past research, this study proposes that the quality perception of counterfeit can be formed by a combination of factors including (1) price difference between brand and counterfeit, (2) price difference between counterfeit and counterfeit, (3) country of origin, (4) complexity of product, and (5) product knowledge.

Hypothesis 1: Price difference between brand and counterfeit has a positive influence on the perceived quality gap.

Hypothesis 2: Price difference between counterfeit and counterfeit has a negative influence on the perceived quality gap.

Hypothesis 3: There is a significant relationship between country of origin and the perceived quality gap.

Hypothesis 4: Complexity of product has a positive influence on the perceived quality gap.

Hypothesis 5: Product knowledge has a positive influence on the perceived quality gap.

Hypothesis 6a: Product knowledge weakens the influence of price difference between brand and counterfeit on the perceived quality gap.

Hypothesis 6b: Product knowledge weakens the influence of price difference between counterfeit and counterfeit on the perceived quality gap.

Hypothesis 6c: Product knowledge weakens the influence of country of origin on the perceived quality gap.

Hypothesis 6d: Product knowledge weakens the influence of complexity of product on the perceived quality gap.

Methods

In order to test all hypotheses, an experimental research is conducted because it is considered as the most powerful type of research in determining causation among variables (Edmonds & Kennedy, 2013). Two types of experimental design are implemented including between-subjects approach (or *multiple group* approach) and within-subjects approach (or *repeated measures*). The targeted respondents are Vietnamese consumers living in Hanoi who have purchased counterfeits of luxury brands in the context of non-deceptive counterfeiting. Snowball sampling is applied.

ABSTRACT

The economic damage of the counterfeiting trade is undeniable and it is more likely to grow increasingly in developing regions such as Southeast Asia where the demand side for such counterfeiting goods is increasing. The situation is such regions could be worse since counterfeits have been increasingly improved competitiveness in terms of quality due to technological advancement (Nill & Shultz, 1996; Wilcox *et al.*, 2008) in the context of global economic crisis. Vietnam is flagged as being an emergent counterfeiting market (Van, 2014), which is ranked fifty-third globally in terms of counterfeiting market value. With approximately 90,000 cases of counterfeits on average being sold and most of them are from China (Van, 2014), it is an emergent need to investigate one aspect of the demand side of counterfeiting – consumers' quality perceptions towards counterfeits in Vietnam.

Drawing from the past research, this study identifies major factors that influence consumers on their quality judgements of counterfeit in comparison to authentic luxury branded product. In addition to this, it attempts to measure the magnitude of each factor and provides insights for managers to increase the perceived quality gap between luxury firms and counterfeiting counterparts.

The results of this research reveal that the price influences have a huge impact on consumers' perceptions towards quality of counterfeit. The price difference between luxury branded product and counterfeit obviously has a positive relationship with the perceived quality gap. The more interesting fact is that the indirect effect of lower-priced counterfeits on the perceived quality gap. In particular, one specific luxury branded product can have many counterfeits and such counterparts are at different

prices. The results suggest that the more difference in terms of price among counterfeits of one branded product the higher quality of the highest-priced counterfeit is perceived compared to the original luxury product. The managerial implication for these findings is that companies should not only keep high price strategy but also need to investigate on the categories of their counterfeiting counterparts. If the price difference among the categories is huge, luxury firms might need to invest on marketing courses to fight against the highest-priced counterfeit.

The results also suggest that the non-price determinants such as country of origin effect and complexity of product do matter when consumers assess the quality of counterfeit. This study indicates that luxury brands are unnecessary to combat all counterfeiting counterparts. In particular, knockoffs that are made in China are perceived lower quality than those made in Southeast Asia. Therefore, Chinese counterfeits might not be considered as a threat to companies but those from Southeast Asia. Moreover, the nature of the product has significant relationship with the perceived quality gap. Vietnamese respondents show a more favorable attitude in terms of quality to counterfeits of low-complex product than those knockoffs of high-complex product. This implies that luxury firms might want to make their product sounds "complex" or "complicated" to consumers so the perceived quality gap would be widened.

Finally, the research provides no support for the proposition that product knowledge has moderator effects on other factors. This implies other quality cues are simply too dominant in our model that consumers might ignore their knowledge about the product and judge the quality of counterfeit in comparison to authentic branded product based mainly on such signals. There is less evidence to back up the idea that product knowledge has a positive relationship with the perceived quality gap. It is only

statistical significance in case of complexity of product. In other words, price determinants seem to be very strong compared to other non-determinants and consumers only make quality assessment based on their knowledge of product when such price signals are disappeared. However, such cases are unlikely to happen in real situation.

CHAPTER 1

1. Introduction

1.1. Research Background

Counterfeiting, or piracy, is considered as big business (Ang *et al.*, 2001) in terms of supply side. According to Kay (1990), the definition of counterfeits is the action of reproducing copies that are identical to the legitimate articles including packaging, trademarks, and labelling. Over the past decade, illegal trade in counterfeiting and piracy has witnessed its rapid expansion to include virtually every product sector, not only conventional counterfeits like luxury brands, but including fake foods and beverages, books, electrical equipment, chemicals, mobile phone batteries, spare parts and toys. International trade in 2013 was as much as $461 million, which accounted for approximately 2.5% of world trade. (OECD/EUIPO, 2016) (See Appendix 1, 2, 3). Aware of the economic damage resulting from the growing counterfeit trading, many researchers have focused on the demand side of counterfeits, particularly identifying and explaining the motivations behind consumers' behaviors toward pirated goods and their purchase intentions in big markets such as USA, China, or Australia (Huynh & Wilson, 2014). However, there is a lack of research that attempt to investigate counterfeiting situation in Southeast Asia, especially in Vietnam. According to Havocscope (2016), counterfeit goods market value is estimated approximately $653.77 billion while that of Vietnam is around $422 million, which is ranked fifty-third globally. Vietnam is flagged as being an emergent counterfeiting market (Van, 2014). The evidence can be found through figures including over 25,000 cases of counterfeit goods entering the country in the first 4 months of 2014, 80% of the counterfeit goods

sold in Vietnam originates from China, and 90,000 cases of counterfeits on average being sold across the country.

The factors that encourage consumers to knowingly purchase counterfeits rather than authentic products can be low price advantage (Bloch *et al.*, 1993); non-price determinants including attitudes, brand status, materialism, and six product attributes (Wee *et al.*, 1995); three determinants including brand image, product knowledge, and product involvement (Bian & Moutinho, 2009; 2011); and materialism, status consumption, integrity, and legality in the context of collectivism, social and personal factors (Phau & Teah, 2009). As the business environment has rapidly changed with accelerated speed recently, however, there is an urgent need to investigate consumers' behaviors toward such counterfeit goods from a new perspective – quality perception.

Recently, counterfeits have been increasingly improved its competitiveness in terms of quality with the development of better technological advancement (Nill & Shultz, 1996; Wilcox *et al.*, 2008), which might gradually bridge the gap between authentic products and counterfeits in terms of both physical and perceived quality. In addition to technological evolution, the global economic crisis has caused a great impact on counterfeiting markets as consumers tend to be more economical, and might consider counterfeit brands as the substitution for the more expensive genuine products. Indeed, consumers of luxury brands are seeking for the prestigious and luxurious image value that counterfeits cannot afford, but they are also looking for the superior quality of products. In other words, these events might severely damage the business of authentic luxury brands when their customers are the ones who put the quality in the first priority than anything else, leading to the curiosity to figure out how consumers differentiate the quality differences between original and pirated products. Thus, this research aims to

address this tough challenge by identifying how consumers perceive the quality that might influence their purchase intention of counterfeit luxury brands in the context of non-deceptive counterfeiting.

1.2. Objectives

In accordance with the main research question, this paper will attempt to identify major factors that affect consumers' perceptions toward quality of counterfeits in comparison to genuine brands. Indeed, there might be many factors influencing comparative quality perceptions. However, it is impossible to figure out all of them within one paper. Main quality indicators will be emphasized by reviewing literature and other papers.

In addition, the sub-objective is to identify how importance of each factor that contributes to form the perceived quality gap between brand and counterfeit of consumers. This will enhance contributions of this paper to managers who need to know what factors should be in their priority list to increasingly differentiate their products' quality with counterfeits.

1.3. Significance of Study

This question of quality perception and its causes is crucial because as a means of countering counterfeit, companies want to increase the gap in the quality perception of consumers between the original and the counterfeit. Indeed, some might say that consumers' perception of quality is unessential this case since the most attractive advantage of counterfeits is low prices. Those who are only interested in attractive prices and do not consider quality as an important criterion, however, are not potential customers of luxury brands in the first place since they will not actually purchase in the

presence of cheaper counterfeiting substitutions. The rationale here is that people who buy counterfeit while recognizing a quality difference signal that the higher quality is not important and therefore are not "lost" to the original brand. Only customers of counterfeits, who assume that the quality is not significantly different, are more likely to have bought the original brand if they would have perceived a larger quality difference. In other words, the more similarity between the authentic product and the counterfeit in terms of perceived quality it is, the higher purchase intention of counterfeit will be (Phau & Teah, 2009; Penz & Stottinger, 2005; Wee *et al.*, 1995). Thus, it is essential to identify what makes customers perceive sustainable higher quality of a brand compared to its counterfeit.

2. Literature Review

2.1. What Is Counterfeit? Deceptive Versus Non-deceptive Counterfeiting

In the early stages, counterfeit is defined as the action of reproducing identical copies in comparison with the legitimate articles that include packaging, trademarks, and labelling (Kay, 1990). According to Lai & Zaichkowsky (1999), counterfeits are considered as illegal products that are similar to the original goods but relatively low quality in terms of performance, reliability, and durability. This definition, however, might seem no longer true nowadays, as the quality of counterfeiting counterparts has been gradually improving recently resulted from more advanced technological development, bringing a new competitive advantage to pirated goods (Wilcox *et al.*, 2008; Nill & Shultz, 1996). Other researchers use the term of counterfeits to describe illegal reproductions, which are identical or similar to the originals including packaging and labelling, of a trademark brand (Phau & Teah, 2009; Wilcox *et al.*, 2008). According to OECD/EUIPO (2016), counterfeiting and piracy are defined as a range of illicit activities that are related to intellectual property rights (IPR) infringement.

Counterfeiting can be categorized into different forms, such as deceptive, non-deceptive (Grossman & Shapiro, 1988a), and blur counterfeiting (Bian, 2006). Deceptive or blur counterfeits, which can be found in automotive parts, electronic products, or pharmaceuticals, are defined as the products that consumers are not able to observe the quality and distinguish from the genuine brand, thus, they are not accountable for purchasing those illegal products (Grossman & Shapiro, 1988a; Huynh & Wilson, 2014). In other words, customers in this case are victims who unknowingly and unintentionally

buy pirated goods because of them being so closely resemble the authentic article (Grossman & Shapiro, 1988a; Bloch *et al.*, 1993; Tom *et al.*, 1998; Phau & Teah, 2009), forming the primary submarket of counterfeiting (OECD/EUIPO, 2016). On the other hand, the definition of non-deceptive counterfeits, which the buying actions often occur in luxury brand markets (Huynh & Wilson, 2014), is that consumers intentionally purchase counterfeits (Grossman & Shapiro, 1988a). In particularly, it can be considered as the secondary market of counterfeiting in which counterfeits are demanded and purchased knowingly (OECD/EUIPO, 2016). It is the fact that approximately one-third of consumers would purchase counterfeit products under non-deceptive counterfeiting circumstances (Bian & Moutinho, 2009; Phau *et al.*, 2001; Tom *et al.*, 1998), or the secondary submarket accounts for approximately 33% of the total counterfeiting market. The importance of the non-deceptive counterfeit context is undeniable because the demand drivers of counterfeits might only be reflected by consumers' perceptions of counterfeit goods under these circumstances (Bian & Moutinho, 2011).

2.2. Why Do Consumers Knowingly Purchase Counterfeit Products?

Counterfeits, as the less expensive alternatives (Gentry *et al.*, 2006), can dilute the symbolic value and diminish the brand equity of authentic goods (Zhou & Hui, 2003; Jacobs *et al.*, 2001; Grossman & Shapiro, 1988a). Consumers seem to perceive favorable attitudes toward items with a fashion component attached in case of luxury branded products (Tom *et al.*, 1998); are willing to pay for visual and functional attributes without paying for the associate quality (Cordell *et al.*, 1996; Grossman & Shapiro, 1988a), or tend to purchase counterfeits with a famous brand name attached (Cordell *et al.*, 1996). This fortifies the idea that only outstanding, prestigious and

worth-counterfeiting brand names are become the target for illegal reproduction (Eisend & Schuchert-Guler, 2006).

2.2.1. Consumers' Attitudes Towards Counterfeits

The theory of planned behavior (TPB) suggests that purchase behavior is driven by the purchase intention, which is in turn determined by attitudes (Phau & Teah, 2009; Fishbein & Ajzen, 1975). It is the fact that attitudes towards behavior are considered as a more superior indicator of behavior rather than those towards the product (Penz & Stottinger, 2005; Fishbein & Ajzen, 1975; Fishbein, 1967). However, the chances and resources, for example the accessibility of counterfeits, must be presented before the performance of purchase behavior because without such circumstances, it would be difficult to execute a purchase regardless of how favorable intentions are (Phau & Teah, 2009; Chang, 1998). In case of counterfeits, therefore, the more favorable consumers' attitudes towards counterfeiting counterparts are, the more likely are the possibilities of buying. Similarly, the more unfavorable consumers' attitudes towards counterfeiting counterparts are, the lower possibilities that consumers would purchase counterfeits (Wee *et al.*, 1995).

Attitudes of consumers towards counterfeits of luxury branded products can be shaped and affected by the economic, quality, and legal or ethical factors that have been examined through many studies (Cordell *et al.*, 1996; Ang *et al.*, 2001; Wang *et al.*, 2005). Despite the fact that eventually the functional benefits are pivotal when buying counterfeits (Phau & Teah, 2009), the intense longing to own the prestige and status symbol that the authentic brand given is much more than that (Chadha, 2007; Cordell *et al.*, 1996), especially in case of luxury brands. In short, consumers will be fulfilled as

long as the basic functional requirements are met or visibility or symbolic value is accomplished (Eisend & Schuchert-Guler, 2006). Moreover, consumer who encounter situational morals pardon themselves for acquiring counterfeits as legitimate in light of the fact that they perceive themselves to be less unscrupulous or unlawful (Phau & Teah, 2009; Albers-Miller, 1999; Cordell et al., 1996). Consequently, purchasers would feel less responsible towards their part as a counterfeit benefactor (Phau & Teah, 2009).

Other researchers largely support two groups of antecedents that have a great impact on attitudes of consumers, namely: personality factors and social factors (Phau & Teah, 2009). Ajzen and Fishbein (1980) indicate the proposition that attitude is highly correlated with a moderate predictor of behavior - one's intentions. These authors reveal while it is undeniable that one's intentions towards an object will be affected by his/her attitude towards it, the influences received from his/her reference group (namely subjective norms) will also be crucial. In other words, individual and interpersonal level factors will have a huge influence on an intentional behavior. Thus, consumer evaluation of counterfeits and the level of agreement received from reference group are essential predictors of consumers' purchasing intentions of counterfeits (de Matos *et al.*, 2007).

Personality determinants, including personal gratification, novelty seeking, consciousness of value, integrity, and status consumption (Phau & Teah, 2009), play a critical role in the formation of consumers' attitudes towards knockoff goods. Even though most consumers of authentic luxury branded firms go after value for brand, prestige and image benefits, they might be unwilling to pay such an expensive price for it (Bloch *et al.*, 1993). Counterfeiting counterparts of luxury branded products might be perceived favorably because they generally give the same functional benefits as the

original but at a much lower price (Phau & Teah, 2009). The authors' rationale is that consumers' perceptions of counterfeits would be positive if they are value conscious. Novelty seeking, individual curiosity to pursue variety and uniqueness (Wang *et al.*, 2005), would probably have a positive effect on consumers' attitudes towards counterfeits (Phau & Teah, 2009) as these low-purchase-risk products would satisfy their curiosity and experimentation need (Wee *et al.*, 1995). In addition, although consumer's counterfeit purchase behavior is not a criminal act, it supports illicit activity (de Matos *et al.*, 2007). Hence, if consumers view integrity, which is dictated by individual moral standards and obedience to the law, as significant, the possibilities of them considering knockoffs in a favorable light would be much lower (Phau & Teah, 2009; Wang *et al.*, 2005; Ang *et al.*, 2001). Personal gratification concerns the requirement for a sense of achievement, social acknowledgment, and the desire to enjoy the finer things in life (Wang *et al.*, 2005; Ang *et al.*, 2001). Consumer with a high sense of personal gratification will value the authentic brands leading to a negative attitude towards counterfeits (Phau & Teah, 2009). Finally, status consumption is for those who are pursuing self-satisfaction and show their prestige and status to surrounding others through noticeable evidence (Eastman *et al.*, 1997). As status consumers are more aware of showing achievement, their attitudes towards knockoff goods would be unfavorably perceived (Phau & Teah, 2009).

Social influence is the term used to describe the effects that others have on an individual consumer's behavior (Phau & Teah, 2009; Ang *et al.*, 2001). There are two common forms of consumer susceptibility to social influences, including information susceptibility and normative susceptibility (Phau & Teah, 2009; Wang *et al.*, 2005). The former happens when a purchase decision depends on the knowledgeable and proficient

opinions from others, while the latter concerns about buying decisions that are based on the expectations of what would impress others (Wang *et al.*, 2005; Ang *et al.*, 2001).

Apart from consumers' attitudes, past research have tried to explain why consumers intentionally purchase counterfeits by mainly examining different factors. In particular, those variables include perceived price benefit (Albers-Millers, 1999; Bloch *et al.*, 1993), psychographic characteristics (Cordell *et al.*, 1996; Wee *et al.*, 1995), demographic variables (Phau *et al.*, 2001; Tom *et al.*, 1998), and social influences (de Matos *et al.*, 2007; Ang *et al.*, 2001). Nevertheless, such traditional profiling approaches that depend on psychographic factors are likely to be lack of explanatory power when considering theoretical concepts that explain why consumers make their purchase decisions of counterfeit goods (Penz & Stottinger, 2008). In addition, these studies might fail to take fundamental brand aspects into consideration regardless of the fact that consumers decide to purchase counterfeit goods not only representing a product choice decision, but also a brand choice decision (Eisend & Schuchert-Guler, 2006).

2.2.2. Brand Influences

Realizing the lack of research on brand aspects, some researchers have focused on brand influences that affect consumers' purchase behaviors of counterfeit branded products recently (Bian & Moutinho, 2011). The influences of perceived brand image, direct and indirect effects (mediator and moderator effects) of product involvement and product knowledge on consumers' purchase intentions of counterfeit goods under the context of non-deceptive counterfeiting context have been increasingly examined.

Brand image

Brand image refers to how consumers' perceptions of a brand is formed (Aaker, 1996), which plays a crucial role in consumer's decision of whether a brand is for him/her or not (Dolich, 1969) and their subsequent purchasing behavior (Johnson & Puto, 1987; Fishbein, 1967). A well-communicated brand image should support to set a brand's position, insulate the brand from competition, enhance the brand's market performance, and thus contributing to forming long-term brand equity (Aaker & Keller, 1990; Keller, 1993; Park *et al.*, 1991; Feldwick, 1996; Park & Srinivasan, 1994). According to Plummer (2000, 1985), there are three major components of the brand image, including brand personality, product attributes, and the benefits or consequences of using a brand.

A brand personality is defined as the set of human characteristics associated with a given brand (Aaker, 1997) that enables buyers to express his/her own self (Bian & Moutinho, 2011; 2009; Hem & Iversen, 2002; Plummer, 2000; Aaker, 1999) or specific dimensions of the self (Kleine *et al.*, 1993). Serving as a symbolic function, it supports consumers to differ from or integrate themselves with others (Huynh & Wilson, 2014; Bian & Moutinho, 2011; 2009; Keller, 1993). In other words, as consumers tend to associate them with a desired group, or create an ideal self-image (Bian & Moutinho, 2011; 2009; Aaker, 1997; Lefkoff-Hagius & Manson, 1993) consumer preference and usage is driven by favorable brand personalities (Bian & Moutinho, 2011; 2009). Although there has been little research conducted as to whether or not, how, and to what extent brand personality of a genuine brand can be transferred to counterfeit brand, it is rational to assume that existing brand theory can be applied to counterfeits once they bear a desired brand name of original branded product (Huynh & Wilson, 2014; Bian & Moutinho, 2011). Indeed, these authors' results revealed that the more favorable brand

personality of a counterfeit, the higher possibilities that consumers would purchase a counterfeit branded product.

Those descriptive features that characterize a product or service are considered as product attributes, which emerge in many different forms such as a bundle of extrinsic and intrinsic attributes (Huynh & Wilson, 2014; Bian & Moutinho, 2011; 2009; Keller *et al.*, 2008). Past research has suggested that the more positive consumers' perceptions of product attributes of a specific brand are, the higher possibilities that they will purchase the branded product are (Huynh & Wilson, 2014; Bian & Moutinho, 2011). According to these authors' results, this notion is still true in case of counterfeits.

Perceived benefit is the term used to describe consumers' perceptions of what a product can do for them (Keller, 1993), which is associated with perceived product attributes and brand personality (Huynh & Wilson, 2014; Bian & Moutinho, 2011). According to Bian & Moutinho (2011), numerous past studies have shown a positive relationship between perceived benefit and consumer decision making. In case of counterfeits, consumers who wilfully purchase a counterfeit branded product believe that they are getting prestige (Ang *et al.*, 2001; Tom *et al.*, 1998; Bloch *et al.*, 1993) and quality (Grossman & Shapiro, 1988b) of the branded product at a fraction of its price (Tom *et al.*, 1998). Thus, consumers' purchase intentions of counterfeit branded product will be positively influenced by their perceptions of benefits (Bian & Moutinho, 2011).

Product involvement

A consumer's enduring perceptions of the significance of the product category based on the consumer's inherent needs, values, and interests is referred to product involvement, which has bene extensively used as an explanatory variable in consumer behavior (Bian

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& Moutinho, 2011). The authors state that the depth, complexity and extensiveness of cognitive and behavioral processes will be determined by the level of involvement during the consumer choice process. Past research suggests that when product involvement is high, consumers are willing to extend their decision-making processes through a series of sequential stages involving information search and evaluation of criteria (Huynh & Wilson, 2014; Bian & Moutinho, 2011; 2009). Similarly, in a low involvement situation consumers neither wish nor are able to exert a great deal of effort to process information (Bian & Moutinho, 2011). The authors' rationale is when product involvement is high, consumers are more likely to put more effort to process information and more capable of evaluating counterfeit branded products as opposed to the authentic branded products in the context of non-deceptive counterfeiting, which might allow them to distinguish the differences, develop different perceptions, and show less preference for counterfeits. On the other hand, the differences might not be easily recognized when product involvement is low due to consumers' lack of motivation, effort, and even capability in relation to processing data. As a result, consumers' perceptions of brand image of counterfeit and genuine product might not differ significantly under these circumstances, leading to more favorable perceptions towards counterfeits than original brands.

Product knowledge

Consumer product knowledge has been widely accepted as a crucial factor influencing all stages in the decision process (Bettman & Park, 1980). Consumers' perceptions of a product will vary in compliance with different levels of product knowledge (Laroche *et al.*, 2003). According to Bian & Moutinho (2011), consumers with higher levels of product knowledge have better-developed and more complex schemata with well-

formulated decision criteria, resulting in less cognitive effort being required and automatically activated relevant knowledge. The authors argue that given better-developed and more complex schemata, consumers with higher levels of product knowledge have better cognitive capacity to evaluate comparative alternatives. Thus, the higher level of product knowledge a consumer possesses, the less possibilities he/she will generate evaluation bias, implying that knowledgeable consumers are likely to have unfavorable perceptions and show less preference for counterfeits.

2.3. How Do Consumers Form Their Quality Perceptions of Products?

Perceived quality is the term used to describe consumer's judgments about a product's overall excellence or superiority (Zeithaml, 1988; Lewin, 1936). It is important to note that perceived quality is different from objective or actual quality, requires higher level abstraction rather than a specific attribute of a product, is affected by a global assessment in some cases resembles attitude, and is usually judged by consumers' evoked set (Zeithaml, 1988).
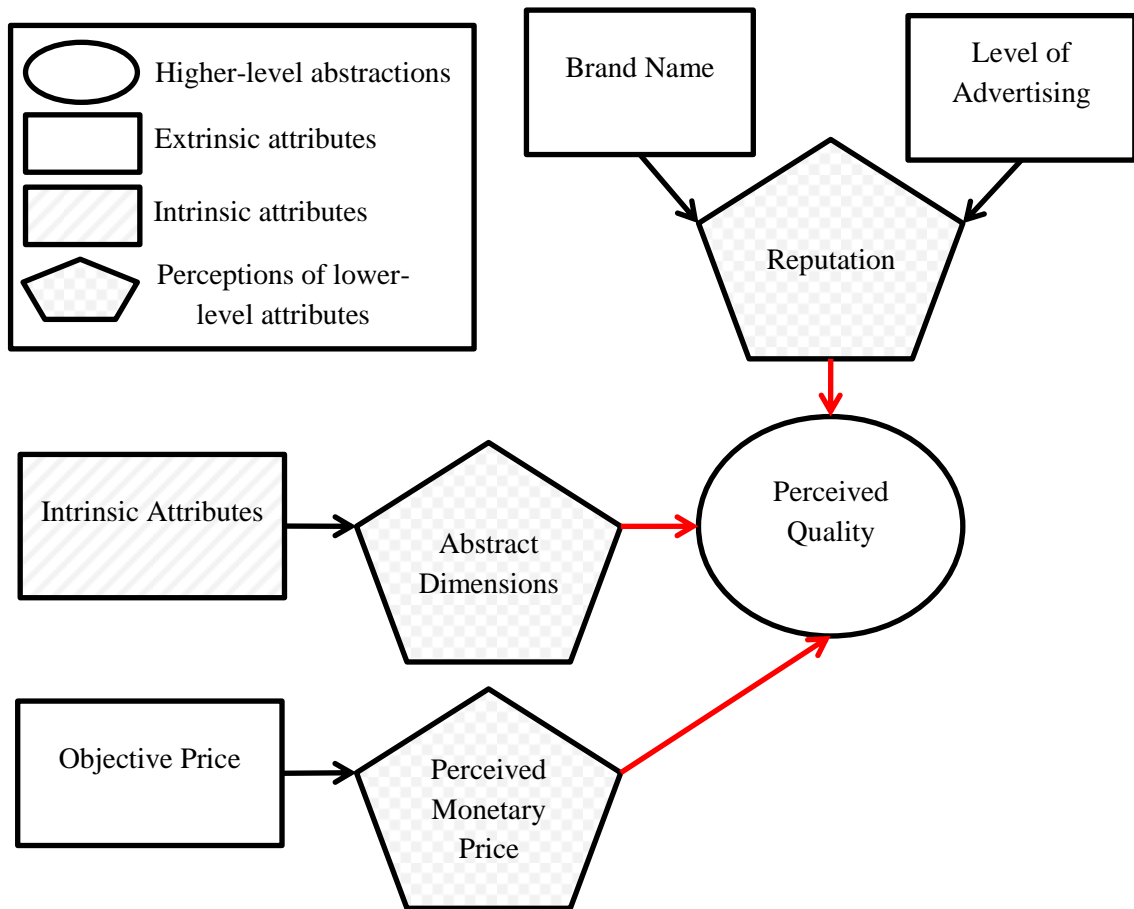
Figure 1: The perceived quality component (Adopted from Zeithaml, 1988)

Product attributes that signal quality have been dichotomized into two groups of cues, namely intrinsic and extrinsic (Olson, 1977; Olson & Jacoby, 1972). The former involves the physical composition of the product that cannot be changed without altering the nature of the product itself and are consumed as the product is consumed. On the other hand, extrinsic cues are outside the product that is related but not as a physical part of it itself, such as price, brand name, or advertising level (Figure 1).

According to Zeithaml (1988), the intrinsic-extrinsic dichotomy of quality cues is only crucial for assessing quality when conceptual difficulties are taken into account. The author reveals that a small number of cues, like those relating to product's package, are

difficult to classify as either intrinsic or extrinsic. In other words, it depends on whether the package is part of the physical composition of the product or protection and promotion for the product.

2.4. Conceptual Framework

Drawing from the past research, this study proposes that the quality perception of counterfeit can be formed by a combination of variables. The quality gap between an authentic brand and its counterfeits is predictable based on five major variables:

(1)   Price Difference between Brand and Counterfeit;

(2)   Price Premium of Counterfeit to other Counterfeits;

(3)   Country of Origin of Brand;

(4)   Complexity of Product;

(5)   Product Knowledge.
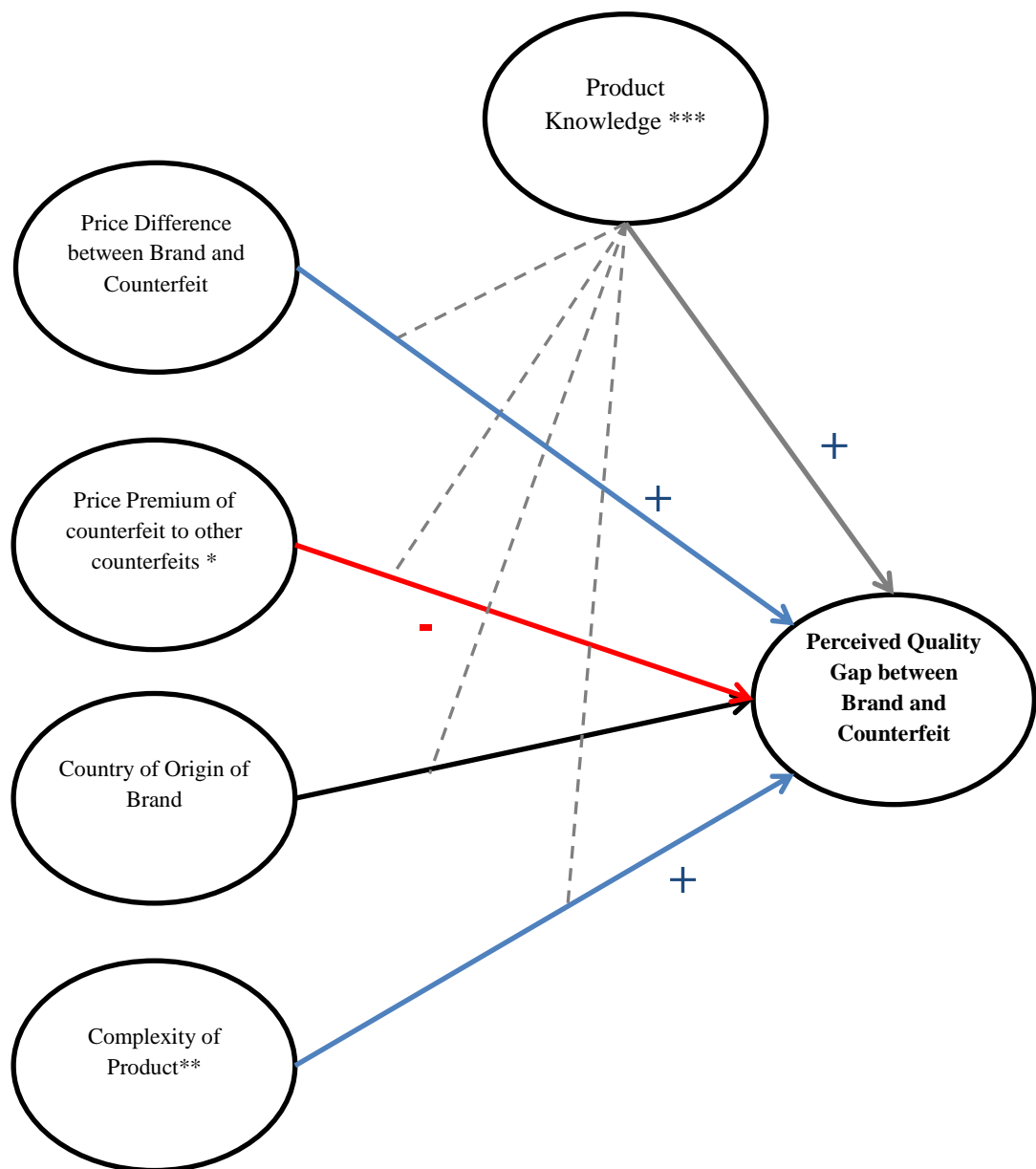
Figure 2: Conceptual model of quality perceptions of counterfeit

* Price mentioned in this case is not about the price differences between counterfeit branded products and branded products, but it is about the price differences among counterfeits itself that classify into different categories such as fake A, B, C, and so on.

** Complexity of product includes technical complexity, and visual differences including material differences, visual precision differences, and color.

*** Product knowledge is considered as moderator effects.*

H1: Price difference between brand and counterfeit has a positive influence on perceived quality gap.

The general wisdom of the positive relation between price and perceived quality has been tested through many studies over decades (e.g. Rao & Monroe, 1989; Zeithaml, 1988). Even though the results are not always consistent in terms of statistical significance of the research findings, a positive price-perceived quality relationship does appear to exist (Monroe & Krishnan, 1985). Therefore, price is considered as the key quality indicator (Zeithaml, 1988) when consumers make judgement on quality of product. Drawing from past research, we can assume that the same situation would be applied on the perceived quality of counterfeit. In other words, consumers would perceive the quality of a counterfeit by comparing to the price of an authentic brand. We can expect that the relationship between the price difference and the quality gap is positive.

Significance of the price gap coefficient will support this hypothesis. The bigger difference in price between a brand and its counterfeit is consumers will perceive a bigger quality gap. In other words, consumers will prefer the genuine brand in terms of quality rather than the pirated brand.

H2: Price premium of counterfeit to other counterfeits has a negative influence on perceived quality gap.

As has been stated above, many studies suggest that there is a positive price-perceived quality relationship (Rao & Monroe, 1989; Zeithaml, 1988), which would be transferred

to different counterfeit products. Through my own experience and observation in some developing countries, it is the fact that not only one counterfeit of a branded product existed but many different levels of counterfeit that classify into different categories such as counterfeit A, B, C, and so on. We assume that counterfeit A is charged for the highest price among such counterfeiting categories and counterfeit C is the lowest price. According to the positive relationship between price and perceived quality, counterfeit A would probably be considered as the highest quality while that of counterfeit C would be the lowest in consumers' perceptions (figure 3).
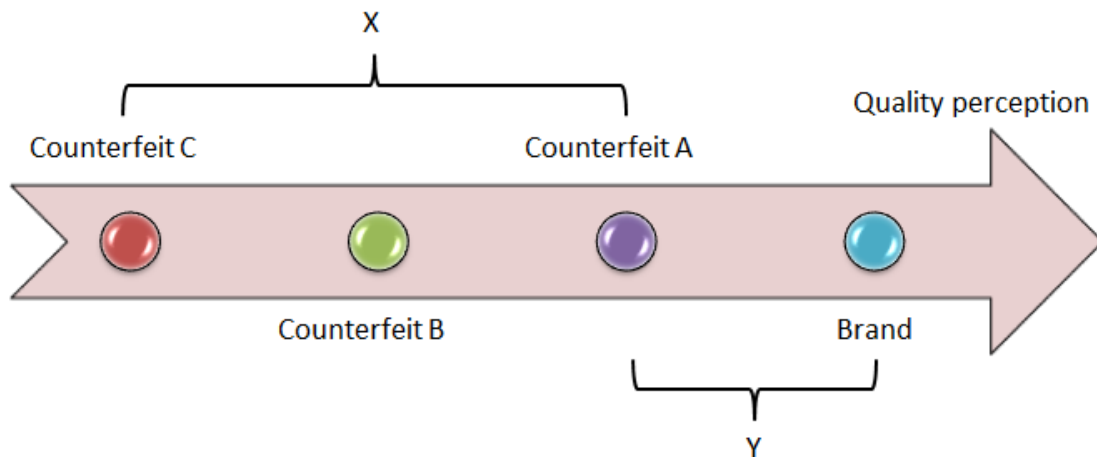
Figure 3: The analysis concept of Hypothesis 2

Due to the diversification of counterfeit itself, the price gap among different counterfeits of a branded product might have an indirect influence on the perceived quality gap between the authentic brand and counterfeit. It is expected that the highest perceived quality counterfeit among different counterfeiting categories based on price difference will be perceived as the most similarity in terms of quality compared to authentic product. In addition, the bigger gap in terms of quality among counterfeits is perceived (X), the closer perceived quality between counterfeit and brand is (Y). Thus, price premium to other counterfeits might narrow the perceived quality gap.

H3: There is a significant relationship between country of origin and perceived quality gap.

The broad definition of country of origin effects is *"any influence, positive or negative, that the country of manufacture might have on the consumer's choice processes or subsequent behavior"* (Samiee, 1987). Country of origin is considered as an extrinsic informational cue (Cattin *et al.*, 1982) that has critical influences on perceived risk, perceived quality, information processing (Johansson, 1989), and ultimate purchasing behavior (Elliot & Cameron, 1994). In particular, there is a close link between country of origin and quality perceptions that reinforces the notion that information about country of origin act as a surrogate of quality, especially where no intrinsic or extrinsic cues give a more positive indication of quality (Elliot & Cameron, 1994).

The country of origin might have an essential impact on perceived quality gap with its counterfeit. The rationale here is that if the country of origin has a relatively positive influence on perceived quality of the original brand, it will also widen the perceived quality gap. If it has a relatively negative influence on perceived quality of the genuine brand, it may narrow down the perceived quality gap.

H4: Complexity of product has a positive influence on perceived quality gap.

Intrinsic cues as quality indicators are product attributes that involves the physical composition of the product that cannot be changed without altering the nature of the product itself and are consumed as the product is consumed (Zeithaml, 1988). Complexity of product, including technical complexity, material differences, and visual differences, can be considered as intrinsic attributes since those features are associated with the nature of the product. According to Zeithaml (1988), consumers are likely to

depend on intrinsic attributes for quality assessment in three major situations, including at the point of consumption, in pre-purchase situations when intrinsic attributes are search attributes rather than experience attributes, and when intrinsic attributes have high predictive value. On the other hand, they might rely on other quality indicators if intrinsic attributes are not available in initial purchase situations, evaluation requiring more effort and time, and quality is difficult to evaluate (Zeithaml, 1988). Thus, it can be argued that when the level of product complexity is low, consumers would rely on such intrinsic cues to judge the quality. Similarly, consumers might depend on other quality cues if the level of product complexity is high.

There is no research about whether these quality signals are able to transfer to counterfeit or not. In the comparative situations between brand and counterfeit in terms of quality, the argument is that if the complexity of product is high, consumers will probably find it more difficult to assess the quality of counterfeit leading to more favorable preferences of authentic brand. In the same vein, if the level of complexity is low, consumers might perceive some biases resulting in a smaller perceived quality gap between counterfeit and original brand.

H5: Product knowledge has a positive influence on perceived quality gap

Consumer product knowledge influences all phases in the decision process (Bettman & Park, 1980), varying their perceptions of a product corresponding to different levels of knowledge (Laroche *et al.*, 2003). According to Bian & Moutinho (2011), higher product-knowledge-level consumers have better-developed and more complex schemata with well-formulated decision criteria, which in turn results in better cognitive capacity to evaluate comparative alternatives. Thus, the argument is that higher levels of product

knowledge might allow consumers to distinguish the quality differences between brand and counterfeit, leading to a more favorable preference of genuine brand. Similarly, consumers with low product knowledge levels may not be able to identify the differences, therefore, tend to prefer counterfeit.

Moderator effects

H6a: Product knowledge weakens the influence of the price difference between brand and counterfeit on the perceived quality gap

H6b: Product knowledge weakens the influence of the price difference between counterfeit and counterfeit on the perceived quality gap

H6c: Product knowledge weakens the influence of the country of origin effects on the perceived quality gap

H6d: Product knowledge weakens the influence of the complexity of product on the perceived quality gap

Again, product knowledge has a crucial role in information process, which in particular requires less cognitive effort, automatically activate relevant knowledge structures, and allow consumers to process more information (Bian & Moutinho, 2011) The authors suggest that the higher the level of product knowledge a consumer possesses, the less chance he/she will generate evaluation bias. Thus, product knowledge can be recognized as a moderator that influences every single factor in the conceptual framework. In particular, higher levels of product knowledge would weaken all the influences that are related to the perceived quality gap. Similarly, lower levels of product knowledge would reinforce all the influences on the perceived quality gap.

CHAPTER 3

3. Methodology

3.1. Experimental Design

In order to test all hypotheses, experimental research (sometimes referred to as *randomized experiments*) is applied because it is considered as the most powerful type of research in determining causation among variables (Edmonds & Kennedy, 2013). In this particular research, two types of experimental designs that are taken into account are between-subjects approach (also known as *multiple group* approach) and within-subjects approach (referred to as *repeated measures*). According to McLeod (2007), between-subjects approach will allocate different participants in each condition of the independent variable. In other words, the participants in each group will only be exposed to one condition (one level of the independent variable), with no crossover between conditions (Edmonds & Kennedy, 2013). On the other hand, the same participants under repeated measures will take part in each condition of the independent variable, or each condition of the experiment includes the same group of participants (McLeod, 2007).

In order to test hypotheses related to country of origin, and complexity of product, all participants participate in all conditions of each variable (Table 4, 5). They are allowed to make their own comparison among different conditions. In case of price influences, however, participants are divided into two groups with different conditions. The rationale here is that all numbers in this part (Table 3) are assumptions and we only want respondents to make their numerical comparison within each condition but not with other conditions. Separating participants into two groups would reduce the possible

bias and provide a more accurate result of the impact of price differences on perceived

quality gap between brand and counterfeit.

Table 1: Deceptive and non-deceptive information

No.	Statement	Type of scale and its construction	Description
1	Have you ever knowingly purchased any kinds of counterfeits of authentic luxury branded goods?	Dichotomous scale – Likert scale (1) Yes (2) No	Exploring participants who response to the survey questionnaire are whether under deceptive or non-deceptive circumstances. If they choose "yes", they can continue do the survey.
2	If you choose "yes", please specify names of authentic brands that you purchased their knockoffs.	Open-ended question	Exploring participants who purchase under non-deceptive circumstances are whether purchase counterfeits of luxury brands or not.

Table 2: Product knowledge information

No.	Item No.	Statement	Type of scale and its construction	Description
1	PK1	Please choose original products in the following pictures.	Dichotomous scale (1) A (2) B	Measure level of product knowledge
2	PK2			
3	PK3			

Table 3: Price influences on perceived quality information

No.	Item No.	Statement	Type of scale and its construction	Description
1	P1 (A)	Assume that we have an authentic luxury branded product that costs $800. Please choose the quality level of its counterfeit that costs $100	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how the price differences between brand and counterfeit affect respondents' quality perceptions.
2	P1 (B)	Assume that we have an authentic luxury branded product that costs $800. Please choose the quality level of its counterfeit that costs $600	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how the price differences between brand and counterfeit affect respondents' quality perceptions.
3	P2 (A)	Assume that we have an authentic luxury branded product that costs $1000. There are 3 different counterfeits of it including A, B, and C that costs $600, $570, and $510 respectively. Please choose the quality level of A.	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how the price differences among counterfeits affect respondents' quality perceptions.
4	P2 (B)	Assume that we have an authentic luxury branded product that costs $1000. There are 3 different counterfeits of it including A, B, and C that costs $600, $380, and $120 respectively. Please choose the quality level of A.	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how the price differences among counterfeits affect respondents' quality perceptions.

Table 4: Country of origin information

No.	Item No.	Statement	Type of scale and its construction	Description
1	CO1	Please choose the quality level of counterfeit that is made in China	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how counterfeit that is made in China affect respondents' quality perceptions
2	CO2	Please choose the quality level of counterfeit that is made in Southeast Asia countries	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how counterfeit that is made in Southeast Asia countries affect respondents' quality perceptions

Table 5: Complexity of product information

No.	Item No.	Statement	Type of scale and its construction	Description
1	CP1	Please choose the quality level of counterfeit when the complexity level of product is low (e.g. fashionable clothes)	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how low complexity product affect respondents' quality perceptions
2	CP2	Please choose the quality level of counterfeit when the complexity level of product is high (e.g. electronic devices)	5-point Likert scale (1) Very poor quality (5) Very good quality	Measure how high complexity product affect respondents' quality perceptions

According to Table 3, the first question attempts to identify the direct price relationship between brand and counterfeit while the second one's main focus is to find down whether there is an indirect effect from other counterfeits to the relationship between the comparative counterfeiting subject and authentic branded product. Moreover, the prices of authentic branded products ($800 and $1000) in two questions are intentionally different. The main idea behind this is to remove the effect of the first question on others that participants might have if the prices are the same. In other words, the survey questionnaires attempted to assure their validity by setting or refreshing the completely new scenarios for respondents. In addition, all of the prices of counterfeits in the experiment were set based on my own experience and some actual research in Vietnam. Referring to Appendix 4, there are many different types of counterfeiting counterparts of the authentic Converse Chuck II namely replica, superfake, fake 1, and fake 2. The prices of this specific example were used as the reference for all the prices of counterfeits and luxury authentic branded product in our experiment. Indeed, I would acknowledge that a counterfeit costs $600, which accounts for more than 70% of the authentic price seems to be overpriced. As the purpose of the experimental research, however, all these numbers were set as the extreme scenarios to make it easier to identify the relationship between price difference and the perceived quality gap. Even when those assumptions are loosened, it is possible that such "expensive" counterfeits do exist in reality (Appendix 4). It is undeniable that some consumers who are really care about quality rather than possessing authentic brand image would purchase such expensive counterfeits since they realize the fact that the authentic branded products are always overcharged due to their high brand images. In other words, they believe that the

difference in the prices between expensive counterfeits and luxury authentic products is only the matter of the marketing costs but not their main concern – quality.

Product knowledge of respondents is measured by using three visual questions as mentioned in Table 2 (item 2, 3, and 4). Each question will be given a specific point and total points of three questions will be considered as respondents' knowledge levels.

3.2. Participants

Targeted participants are consumers who knowingly purchase counterfeits of luxury brands in Hanoi, Vietnam. The rationale of approaching intentional counterfeit purchasers is they have the actual experience of buying counterfeits that has to go through a bunch of evaluate processes including the central foundation of this study – the process of comparing quality of counterfeits to the originals. It is, indeed, in accordance with the main purpose of this study that is to analyse how consumers actually do the quality comparison between original brands and counterfeits. As mentioned before, consumers of luxury brands are looking for the prestigious and luxurious image or the superior quality, or even both of them. Thus, the results would also be applied to those who are not the fans of counterfeits at this moment but might be affected by such factors we identify from the targeted participants when they realize the quality differences between luxury branded products and counterfeits are small. In other words, luxury brands would adopt the managerial implications of this research to not only attract and gain back those who switch to counterfeiting counterparts due to quality, but also retain their customers and prevent them from changing to counterfeits. To ensure the validity of the survey, targeted respondents' information about whether they have purchased counterfeits under deceptive or non-deceptive circumstances is

collected by using the statement as mentioned in Table 1 (item 1). Since this research only considers counterfeiting purchase behavior under non-deceptive, respondents who choose "no" will not allow continuing the survey. Moreover, additional information about the brands (item 2) will show counterfeits that they have purchased are either of luxury brands or not.

3.3. Data Collection

In order to identify major factors which have crucial influences on the perceived quality gap between brand and counterfeit as mentioned in the previous Chapters, consumers' quality perceptions are evaluated through an experimental survey approach. By collecting data from experiment, the relationships between different variables and the perceived quality gap will be analysed.

In this research, experimental surveys were distributed by online survey. The online survey was conducted by using Google Forms including 14 questions that could be finished within 5 minutes. Snowball sampling was applied in order to get respondents incoherently and variously. The online surveys were distributed through friends, relatives, and networks by using social media (i.e. Viber, Facebook, and Twitter) and e-mail. Respondents are randomly selected among Vietnamese consumers who live in Hanoi.

As a result, total number of 223 online surveys that got answers from respondents was collected. Out of 223 surveys, 73 surveys (approximately 32.7%) were excluded because respondents to such surveys might have purchased counterfeits of luxury brands under deceptive circumstances, or never purchased any counterfeit products

(Table 1). 150 surveys were considered as validity including 75 respondents of group A

and 75 respondents of group B (Table 3).

CHAPTER 4

4. Data and Analysis

4.1. Variables

As mentioned in the research objective, this study aims to identify the major factors that influence the quality perceptions of consumers toward counterfeit in comparison with authentic brand. Thus, the perceived quality of counterfeit will be measured through different scenarios as independent variables.

The price difference between brand and counterfeit (P1A/P1B)

Referring to experimental design in Chapter 3, the perceived quality of comparative counterfeit was measured by giving participants the prices of both authentic brand and counterfeit and asking them what is the quality level of such counterfeit. All participants were divided into two groups with low and high price difference. There are 5-points Likert-scale including "very poor quality", "poor quality", "average quality", "good quality", and "very good quality" for respondents to choose what range of quality they perceive.

The price difference between counterfeit and counterfeit (P2A/P2B)

In order to test whether other lower-price counterfeits have an indirect effect on the perceived quality of the comparative counterfeit, all respondents were also separated into two groups with high and low price difference between counterfeit and counterfeit. The prices of brand and comparative counterfeit are the same for both groups. There are 5-points Likert-scale including "very poor quality", "poor quality", "average quality",

"good quality", and "very good quality" for participants to choose what range of quality they perceive.

Country of origin (CO1/CO2)

The perceived quality of counterfeit was measured by providing all participants same products but from two different regions including China and Southeast Asia. 5-points Likert scale was applied for respondents to choose the quality level of counterfeit they perceive ranging from "very poor quality", "poor quality", "average quality", "good quality" to "very good quality".

Complexity of product (CP1/CP2)

All participants were put into different levels of product complexity including high and low in order to measure the difference in their quality perceptions of counterfeit in such scenarios. 5-points Likert scale including "very poor quality", "poor quality", "average quality", "good quality", and "very good quality" was constructed.

Product knowledge (PK)

There were total three questions related to different real products, and every participant had to choose the right answers in such cases. Each question was allocated different amount of points and the total points would be used as respondents' knowledge levels. The maximum points respondents could get were four and minimum were zero. Dichotomous scale including A, and B was applied.

4.2. Data Analysis

The hypotheses were tested using independent sample T-tests, paired samples T-tests, correlation test, 2-way between-groups ANOVA tests, and mixed between-within ANOVA tests. The results are discussed next.

First hypothesis suggested that the general wisdom of a positive price-perceived quality relationship could be transferred to counterfeiting situation. In other words, the higher price of a counterfeit is, the better quality perception of it in comparison to an authentic brand is perceived.

H1: Price difference between brand and counterfeit has a positive influence on perceived quality gap between brand and counterfeit.

An independent T-test revealed that the mean perceived quality of counterfeit when the price difference is low (M_{P1low} = 3.19, SD = 1.069) was significantly higher than the mean perceived quality when the price difference is high (M_{P1high} = 1.84, SD = 1.001) as mentioned in Table 6. The higher perceived quality of counterfeit is, the smaller quality gap between brand and counterfeit is perceived. In particular, the descriptive statistics showed that the higher difference in price between brand and counterfeit is, the bigger gap in quality perception is. In both cases of equal variances assumed and equal variances not assumed, the significant test indicated there is a significant difference between two groups (p = .000 < .05) (Table 7). **Thus, H1 is supported.**

Table 6: Descriptive Statistics for Hypothesis 1&2

	Group	Price difference	N	Mean	Std. Deviation	Std. Error Mean
Price difference between brand and counterfeit (P1)	B	Low	74	3.19	1.069	.124
	A	High	75	1.84	1.001	.116
Price difference between counterfeit and counterfeit (P2)	A	Low	75	2.72	.863	.100
	B	High	74	3.19	.975	.113

Table 7: Independent Sample T-tests for Hypothesis 1&2

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
P1	Equal variances assumed	1.688	.196	-7.957	147	.000	-1.349	.170	-1.684	-1.014
	Equal variances not assumed			-7.953	146.085	.000	-1.349	.170	-1.684	-1.014
P2	Equal variances assumed	.005	.942	-3.112	147	.002	-.469	.151	-.767	-.171
	Equal variances not assumed			-3.109	144.390	.002	-.469	.151	-.767	-.171

Second hypothesis focused more on the indirect influence of other counterfeits have on the perceived quality gap between brand and counterfeit. In other words, even though the prices of brand and the comparative counterfeit that its quality perception was measured are still the same, other lower counterfeits of such brand might push up or push down the perceived quality of the comparative counterfeit (Figure 3).

H2: Price difference between counterfeit and other counterfeits has a negative influence on perceived quality gap between brand and counterfeit.

An independent T-test indicated that the mean perceived quality of counterfeit when there is a small price difference among counterfeits (M_{P2low} = 2.72, SD = .863) was lower than the mean perceived quality of counterfeit when there is a huge price difference among counterfeits (M_{P2high} = 3.19, SD = .975) as mentioned in Table 6. In particular, the higher price difference among counterfeits is, the smaller quality gap is perceived. The significant test showed there is a significant difference between two groups (sig.$_{2\text{-tailed}}$ = .002 < .05) (Table 7). **Therefore, H2 is supported.**

Third hypothesis emphasized on the relationship between country of origin and the perceived quality gap between brand and counterfeit. The analysis was comparing the mean difference between same counterfeits but made in different regions including China and Southeast Asia.

H3: There is a significant relationship between country of origin and perceived quality gap between brand and counterfeit.

According to Table 8, the perceived quality of counterfeit made in China (M_{CO1} = 1.65, SD = .913) was relatively lower than that of counterfeit made in Southeast Asia (M_{CO2} = 2.78, SD = .781). The correlation is relatively small and close to zero ($r_{CO1xCO2}$ = .151) meaning there is a weak correlation between two variables. However, the correlation significance that can be seen in Table 9 (p = .068 > .05) suggested there is no statistically significant correlation between CO1 and CO2. A paired samples T-test showed there is a significant difference between two variables (t = -12.430, p .000 < .05). **Hence, H3 is supported.**

Table 8: Descriptive Statistics for Hypothesis 3&4

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Country of origin_China (CO1)	1.65	147	.913	.075
	Country of origin_SEA (CO2)	2.78	147	.781	.064
Pair 2	Complexity of product_Low level (CP1)	3.53	146	.933	.077
	Complexity of product_High level (CP2)	2.25	146	.960	.079

Table 9: Paired Sample Correlations for Hypothesis 3&4

		N	Correlation	Sig.
Pair 1	Country of origin_China & Country of origin_SEA	147	.151	.068
Pair 2	Complexity of product_Low level & Complexity of product_High level	146	.063	.447

Table 10: Paired Samples Tests for Hypothesis 3&4

		Paired Differences							Sig. (2-tailed)
					95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	
Pair 1	Country of origin_China - Country of origin_SEA	-1.136	1.108	.091	-1.317	-.955	-12.430	146	.000
Pair 2	Complexity of product_Low level - Complexity of product_High level	1.281	1.296	.107	1.069	1.493	11.943	145	.000

Fourth hypothesis focused on the effect of complexity of product as the quality indicator on perceived quality gap between brand and counterfeit. The higher level of complexity of product is, the more difficult for consumers to assess the quality of counterfeit, resulting in a bigger perceived quality gap between brand and counterfeit. Similarly, the lower level of complexity of product is, a smaller quality gap is perceived.

H4: Complexity of product has a positive influence on perceived quality gap between brand and counterfeit.

The small correlation between low-level complexity and high-level complexity ($r_{CP1xCP2}$ = 0.063) suggested a weak relationship between two variables. With the correlation significance is higher than .05 (p = .447 > .05), we can conclude that there is no statistically significant correlation between low-level and high-level complexity (Table 9). A paired samples T-test indicated that the perceived quality of counterfeit in case of low-level complexity product (M_{CP1} = 3.53, SD = .933) was significantly higher than that of high-level complexity product (M_{CP2} = 2.25, SD = .960) (Table 8). As significant test results was lower than .05 (t = 11.943, p = .000 < .05) (Table 10), **H4 is supported.**

Fifth hypotheses suggested that consumers' product knowledge has a direct effect on perceived quality gap between brand and counterfeit. According to Bettman & Park (1980), all phases in decision process are influenced by product knowledge, varying their perceptions of a product corresponding to different levels of knowledge (Laroche *et al.*, 2003). Consumers with higher product knowledge levels are expected to have a better understanding about the quality differences between brand and counterfeit, resulting in a bigger gap in quality perceptions. In the same vein, lower level product knowledge might lead to a more bias evaluation, resulting in a smaller gap in quality perceptions.

H5: Product knowledge has a positive influence on perceived quality gap between brand and counterfeit.

According to Table 12, the main effect of product knowledge is not statistical ($F_{1, 140}$ = .614, p = .435 > .05, partial eta-squared = .004, power = .112), which means that there

is no direct effect of product knowledge on the perceived quality influenced by the price difference between brand and counterfeit. The same results can be found in Table 14, and 16, where product knowledge has no direct effects on perceived quality resulted from the price difference between counterfeit and counterfeit ($F_{1, 140} = .014$, $p = .906 > .05$, partial eta-squared = .000, power = .052) and the country of origin ($F_{1, 140} = .005$, $p = .945 > .05$, partial eta-squared = .000, power = .051). According to Table 18, however, the main effect of product knowledge is statistical in case of the perceived quality influenced by the complexity of product ($F_{1, 138} = 4.299$, $p = .040 < .05$, partial eta-squared = .030, power = .539). We can see from Figure 4 that the perceived quality of counterfeit is lower when participants have high product knowledge in both cases of high and low complexity levels. In other words, participants with high product knowledge perceived a bigger quality gap between brand and counterfeit comparison to those whose product knowledge is low. Thus, **H5 is partial supported.**

Sixth hypothesis suggested that product knowledge might have a moderator effect, or an indirect influence on the perceived quality gap between brand and counterfeit through other variables. The difference in quality perception between authentic brand and its counterfeiting counterpart is widened when consumers have low product knowledge. Similarly, consumers with high product knowledge might be less influenced by other factors, resulting in a smaller perceived quality gap. The analysis focuses on comparing the mean difference between high and low product knowledge levels. Referring to the conceptual framework, sixth hypothesis can be divided into 4 approaches and the results are as following discussion.

H6a: Product knowledge weakens the influence of the price difference between brand and counterfeit on the perceived quality gap.

Table 11: Means Comparison M_{P1}; High/low Product Knowledge

Dependent Variable: Price difference between brand and counterfeit (P1)

Price difference	Product knowledge level (high/low)	Mean	Std. Deviation	N
Low	Low	3.32	.934	41
	High	3.01	1.174	32
	Total	3.22	1.144	73
High	Low	1.91	1.111	34
	High	1.86	.918	37
	Total	1.89	1.008	71
Total	Low	2.68	1.232	75
	High	2.43	1.206	69
	Total	2.56	1.222	144

Table 12: Interaction of Price Difference and Product Knowledge on P1; Tests of Between-Subjects Effects

Dependent Variable: Price difference between brand and counterfeit

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[b]
Corrected Model	64.781[a]	3	21.594	20.336	.000	.304	61.009	1.000
Intercept	925.991	1	925.991	872.070	.000	.862	872.070	1.000
Price difference	61.911	1	61.911	58.306	.000	.294	58.306	1.000
PK_TScat	.652	1	.652	.614	.435	.004	.614	.122
Price difference * PK_TScat	.278	1	.278	.262	.610	.002	.262	.080
Error	148.656	140	1.062					
Total	1159.000	144						
Corrected Total	213.438	143						

a. R Squared = .304 (Adjusted R Squared = .289)

b. Computed using alpha = .05

Figure 4: Interaction plot for perceived quality affected by price difference between brand and counterfeit in high and low product knowledge

A 2 x 2 full-factorial ANOVA examined the effects of the price difference between brand and counterfeit (high/low), and product knowledge levels (high/low). According to Table 11, there might be a significant difference in mean of P1 among four scenarios resulted from two factorial, which can be seen in Figure 1. When we interpret the main effects and their interactions, however, there is no statistical two-way interaction between price difference and product knowledge (Table 12). The test found a statistical effect for the main effect of price difference ($F_{1, 140}$ =58.31, p = .000 < .05, partial eta-squared = .294, power = 1.000) which again confirms the Hypothesis 1, while that of product knowledge is not statistical ($F_{1, 140}$ = .614, p = .435 > .05, partial eta-squared = .004, power = .122). The interaction between these two factors is not statistical ($F_{1, 140}$ = .262, p = .610, partial eta-squared = .002, power = .080). One reason this interaction might not be significant is that the power is very low (power = .080), meaning we have

less than one of twelve chance of finding a statistical effect. Therefore, the effect of the price difference between brand and counterfeit on perceived quality gap is considered as the same for both high and low product knowledge participants. We can conclude that there is no moderator effect of product knowledge on the effect of the price difference between brand and counterfeit, thus, **H6a is rejected.**

H6b: Product knowledge weakens the influence of the price difference between counterfeit and counterfeit on the perceived quality gap.

Table 13: Means Comparison M_{P2}; High/low Product Knowledge

Dependent Variable: Price difference between counterfeit and counterfeit

Price difference	Product knowledge level (high/low)	Mean	Std. Deviation	N
Low	Low	2.65	.849	34
	High	2.73	.838	37
	Total	2.69	.838	71
High	Low	3.24	.860	41
	High	3.13	1.129	32
	Total	3.19	.981	73
Total	Low	2.97	.900	75
	High	2.91	.996	69
	Total	2.94	.944	144

Table 14: Interaction of Price Difference and Product Knowledge on P2; Tests of

Between-Subjects Effects

Dependent Variable: Price difference between counterfeit and counterfeit

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[b]
Corrected Model	9.433[a]	3	3.144	3.727	.013	.074	11.180	.799
Intercept	1230.928	1	1230.928	1458.903	.000	.912	1458.903	1.000
Price difference	8.782	1	8.782	10.409	.002	.069	10.409	.893
PK_TScat	.012	1	.012	.014	.906	.000	.014	.052
Price difference * PK_TScat	.363	1	.363	.430	.513	.003	.430	.100
Error	118.123	140	.844					
Total	1376.000	144						
Corrected Total	127.556	143						

a. R Squared = .074 (Adjusted R Squared = .054)
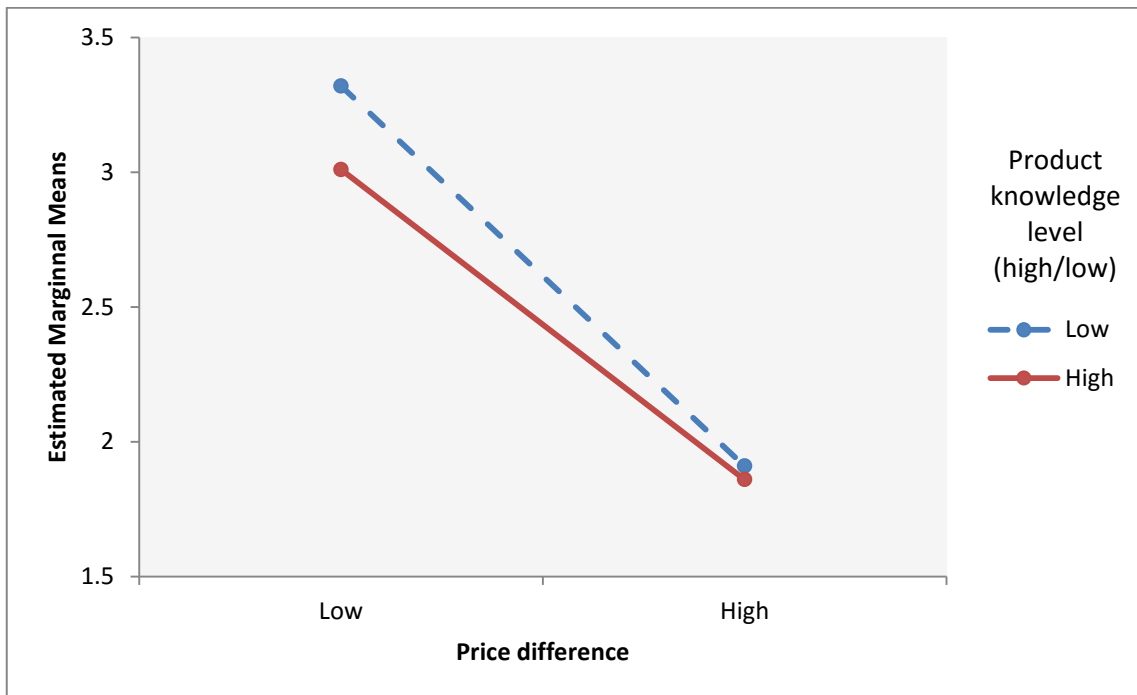
b. Computed using alpha = .05
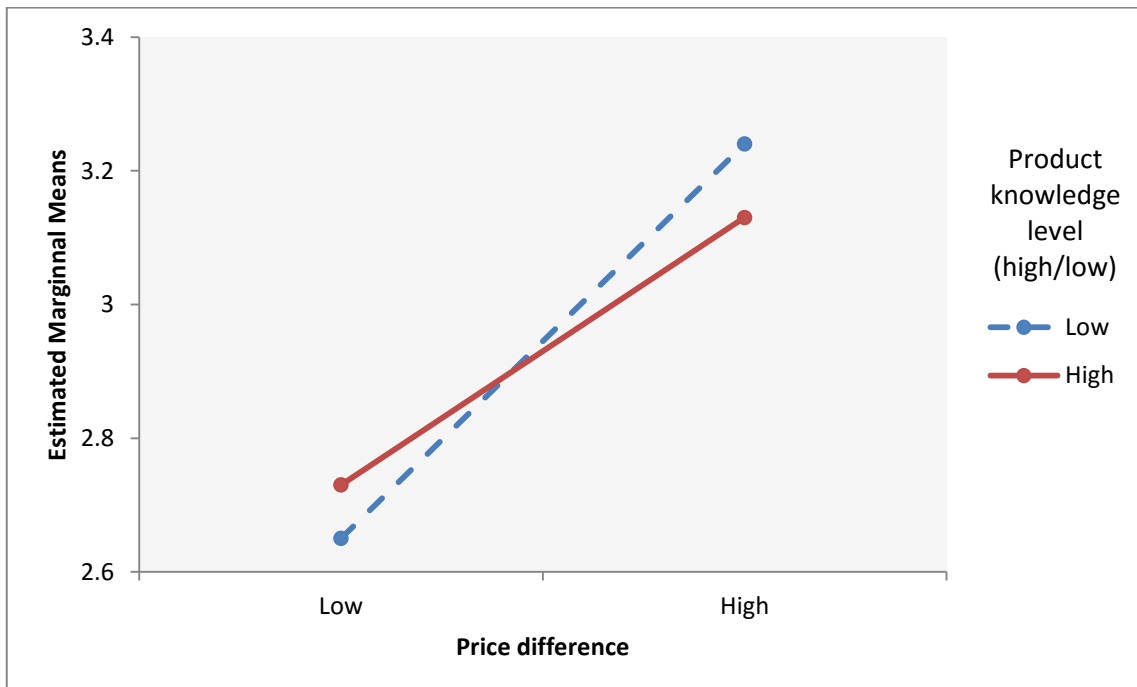
Figure 5: Interaction plot for perceived quality affected by price difference

between counterfeit and counterfeit in high and low product knowledge

A 2 x 2 full-factorial ANOVA examining the effects of the price difference between counterfeit and counterfeit (high/low), and product knowledge (high/low) was conducted. There might be a significant moderator effect of product knowledge when we look at the mean differences (Table 13) among four scenarios created by two factorial variables. Figure 2 implies that participants with higher product knowledge level are less influenced by the price difference than those whose product knowledge is relatively low. However, these differences are not large enough to be statistical. According to Table 14, the main effect of price difference is statistically significant ($F_{1, 140} = 10.409$, $p = .002 < .05$, partial eta-squared = .069, power = .893) which supports the Hypothesis 2, while that of product knowledge is not statistical ($F_{1, 140} = .014$, $p = .906 > .05$, partial eta-squared = .000, power = .052). There is no statistical two-way interaction between two factors ($F_{1, 140} = .430$, $p = .513 > .05$, partial eta-squared = .003, power = .100), which might result from low power meaning we have only one of ten chances of finding statistical effect. We can conclude that the effect of price difference between counterfeit and counterfeit on the perceived quality gap is the same for both high and low product knowledge participants. Thus, there is no moderator effect of product knowledge in this case and **H6b is rejected.**

H6c: Product knowledge weakens the influence of the country of origin effects on the perceived quality gap.

Table 15: Means Comparison M_{CO1} and M_{CO2}; High/low Product Knowledge

	Product knowledge level (high/low)	Mean	Std. Deviation	N
Country of origin_China (CO1)	Low	1.59	.807	75
	High	1.64	.949	67
	Total	1.61	.874	142
Country of origin_SEA (CO2)	Low	2.79	.759	75
	High	2.75	.823	67
	Total	2.77	.787	142

Table 16: Interaction of Product Knowledge on CO1 and CO2

Tests of Within-Subjects Effects

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[a]
country	Sphericity Assumed	93.964	1	93.964	158.238	.000	.531	158.238	1.000
	Greenhouse-Geisser	93.964	1.000	93.964	158.238	.000	.531	158.238	1.000
	Huynh-Feldt	93.964	1.000	93.964	158.238	.000	.531	158.238	1.000
	Lower-bound	93.964	1.000	93.964	158.238	.000	.531	158.238	1.000
country * PK_TScat	Sphericity Assumed	.161	1	.161	.272	.603	.002	.272	.081
	Greenhouse-Geisser	.161	1.000	.161	.272	.603	.002	.272	.081
	Huynh-Feldt	.161	1.000	.161	.272	.603	.002	.272	.081
	Lower-bound	.161	1.000	.161	.272	.603	.002	.272	.081
Error(country)	Sphericity Assumed	83.134	140	.594					
	Greenhouse-Geisser	83.134	140.000	.594					
	Huynh-Feldt	83.134	140.000	.594					
	Lower-bound	83.134	140.000	.594					

Tests of Between-Subjects Effects

	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[a]
Intercept	1358.201	1	1358.201	1701.876	.000	.924	1701.876	1.000
PK_TScat	.004	1	.004	.005	.945	.000	.005	.051
Error	111.729	140	.798					

a. Computed using alpha = .05
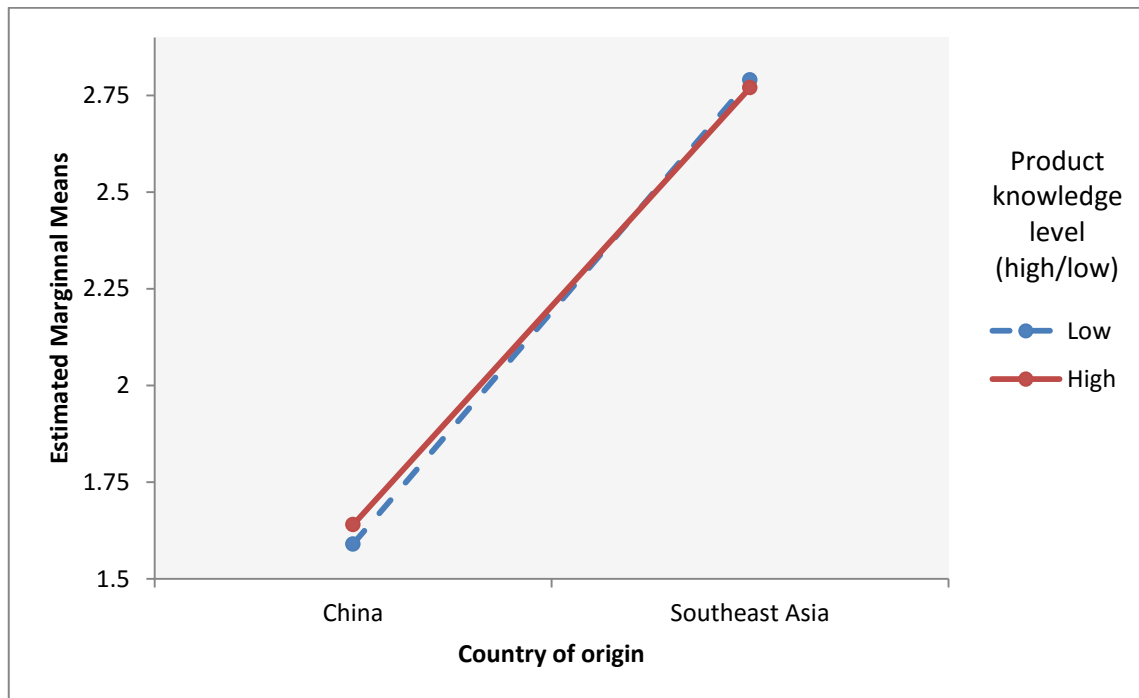
Figure 6: Interaction plot for perceived quality affected by country of origin in high and low product knowledge

A 2 x 2 repeated measures ANOVA examined the effects of the country of origin (China/Southeast Asia), and product knowledge (high/low). According to Larson-Hall (2010), the value of F-statistic and the degrees of freedom will often depend on which of the four correction factors we use (Sphericity assumed, Greenhouse-Geisser, Huynh-Feldt, or Lower-bound). In this particular case, there are basically no differences in both the F-value and degrees of freedom for any of these choices. Based on Table 16, there is no statistical interaction between country of origin and product knowledge ($F_{1, 140} = .272$, $p = .603 > .05$, partial eta-squared $= .002$, power $= .081$). What this means is that participants with different levels of product knowledge responded in a parallel manner on different prices. In other words, product knowledge does not have a moderator effect on the relationship between the country of origin and the perceived quality gap. Thus, **H6c is rejected.**

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H6d: Product knowledge weakens the influence of the complexity of product on the perceived quality gap.

Table 17: Means Comparison M$_{CP1}$ and M$_{CP2}$; High/low Product Knowledge

	Product knowledge level	Mean	Std. Deviation	N
Complexity of product_Low level (CP1)	Low	3.68	.791	75
	High	3.45	1.016	65
	Total	3.57	.907	140
Complexity of product_High level (CP2)	Low	2.37	.969	75
	High	2.14	.933	65
	Total	2.26	.957	140

Table 18: Interaction of Product Knowledge on CP1 and CP2

Tests of Within-Subjects Effects

Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[a]
complex	Sphericity Assumed	119.000	1	119.000	142.929	.000	.509	142.929	1.000
	Greenhouse-Geisser	119.000	1.000	119.000	142.929	.000	.509	142.929	1.000
	Huynh-Feldt	119.000	1.000	119.000	142.929	.000	.509	142.929	1.000
	Lower-bound	119.000	1.000	119.000	142.929	.000	.509	142.929	1.000
complex * PK_TScat	Sphericity Assumed	1.832E-5	1	1.832E-5	.000	.996	.000	.000	.050
	Greenhouse-Geisser	1.832E-5	1.000	1.832E-5	.000	.996	.000	.000	.050
	Huynh-Feldt	1.832E-5	1.000	1.832E-5	.000	.996	.000	.000	.050
	Lower-bound	1.832E-5	1.000	1.832E-5	.000	.996	.000	.000	.050
Error(complex)	Sphericity Assumed	114.896	138	.833					
	Greenhouse-Geisser	114.896	138.000	.833					
	Huynh-Feldt	114.896	138.000	.833					
	Lower-bound	114.896	138.000	.833					

Tests of Between-Subjects Effects

|	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[a]
Intercept	2358.139	1	2358.139	2650.336	.000	.951	2650.336	1.000
PK_TScat	3.825	1	3.825	4.299	.040	.030	4.299	.539
Error	122.786	138	.890					

a. Computed using alpha = .05
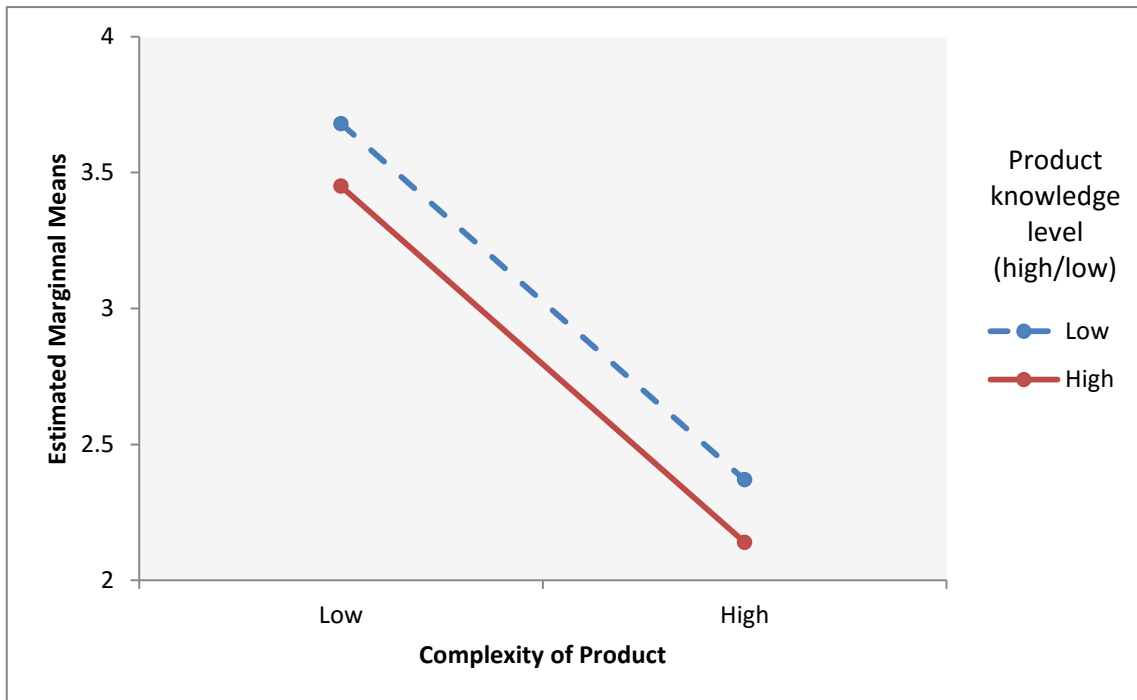
Figure 7: Interaction plot for perceived quality affected by complexity of product in high and low product knowledge

A 2 x 2 repeated measures ANOVA examining the effects of complexity of product (high/low), and product knowledge (high/low) was conducted. According to Table 18, the main effect of product knowledge is statistical ($F_{1, 138}$ = 4.299, p = .040 < .05, partial eta-squared = .030, power = .539). In other words, participants with different levels of knowledge did not perform in a parallel manner on high and low complexity levels. However, the two-way interaction between complexity and product knowledge is not statistical ($F_{1, 138}$ = .000, p = .996 > .05, partial eta-squared = .000, power = .050), meaning that there is no moderator effect of product knowledge on the relationship between complexity levels of product and the perceived quality gap. Therefore, **H6d is rejected.**

4.3. Overall Results

Based on the data analysis of 150 respondents for testing hypotheses, results revealed that all main variables including price influences, country of origin effects, and complexity level of product do have a direct impact on consumers' perceptions towards quality differences between brand and counterfeit. Price difference between brand and counterfeit showed a clear positive relationship with the perceived quality gap as expected. What is interesting is that lower-price counterfeit play a significant role in pushing up quality perceptions of higher-price counterfeit in comparison to authentic brand product. Different counterfeits of same product in terms of country of origin are perceived different quality levels when comparing to the original. In particular, Vietnamese consumers showed a more favorable attitude towards counterfeits that made in Southeast Asia area than the ones made in China. Moreover, different complexity levels of product do matter in case of forming quality perceptions of counterfeit. In other words, Vietnamese consumers think that a counterfeit of a low-complex-level authentic product would be easier to produce at higher-level quality than those recreated from a high-complex-level product.

On the other hand, consumers' product knowledge has no moderator effect on other variables and less direct influence on the perceived quality gap. There were actually small differences between those with high and low product knowledge in case of price influences (Figure 4, 5), but such differences were not large enough to be statistical. Only when there is no price cue, consumers with different knowledge would perform differently in assessing quality of counterfeit in comparison to the original (Figure 7).

CHAPTER 5

5. Discussion and Conclusion

5.1. Discussion

As counterfeits have been gradually improved their competitiveness in terms of quality as a result of technological advancement in the context of global economic crisis, genuine luxury brands are at risk of losing their potential customers to their counterfeiting counterparts. The major objective of this research is to investigate main determinants of consumers' perceptions towards the quality gap between brand and counterfeit (price difference between brand and counterfeit, price difference among counterfeits, country of origin, complexity of product, and product knowledge) in the context of non-deceptive counterfeiting. In addition, this study also investigates indirect effects, namely whether the relations between each factor and the perceived quality gap are moderated by consumers' product knowledge. The results of this research are discussed as follows.

In the context of non-deceptive counterfeiting, price influences play a crucial role in forming consumers' perceptions towards the quality gap between brand and counterfeit. The results revealed that the bigger gap in terms of price between these two is, the bigger quality gap is perceived. This illustrates the common knowledge of positive relationship between price and quality as expected. The interesting and surprising fact is that lower-price counterfeit showed the push up effect in terms of quality on the higher-price counterfeit in comparison to the original brand. In other words, one luxury branded product has many counterfeiting counterparts at different price and the highest-price counterfeit would be perceived better quality if the price gap between it and the

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lowest-price counterfeit is big. Similarly, consumers would perceive lower quality for the highest-price counterfeit in case the smaller price gap. One possible explanation for these results could be that in addition to the direct comparison between one brand and its knockoff, consumers also compare the quality among different levels of counterfeits based on price differences. For example, if we have three different counterfeits of only one luxury branded product, namely fake I, fake II, and fake III, and I is the highest price while III is the lowest price. Consumers perceive the quality of I differently even though the prices of both I and the original are fixed, which in particular, higher quality if the price difference between I and III is huge and lower if it is small.

The research results also suggest that both country of origin of counterfeit and complexity of product itself have a significant relationship with the perceived quality gap. Vietnamese consumers prefer counterfeits made in Southeast Asia in terms of quality rather than ones made in China. This is not a surprising fact since Chinese products with their cheap price advantage have influenced Vietnamese for a long time and therefore, forming a durable perception that such products are low in quality. Moreover, the complex level of product does matter to the perceived quality of counterfeits. One possible explanation is that when the complexity of product is low, consumers are able to use their senses to assess the quality of counterfeits. For example in case of clothing, by looking at all visual details or touching the product, consumers would realize that there is not much differences in terms of quality between branded product and counterfeiting counterpart and thus, might choose the cheaper substitution. When the complex level of product is high, however, it might be impossible for consumers to use their senses to identify differences between branded product and its

knockoff. In the presence of lack of quality cues, consumers would prefer branded product in terms of quality than its counterfeit.

The results of this study provide no support to the proposition that product knowledge influences the perceived quality gap as a moderator effect, but partial support to the direct relationship between product knowledge and the perceived quality gap. Even though knowledgeable consumers are more likely to have less influence by main factors (Figure 4, 5), the magnitude is simply not large enough to be statistical significance. One possible explanation for this can be that the power or the chances to find statistical interactions in all four cases are too small. In addition, the main factors including price influences, country of origin, and complexity of product are noted to be superior quality indicator and therefore product knowledge is not strong enough to moderate the relationships between the main factors and the perceived quality gap. Consumers' product knowledge has a direct effect on the perceived quality gap only in case of complexity of product (Figure 7). In other words, when we ask about their perceptions towards the quality of counterfeit in different scenarios of complex level of product knowledgeable consumers are more likely to perceive lower quality of counterfeit in comparison to the original luxury brand in both situations. The rationale behind this might be that the price signals are too dominated in our model compared to other factors. In particular, even consumers with high product knowledge level would mainly assess the quality of counterfeit based on price differences. Only when there is no price signal to make quality judgement, consumers would base on their knowledge to assess quality.

5.2. *Managerial Implication*

The results of this study hold crucial implications for managers and marketers of luxury branded firms in their fight against counterfeiting counterparts. The first and foremost is that it is unnecessary for luxury brands to reduce their prices by promoting pricing strategies. Indeed, there are a lot of consumers whose the first priority is cheap price but those people are not potential customers of luxury branded firms in the first place. Potential customers of luxury brands are those who consider more about quality and are willing to pay higher prices for a good quality product. Therefore, offering cheaper prices is meaningless for luxury branded firms. In other words, luxury companies should keep their prices high and low-priced counterfeits would not be a problem unless such knockoffs become more expensive. Not every knockoff is the threat for luxury brands. Companies should focus more on "expensive" counterfeits and applying marketing strategies to support consumers identifying differences in quality between such counterparts and their products. The rationale behind this strategy is the potential consumers of companies that might be affected by good quality of expensive counterfeits are more conscious about quality than anything else. As mentioned before, the price difference between luxury original brand and expensive counterfeit is more about the marketing costs. If they realize there is no difference in terms of quality between luxury authentic brands and expensive counterfeits, they would probably turn their back on companies and choose counterfeits.

Second, the results show an interesting fact about the indirect effect of lower-priced counterfeits on the perceived quality gap. As we have already discussed, low-priced counterfeits might be not a direct competitor for luxury brands to tackle but they should aware of their presence. Companies should know that for each branded product, there

are many different types of counterfeits at different prices. This research revealed that a lower-priced counterfeit would have a push up effect on a higher-priced counterfeit in terms of quality when comparing to the original. When a branded product has only a few counterfeits and price differences among them are low, the highest-priced counterfeit would not be a big problem for companies. When there are many counterfeits of a branded product and price differences among them are high, however, the highest-priced counterfeit should receive more attentions from companies. Therefore, luxury brands should also analyse thoroughly all categories of counterfeits and aware potential threats that might come from some unexpected counterparts.

Third, not every single counterfeit should be considered as a threat for companies as mentioned before. This time it is not about the price, but about country of origin of counterfeits. For example, the results suggested that counterfeits made in Southeast Asia countries are likely to be more favorable in terms of quality than those made in China are. The implication for this is that knockoffs from China are not a problem for luxury branded firms and they should focus more on the ones from Southeast Asia region. Fourth, complexity of product does matter on consumers' perceptions towards quality of counterfeits. Therefore, companies should understand the level of complexity or the difficulty level to reproduce of their products. If the product itself is not complicated and easy to be copied, managers of luxury firms should apply more technological advancement on production and show that to their consumers. In other words, the strategy here is for marketers to make it sounds "complex" and "complicated product" to their customers, thus, increasing the quality gap between their products and counterfeiting counterparts.

Finally, the results of this study revealed that product knowledge does not matter for consumers to make a judgement about quality of counterfeit in comparison to authentic luxury branded product. In other words, since other factors especially price influences are too dominant, consumers might ignore all their knowledge about the product and decide the quality based on other quality signals. Thus, it is unnecessary for luxury brands to provide courses for enhancing consumers' product knowledge. In short, since consumers would make their quality comparison based on different quality signals as mentioned before rather than knowledge of product, firms' job is to boost and strengthen such signals, leading a bigger perceived quality gap between brands and counterfeits.

5.3. Limitation

As with any study, there are a number of limitations worthy of improvement and future research. This research was conducted by collecting data from targeted consumers only in Hanoi; therefore, the results would probably differ from other consumers from different cities across Vietnam. Moreover, the study applied experimental design that creates artificial scenarios and different variables are very controlled. The results of this study might not represent real-life situations. In other words, the effects of different factors might change when it comes to specific luxury brand name or product. Another limitation of research design is while it is a powerful tool for determining or verifying causation, it typically cannot specific "why" the outcome occurred.

This research also falls short in measuring magnitudes of each factor. The results only show the relationships between each variable and the perceived quality gap, but providing no information about the regression of all variables. It is difficult to conclude

that which factor plays the most important role in shaping the perceived quality gap between brand and counterfeit.

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APPENDIX

APPENDIX 1: Seizures of counterfeit and pirated goods: Top provenance economies (2011, 2012, and 2013)
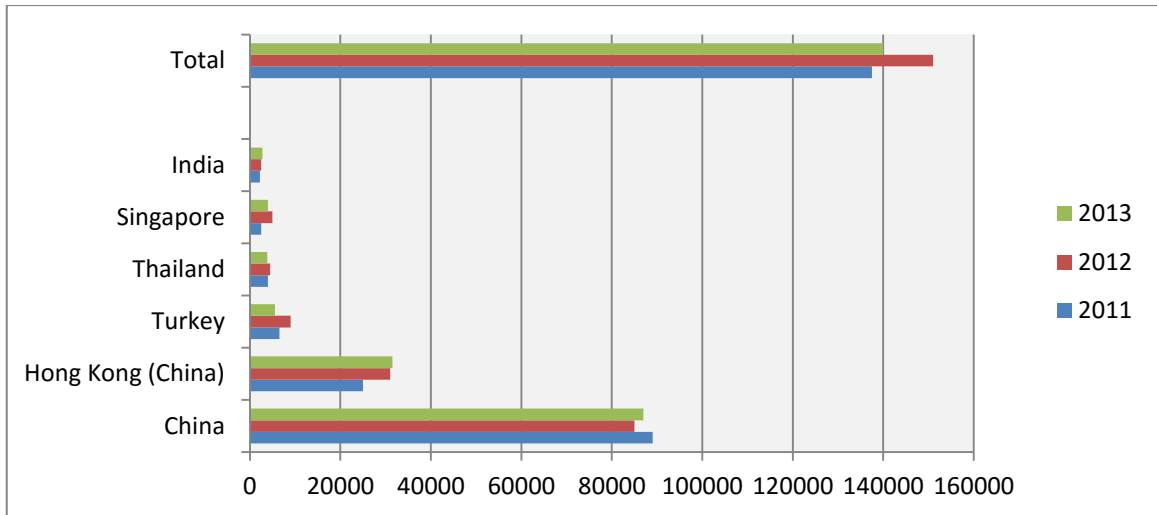
APPENDIX 2: Seizures of counterfeit and pirated goods: Top industries by Harmonised System (HS) codes (2011, 2012, and 2013)
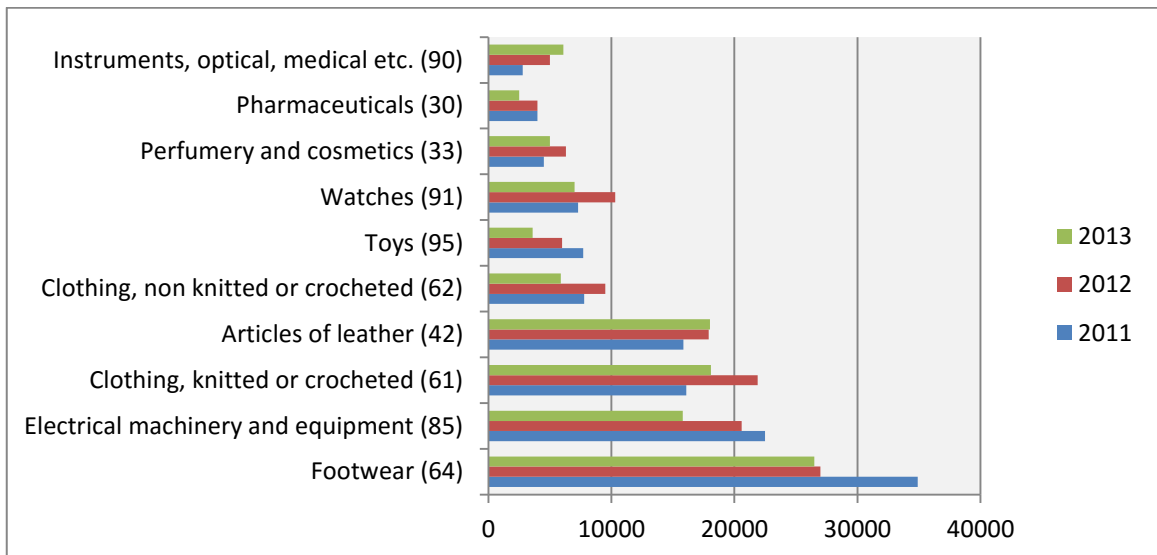
APPENDIX 3: Seizures of counterfeit and pirated goods: Top economies of origin

of right holders whose IP rights are infringed (pooled dataset)
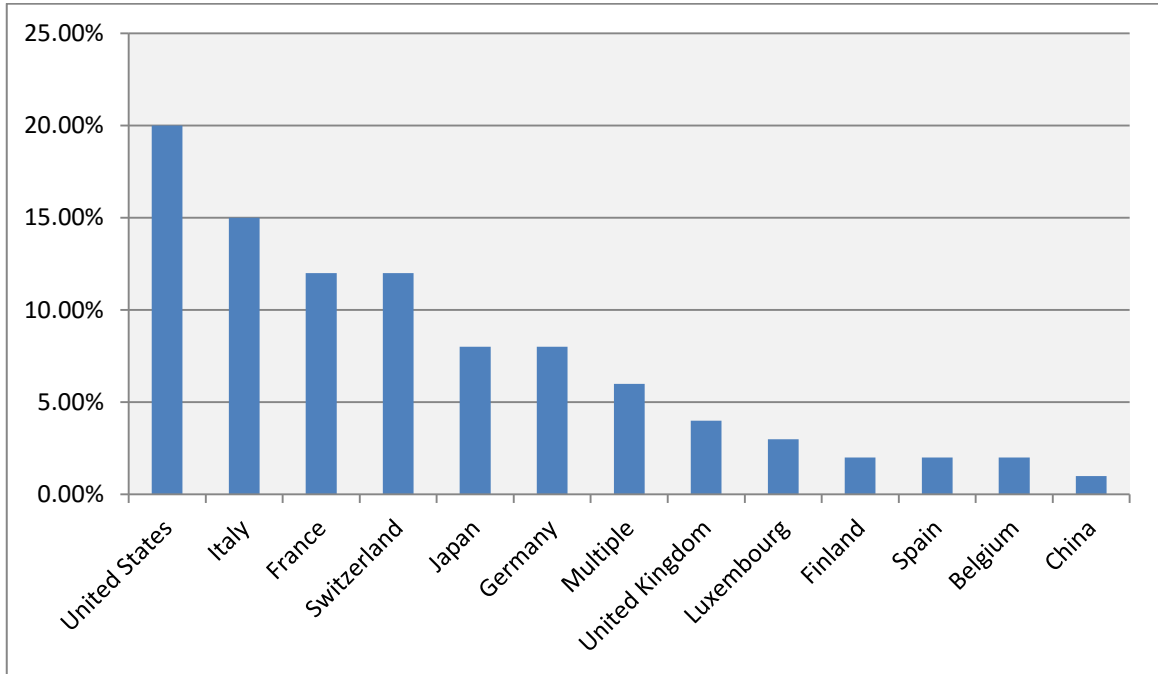
APPENDIX 4: Converse Chuck II – Authentic branded product versus

counterfeiting counterparts

Name	Price (thousand VND)	Percentage (%)
Converse Chuck II	1,300 – 1,500	100
Replica	750	55
Superfake	400	30
Fake 1	280	20
Fake 2	Below 200	10

(Source: http://giayconverse.org/blog-giay-converse/converse-chuck-ii-fake-va-nhung-li-do-ban-nen-so-huu.html, http://www.nguyenanhdung.name.vn/giay-converse/giay-converse-gia-re/5-loai-giay-converse-chuck-ii-fake/)

Survey English version (Group A)

Survey on consumers' quality perceptions of luxury branded counterfeits

Your opinion is extremely valuable for completing this survey. Please complete the questionnaire; it will take only a few minutes. **The information you provide will be confidential and will not be used for any other purposes.** Thanks for your co-operation and time in advance.

Part 1: Counterfeit purchase behaviors

1. Have you ever **knowingly purchased** any kinds of counterfeits of authentic luxury branded goods?

   ◯ Yes

   ◯ No

2. If you choose "yes", please specify names of authentic brands that you purchased their knockoffs below (i.e. Louis Vuitton, Rolex, Channel, etc.)

   _____

Part 2: Consumers' knowledge towards luxury branded counterfeits

Question 1-3: Please choose authentic branded products you think in the following pictures

1. (PK1)

A   B

○ A

○ B

2. (PK2)

A   B

○ A

○ B

3. (PK3)

To identify the authentic branded product in this case, specific parts of these two watches will be provided below

○ A

○ B

Part 3: Price influences

1. Assume that we have an authentic luxury branded product that costs $800. Please choose the quality level of its counterfeit that costs $100. (P1_high)

	1	2	3	4	5	
Very poor quality	◯	◯	◯	◯	◯	Very good quality

2. Assume that we have an authentic luxury branded product that costs $1000. We also have different counterfeits including A, B, and C that cost $600, $570, and $510 respectively. Please choose the quality level of A that costs $600. (P2_low)

	1	2	3	4	5	
Very poor quality	◯	◯	◯	◯	◯	Very good quality

Part 4: Country of origin effects

Question 1-2: Assume that we have two types of counterfeits. One is from China and the other is from other countries (i.e. Southeast Asian including Vietnam, Myanmar, Malaysia, etc.) Please choose the quality level of counterfeits in the following.

1. Counterfeit is made in China. (CO1)

	1	2	3	4	5	
Very poor quality	◯	◯	◯	◯	◯	Very good quality

2. Counterfeit is made in Southeast Asia countries. (CO2)

	1	2	3	4	5	
Very poor quality	◯	◯	◯	◯	◯	Very good quality

Part 5: Complexity of product influences

1. When evaluating a low-level-complex-product (i.e. fashionable clothes), what is the quality level you think a counterfeit could reach? (CP1)

<div style="text-align:center">1   2   3   4   5</div>

Very poor quality   ○   ○   ○   ○   ○   Very good quality

2. When evaluating a high-level-complex-product (i.e. watches, electronic devices, etc.), what is the quality level you think a counterfeit could reach? (CP2)

<div style="text-align:center">1   2   3   4   5</div>

Very poor quality   ○   ○   ○   ○   ○   Very good quality

Survey English version (Group B)

Survey on consumers' quality perceptions of luxury branded counterfeits

Your opinion is extremely valuable for completing this survey. Please complete the questionnaire; it will take only a few minutes. **The information you provide will be confidential and will not be used for any other purposes.** Thanks for your co-operation and time in advance.

Part 1: Counterfeit purchase behaviors

1. Have you ever **knowingly purchased** any kinds of counterfeits of authentic luxury branded goods?

○ Yes

○ No

2. If you choose "yes", please specify names of authentic brands that you purchased their knockoffs below (i.e. Louis Vuitton, Rolex, Channel, etc.)

_____

Part 2: Consumers' knowledge towards luxury branded counterfeits

Question 1-3: Please choose authentic branded products you think in the following pictures

1. (PK1)

A   B

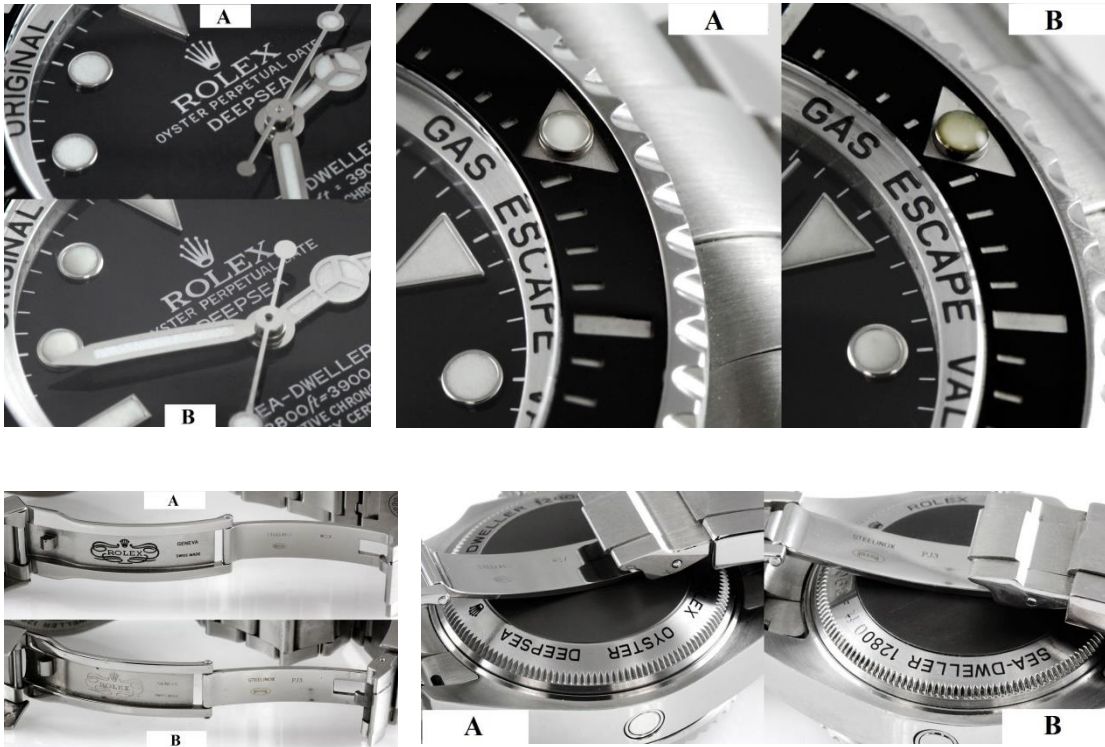◯ A

◯ B

2. (PK2)

A   B

◯ A

◯ B

3. (PK3)

To identify the authentic branded product in this case, specific parts of these two watches will be provided below

○ A

○ B

Part 3: Price influences

1. Assume that we have an authentic luxury branded product that costs $800. Please choose the quality level of its counterfeit that costs $600. (P1_low)

<div style="text-align:center">

     1   2   3   4   5

</div>

Very poor quality ○ ○ ○ ○ ○ Very good quality

2. Assume that we have an authentic luxury branded product that costs $1000. We also have different counterfeits including A, B, and C that cost $600, $380, and $120 respectively. Please choose the quality level of A that costs $600. (P2_high)

<div style="text-align:center">

     1   2   3   4   5

</div>

Very poor quality ○ ○ ○ ○ ○ Very good quality

Part 4: Country of origin effects

Question 1-2: Assume that we have two types of counterfeits. One is from China and the other is from other countries (i.e. Southeast Asian including Vietnam, Myanmar, Malaysia, etc.) Please choose the quality level of counterfeits in the following.

1. Counterfeit is made in China. (CO1)

<div style="text-align:center">

     1   2   3   4   5

</div>

Very poor quality ○ ○ ○ ○ ○ Very good quality

2. Counterfeit is made in Southeast Asia countries. (CO2)

<div style="text-align:center">

     1   2   3   4   5

</div>

Very poor quality ○ ○ ○ ○ ○ Very good quality

Part 5: Complexity of product influences

1. When evaluating a low-level-complex-product (i.e. fashionable clothes), what is the quality level you think a counterfeit could reach? (CP1)

             1   2   3   4   5

    Very poor quality   ◯   ◯   ◯   ◯   ◯   Very good quality

2. When evaluating a high-level-complex-product (i.e. watches, electronic devices, etc.), what is the quality level you think a counterfeit could reach? (CP2)

             1   2   3   4   5

    Very poor quality   ◯   ◯   ◯   ◯   ◯   Very good quality

Survey Vietnamese version (Group A)

Khảo sát nhận thức của người tiêu dùng về chất lượng của hàng giả các mặt hàng chính hãng cao cấp

Những ý kiến của anh/chị vô cùng có giá trị để hoàn thành khảo sát này. Mong anh/chị vui lòng dành vài phút để điền vào bảng câu hỏi dưới đây. **Mọi thông tin anh/chị cung cấp sẽ được giữ kín và không sử dụng vào bất kỳ mục đích nào khác.** Xin trân thành cảm ơn anh/chị đã hợp tác và dành thời gian để giúp tôi hoàn thành nghiên cứu của mình.

Phần 1: Khảo sát về thực trạng tiêu dùng hàng giả

1. Anh/chị đã bao giờ **chủ động mua** bất kỳ một sản phẩm nhái nào của các sản phẩm cao cấp chính hãng chưa?

   ◯ Có

   ◯ Không

2. Nếu anh/chị chọn "có", xin vui lòng ghi rõ tên của các thương hiệu cao cấp mà anh/chị đã mua sản phẩm nhái (ví dụ: Louis Vuitton, Rolex, Channel, v.v.)

   _____

Phần 2: Hiểu biết của người tiêu dùng về hàng giả

Câu hỏi 1-3: Vui lòng chọn sản phẩm chính hãng mà anh/chị nghĩ trong những hình ảnh dưới đây.

1. (PK1)

A   B

○ A

○ B

2. (PK2)

A   B

○ A

○ B

3. (PK3)

Để có thể xác định được đâu là sản phẩm chính hãng trong trường hợp này, những chi tiết cụ thể của hai chiếc đồng hồ sẽ được cung cấp dưới đây.

◯ A

◯ B

Phần 3: Ảnh hưởng của giá

1. Giả sử có một sản phẩm chính hãng có giá 800\$. Vui lòng chọn mức độ chất lượng của sản phẩm nhái có giá 100\$. (P1_high)

<div align="center">

1   2   3   4   5

</div>

Chất lượng rất kém   ◯   ◯   ◯   ◯   ◯   Chất lượng rất tốt

2. Giả sử có một sản phẩm chính hãng có giá 1000\$. Đồng thời có 3 loại sản phẩm nhái A, B, và C có giá lần lượt là 600\$, 570\$, và 510\$. Vui lòng chọn mức độ chất lượng của A có giá 600\$. (P2_low)

<div align="center">

1   2   3   4   5

</div>

Very poor quality   ◯   ◯   ◯   ◯   ◯   Very good quality

Phần 4: Ảnh hưởng của xuất xứ

Câu hỏi 1-2: Giả sử có 2 loại hàng giả. Một loại có xuất xứ từ Trung Quốc và loại còn lại từ một trong những quốc gia trong khu vực Đông Nam Á (ví dụ: Việt Nam, Myanmar, Malaysia, v.v.). Xin vui lòng chọn mức độ chất lượng ở dưới đây.

1. Hàng giả có xuất xứ từ Trung Quốc. (CO1)

<div align="center">

1   2   3   4   5

</div>

Chất lượng rất kém   ◯   ◯   ◯   ◯   ◯   Chất lượng rất tốt

2. Hàng giả có xuất xứ từ khu vực Đông Nam Á. (CO2)

<div align="center">

1   2   3   4   5

</div>

Chất lượng rất kém   ◯   ◯   ◯   ◯   ◯   Chất lượng rất tốt

Phần 5: Ảnh hưởng của mức độ phức tạp của sản phẩm

1. Khi đánh giá một sản phẩm có mức độ phức tạp thấp (ví dụ: sản phẩm thời trang), vui lòng chọn mức độ chất lượng cao nhất anh/chị cho rằng một sản phẩm nhái có thể đạt được. (CP1)

	1	2	3	4	5	
Chất lượng rất kém	◯	◯	◯	◯	◯	Chất lượng rất tốt

2. Khi đánh giá một sản phẩm có mức độ phức tạp cao (ví dụ: đồng hồ, các thiết bị điện tử, v.v.), vui lòng chọn mức độ chất lượng cao nhất anh/chị cho rằng một sản phẩm nhái có thể đạt được. (CP2)

	1	2	3	4	5	
Chất lượng rất kém	◯	◯	◯	◯	◯	Chất lượng rất tốt

Survey Vietnamese version (Group B)

Khảo sát nhận thức của người tiêu dùng về chất lượng của hàng giả các mặt hàng chính hãng cao cấp

Những ý kiến của anh/chị vô cùng có giá trị để hoàn thành khảo sát này. Mong anh/chị vui lòng dành vài phút để điền vào bảng câu hỏi dưới đây. **Mọi thông tin anh/chị cung cấp sẽ được giữ kín và không sử dụng vào bất kỳ mục đích nào khác.** Xin trân thành cảm ơn anh/chị đã hợp tác và dành thời gian để giúp tôi hoàn thành nghiên cứu của mình.

Phần 1: Khảo sát về thực trạng tiêu dùng hàng giả

1. Anh/chị đã bao giờ **chủ động mua** bất kỳ một sản phẩm nhái nào của các sản phẩm cao cấp chính hãng chưa?

   ◯ Có

   ◯ Không

2. Nếu anh/chị chọn "có", xin vui lòng ghi rõ tên của các thương hiệu cao cấp mà anh/chị đã mua sản phẩm nhái (ví dụ: Louis Vuitton, Rolex, Channel, v.v.)

_____

Phần 2: Hiểu biết của người tiêu dùng về hàng giả

Câu hỏi 1-3: Vui lòng chọn sản phẩm chính hãng mà anh/chị nghĩ trong những hình ảnh dưới đây.

1. (PK1)

A   **B**

◯ A

◯ B

2. (PK2)

<center>A   B</center>

○ A

○ B

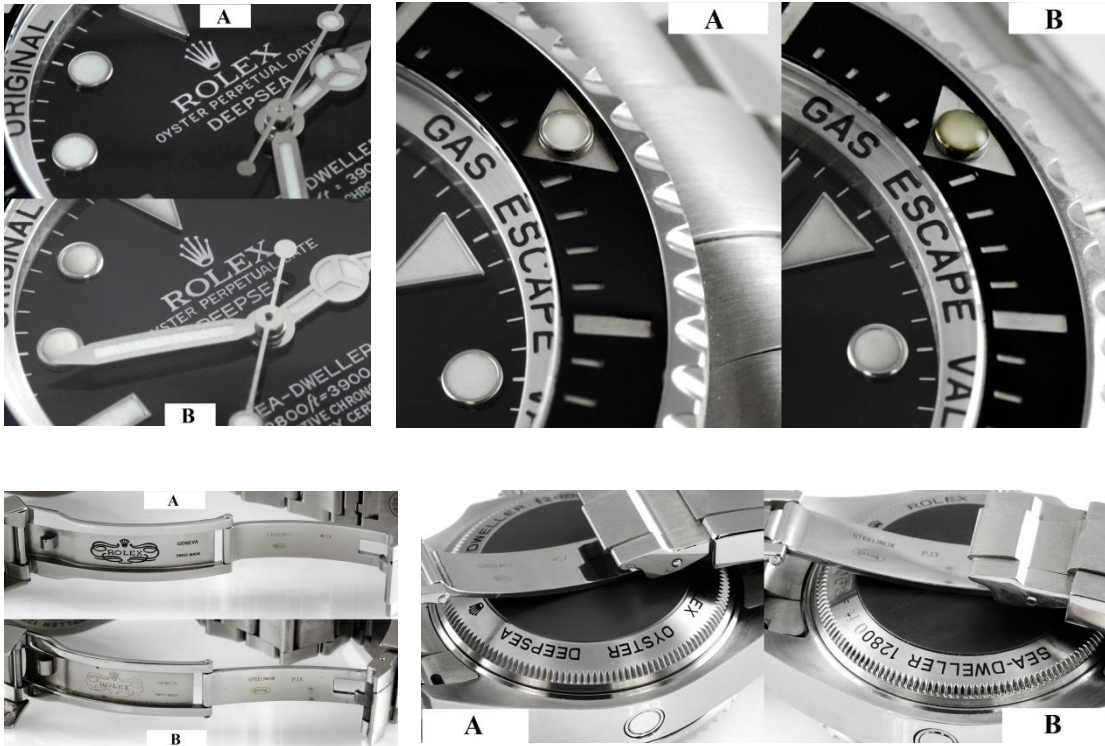3. (PK3)

<center>A   B</center>

Để có thể xác định được đâu là sản phẩm chính hãng trong trường hợp này, những chi tiết cụ thể của hai

chiếc đồng hồ sẽ được cung cấp dưới đây.

○ A

○ B

Phần 3: Ảnh hưởng của giá

1. Giả sử có một sản phẩm chính hãng có giá 800$. Vui lòng chọn mức độ chất lượng của sản phẩm nhái có giá 600$. (P1_low)

	1	2	3	4	5	
Chất lượng rất kém	○	○	○	○	○	Chất lượng rất tốt

2. Giả sử có một sản phẩm chính hãng có giá 1000$. Đồng thời có 3 loại sản phẩm nhái A, B, và C có giá lần lượt là 600$, 380$, và 120$. Vui lòng chọn mức độ chất lượng của A có giá 600$. (P2_high)

	1	2	3	4	5	
Very poor quality	○	○	○	○	○	Very good quality

Phần 4: Ảnh hưởng của xuất xứ

Câu hỏi 1-2: Giả sử có 2 loại hàng giả. Một loại có xuất xứ từ Trung Quốc và loại còn lại từ một trong những quốc gia trong khu vực Đông Nam Á (ví dụ: Việt Nam, Myanmar, Malaysia, v.v.). Xin vui lòng chọn mức độ chất lượng ở dưới đây.

1. Hàng giả có xuất xứ từ Trung Quốc. (CO1)

                         1   2   3   4   5

Chất lượng rất kém ◯ ◯ ◯ ◯ ◯ Chất lượng rất tốt

2. Hàng giả có xuất xứ từ khu vực Đông Nam Á. (CO2)

                         1   2   3   4   5

Chất lượng rất kém ◯ ◯ ◯ ◯ ◯ Chất lượng rất tốt

Phần 5: Ảnh hưởng của mức độ phức tạp của sản phẩm

1. Khi đánh giá một sản phẩm có mức độ phức tạp thấp (ví dụ: sản phẩm thời trang), vui lòng chọn mức độ chất lượng cao nhất anh/chị cho rằng một sản phẩm nhái có thể đạt được. (CP1)

                         1   2   3   4   5

Chất lượng rất kém ◯ ◯ ◯ ◯ ◯ Chất lượng rất tốt

2. Khi đánh giá một sản phẩm có mức độ phức tạp cao (ví dụ: đồng hồ, các thiết bị điện tử, v.v.), vui lòng chọn mức độ chất lượng cao nhất anh/chị cho rằng một sản phẩm nhái có thể đạt được. (CP2)

                         1   2   3   4   5

Chất lượng rất kém ◯ ◯ ◯ ◯ ◯ Chất lượng rất tốt