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UNRAVELING PERCEPTIONS ON COUNTERFEIT GOODS
INSIGHTS FROM THE MALAYSIAN MINDSET

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IN the quest of creating awareness to annihilate the prevailing 'plague' of counterfeiting, attention has almost always centered on several issues, such as the immorality of buying pirated goods and the injustice done to the original producers. On one aspect, the efforts of the relevant authorities in educating the consumers not to condone to fakes should be commended. Yet, on the other end of the continuum, the extent of concern which consumers place on these issues are not truly known and as to whether their views on these issues are significantly related with their counterfeit purchases. This study seeks to provide some insights into the relationship between consumers' perception and their actual purchases of both symbolic and functional counterfeit goods. Utilizing a sample of 185 consumers of counterfeit goods, the study revealed that consumers' perception vary in significance to the two different product types. Surprisingly, for both types of products, the issue of fairness to the originators does not seem to raise any concern among counterfeit goods purchasers. The effects of three influential demographic elements, namely, age, education and income were also investigated. Based on the findings of the study, several recommendations have been made for discussion and policy formulation.

Keywords: Counterfeit Goods, Original Producers, Consumer Perception, Morality, Risk.

Introduction

If imitation is said to be the sincerest form of flattery, it is the kind of compliment that the original producers wish they had never received. Instead of flattery, all that the original producers get from counterfeit goods is a robbery of their products' demand and profits that they so rightfully enjoy. Billions of dollars are lost annually due to copycat culprits originating prevalently from the Asia Pacific region (China, Hong Kong, South Korea, Singapore, Taiwan, Indonesia, Thailand and Malaysia), counterfeiting almost everything under the sun, ranging from soft drinks, batteries, automobile parts, cosmetics, clothes and handbags to software and prescription drugs.

In Malaysia itself, the level of piracy is high, especially for entertainment software, which is estimated at 91 per cent for the year 2004, resulting in a loss of US$ 74 million for the local records and music industry (International Intellectual Property Alliance, 2005). Even more alarming is the fact that Malaysia currently stands as the most infamous producer/exporter of pirated optical disc entertainment software (CDs, DVDs, VCDs, CD-ROMs) in the world. Consequently, this has propelled Malaysia to be placed on the Watch List by the International Intellectual Property Alliance (IIPA).

As part of the steps to combat counterfeiting, the Government of Malaysia, in collaboration with the original vendors and the local media, has attempted to reach out to the public by raising awareness on the severity of buying counterfeit goods. Each day, consumers are bombarded with messages, such as

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publicized cases and seizures ("End-user Apology Notice", dated 26 July 2005 in *The Star*; "Three held, RM 2.2 million in goods seized" (The Star 2005), dated 30 May 2005 in *The Malay Mail*, 2005), warnings of inspection and arrest by the ministry (e.g., Ops Tulen Korporat 2005's nationwide crackdown from 13 June 2005), public awareness campaigns, etc., that are designed to educate the consumers on pertinent issues of counterfeiting or piracy. The messages aimed at the consumers usually revolve around issues like the immorality in buying counterfeit goods, riskiness of buying these goods, fairness to the original manufacturers and sellers, quality and reliability of the goods, etc..

Despite all the pains taken to edify the consumers on the above-mentioned matters, it is unknown what the consumers perceive of these issues. We are devoid of any inkling on what goes in the consumers' mind when it comes to purchasing counterfeit goods, whether these issues are important to them to the extent that it can potentially determine whether they purchase fake goods or not. Are the consumers immune to those pertinent issues? Have they completely lost their sense of ethicalness? Another concern would be the lack of information regarding those who purchase counterfeit goods. Statistics on the number of goods confiscated and the losses incurred are certainly aplenty but there is also a need for an exposé on the types of consumers who buy counterfeit goods based on three important demographics, viz., age, education and income.

In reference to the predicament posed above, the study is intended we hoped to achieve the following objectives towards a better understanding of consumers' behavior on counterfeit goods: (1) To determine the specific issues that influences the actual purchases of the counterfeit products, (2) To uncover the disparities in actual purchases with respect to various age groups, educational attainment, and income levels.

Pertinent Issues

Risk in buying counterfeit goods

Buying counterfeit goods are considered a risky venture given that there's a possibility that consumers may lose money (financial risk) if their counterfeit purchase is faulty or unreliable (Wee, et al., 1995). With all the enforcement crackdown activities taking place lately, one also faces the prospect of being charged and arrested if one is caught buying or using a pirated goods, like computer software (legal risk). Moreover, one also faces the risk of being ostracized or condemned for buying counterfeit products (social risk) if the social group to which one belongs or aspires to belong does not approve of such purchases (Ang, et al., 2001; Ramayah, et al., 2002). All these in consideration, the more consumers perceive it to be risky buying counterfeit goods, the less they will buy. Therefore, it is expected that

H1a: The risk in buying counterfeit goods is negatively associated with the purchase of symbolic counterfeit goods.

H1b: The risk in buying counterfeit goods is negatively associated with the purchase of functional counterfeit goods.

Trust in stores that sell counterfeit goods

Imitation goods have become so common these days that they are available almost everywhere, ranging from the shopping malls, night markets and hot tourist spots to roadside peddlers (Othman, et al., 2003). Looking at the types of places mentioned above is already sufficient to turn off the consumers' interests in buying counterfeit goods. Therefore, we believe that the more consumers mistrust the places (or stores as a more apposite term covering all places) that carry fake goods, the less likely they are in buying them. Hence,

H2a: The trust in stores that sell counterfeit goods is negatively associated with purchases of symbolic counterfeit goods.

H2b: The trust in stores that sell counterfeit goods is negatively associated with purchases of functional counterfeit goods.

Value for money

Although it is very obvious that counterfeit goods are much cheaper than the original ones, a trade-off exists, wherein, the counterfeited goods are believed to be of lesser quality compared to the original ones. In short, large cost savings seem useless if the counterfeit goods that are purchased do not even meet acceptable standards of quality and performance. The more consumers think that counterfeit goods do not give value for money, the more they will avoid buying them. With this, we claim that

H3a: The value for money of using counterfeit goods is negatively associated with purchase of symbolic counterfeit goods.

H3b: The value for money of using counterfeit goods is negatively associated with purchase of functional counterfeit goods.

Fairness to the original producers

Counterfeiting can be seen as a form of theft. There is no doubt that it is unfair to the original manufacturers and producers because the copycats get to reap profits from creators who had labored hard generating the ideas. Moreover, the presence of counterfeit goods undeniably has affected the demand and reputation of the original brand in a negative way. The more consumers perceive that injustice is done by purchasing counterfeit goods; the less likely they are to purchase the fakes but rather prefer the real 'McCoys'. In this respect, we state that

H4a: The fairness to the original producers is negatively associated with buying symbolic counterfeit goods.

H4b: The fairness to the original producers is negatively associated with buying functional counterfeit goods.

Morality of buying counterfeit goods

At times, buying counterfeits can kill one's conscience. The feeling of ethics comes into picture as counterfeit goods are actually 'stolen' intellectual property whereby they are being copied and then sold without the permission from the original producers. The morality of using computer software for instance is among the many issues that has aroused much attention and concern. For consumers who have a strong sense of morality rooted in them, they would abstain from buying counterfeit goods. In this respect, we argue that

H5a: The morality of buying counterfeit goods is negatively associated with purchase of symbolic counterfeit goods.

H5b: The morality of buying counterfeit goods is negatively associated with purchase of functional counterfeit goods.

Research Framework

The variables of interest in the study are conceptualized in Figure 1.

As listed in the figure, the independent variables, comprise five various issues of counterfeit goods; risk in buying counterfeit goods, trust in stores that sell counterfeit goods, value for money, fairness to the original producers and the morality of buying counterfeit goods. These independent variables are hypothesized to be related to as well as affect the actual purchases of counterfeit goods. In its very

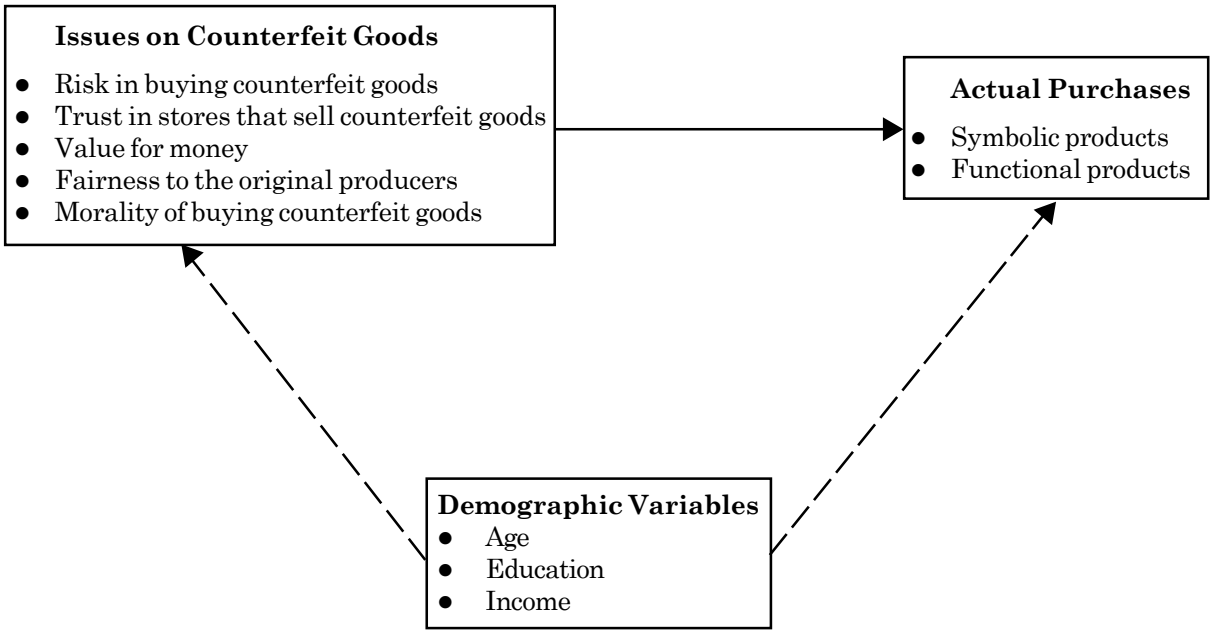

Figure 1: Research Framework

essence, products exist to satisfy human needs. Past theory and research (Park, et al., 1986; Mittal, 1988; Mittal et al., 1990; Bhat & Reddy, 1998) have indicated that consumers' needs are driven by two basic motivations; i.e. functional/utilitarian as well as symbolic/expressive have led us to assert that counterfeit goods, similar to their original counterparts, can be divided into two types. The symbolic kind which serves to enhance user's self-image or augment their social identification (this product will make me look great, intelligent or rich). Goods like branded clothing, leather goods, perfume and watches fit into this particular description. On the other continuum would be the goods that bring utilitarian benefits to its user, solving some specific or practical need of consumption (this product will save me time or money, do a better job or provide a more enjoyable experience). Computer software, music CDs and motion picture DVDs and VCDs are among some instances of functional counterfeit goods. Demographics such as age, education and income are considered as control variables as they are alleged to have significant effects on the consumers' responses on views and actual purchases of counterfeit goods.

Methodology

The sample for this study consisted of consumers of counterfeit goods located in the northern region of Malaysia, specifically Penang. The choice of Penang as a 'destination' of study seemed appropriate considering that Penang houses a proliferation of counterfeit goods, ranging from fake branded handbags and clothing peddled in the night markets in Batu Ferringhi, to the entertainment CDs, VCDs and DVDs products, sold in commercial retail centers, like Prangin Mall as well obscure, out-of-town outlets. The respondents included both working and non-working people ranging 15 year old to persons of 50 and above, who include both highly and less educated. Most importantly they have knowingly and intentionally purchase at least one type of counterfeit product before. Convenience sampling was employed as probability sampling was considered complicated and costly. Self-administered questionnaires were distributed to respondents at offices, secondary schools, higher institutions and residential areas. Measurement items in the questionnaire were adopted from a previous study conducted by Ramayah, et al. (2002). The respondents were asked to give their opinion on 13 statements relating to counterfeit

goods issues on a 5-point Likert scale (ranging from 1=strongly agree, to 3=neutral, and 5=strongly agree) and how frequently they purchase a given list of counterfeit goods, based on a 6-point Likert scale (0 = not at all to 5 = very frequently).

Analyses and Results

Sample Profile

Out of the total 230 questionnaires distributed, only 188 questionnaires were returned. 3 questionnaires were excluded because a large number of the questions were not answered. Hence, only 185 questionnaires were used for data analysis, thereby giving a response rate of 80.4 per cent. The demographic profile of the respondents in given in Table 1.

Table 1: Demographic Profile of Respondents

Demographic	Categories	Frequency	%
Gender	Male	87	47.0
	Female	98	53.0
Age	15 – 19	30	16.2
	20 – 29	52	28.1
	30 – 39	59	31.9
	40 – 49	27	14.6
	50 and above	17	9.2
Ethnic	Malay	24	13.0
	Chinese	148	80.0
	Indian	13	7.0
Education level	Secondary or less	39	21.2
	Pre-university and diploma	51	27.7
	Degree or higher	94	51.1
Occupation	Professional/Technical	78	42.4
	Managerial/Administrative	20	10.9
	ClericalSales/Service	12	6.5
	Student	13	7.12 6.1
	Retired	48	3.8
	Others	76	3.3
Personal monthly income	RM 1000 or less	61	33.2
	RM 1001 – RM 2000	46	25.0
	RM 2001 – RM 3000	53	28.8
	More than RM 3000	24	13.0

The sample consists of an almost equal representation of males (47%) and females (53%). The majority of respondents belonged to the age group of 30 to 39 year olds (31.9%) and were highly educated; signified through their bachelor's or postgraduate degrees (51.1%). Taking into account the fact that Penang is a heavily Chinese-populated State, it remains unsurprising that the respondents sampled are predominantly Chinese (80%). In terms of occupation and income, most of the respondents held professional/technical positions (42.4%), earning around RM 1000 or less (33.2%). Thus, the sample is a reasonably representative in respect of the population, with considerably balanced number of respondents under each demographic category.

Goodness of Measures

A principal component factor analysis with varimax rotation was run to validate the 13 measurement items of the independent variables. Adhering to Igbaria, et al.'s (1995) criteria, only loadings of 0.50 or higher on one factor and 0.35 or lower on the other were considered. Opposed to the five proposed factors, all items were loaded onto four factors instead whereby the total variance explained was 65.9%. The KMO measure of sampling adequacy was 0.768, indicating sufficient intercorrelations while the Bartlett's Test of Sphericity was found significant (Chi square=906.74, p<0.01). Two items were excluded from the study. Item V5AFFORD was loaded into a component of a different priori, while item V13OKAY was dropped due to significant cross-loadings. The four factors finalized for this study include fairness to the original producers (Factor 1), implicit impressions of counterfeit goods (Factor 2), morality of buying counterfeit goods (Factor 3) and risk in buying counterfeit goods (Factor 4). Subsequently, the internal consistency of the items was verified by conducting the reliability analysis. The reliability coefficients for all the four factors met the minimum required level of 0.70 suggested by Nunnally (1978); fairness to the original producers (a=0.814), implicit impressions of counterfeit goods (a=0.69), morality of buying counterfeit goods (a=0.899) and risk in buying counterfeit goods (a=0.701). The values obtained from both factor and reliability analyses for the items on views towards counterfeit goods are presented in Table 2.

Table 2: Factor Analysis on Counterfeit Goods Issues

Item Code	Items of Views on Counterfeit Goods	Factors			
		1	2	3	4
	Risk in buying counterfeit goods				
V1RISK	It is illegal to buy counterfeit goods.	0.145	0.086	-0.01	**0.831**
V2RISK	It is quite risky to buy counterfeit goods.	0.212	0.224	-0.093	**0.725**
	Trust in stores that sell counterfeit goods				
V3TRUST	I do not trust stores that sell counterfeit goods.*	0.051	**0.592**	0.129	0.535
V4TRUST	Stores that sell counterfeit goods usually do not project a good image.	0.048	**0.658**	0.266	0.358
	Value for money				
V5AFFORD	Counterfeit goods are more affordable.	0.081	-0.025	**0.589***	-0.074
V6VALUE	Counterfeit goods are of inferior quality.	0.180	**0.750**	0.003	0.125
V7VALUE	Counterfeit goods do not give value for money.	0.266	**0.762**	0.158	-0.053
	Fairness to the original producers				
V8FAIR	Counterfeit goods are not fair to the original manufacturers and producers because it robs them of their profits.	**0.859**	0.155	0.096	0.167
V9FAIR	Counterfeit goods affect the reputation of the genuine brand.	**0.813**	0.249	0.140	0.097
V10FAIR	Counterfeit goods affect the demand for the original goods.	**0.766**	0.102	-0.023	0.179
	Morality of buying counterfeit goods				
V11MORAL	People who buy counterfeit goods have no morals.	0.168	0.242	**0.841**	0.085
V12MORAL	Only unethical people buy counterfeit goods.	0.120	0.257	**0.818**	-0.014
V13OKAY	It is okay to purchase counterfeit goods.**	0.331	0.446	0.483	-0.712
	Percentage of Variance (65.9%)	17.839	17.0	16.213	14.851
	Eigen Value	4.372	1.776	1.346	1.073
	Chronbach's Alpha	0.814	0.690	0.899	0.701

* Item dropped due to irrelevancy (does not match with other items loaded on the same component)
** Item dropped due to cross loadings

Similarly, factor and reliability analyses were carried out for the items in the dependent variable, i.e., actual purchases of counterfeit goods. All items loaded onto their respective constructs as postulated, which were symbolic counterfeit goods (Factor 1) and functional counterfeit goods (Factor 2). The total variance explained by both factors yielded 71.64 percent. The KMO measure of sampling adequacy was 0.762, signifying sufficient intercorrelations while the Bartlett's Test of Sphericity was significant (Chi square=590.74, $p<0.01$). The results of the factor and reliability analyses for actual purchases are presented in Table 3.

Table 3: Factor Analysis of Actual Purchases

Item Code	Items of Actual Purchases	Factors	
		1	2
P1CLOTHE	I purchase counterfeit branded clothing.	**0.866**	0.171
P2LEATHE	I purchase counterfeit branded leather goods.	**0.861**	0.151
P3WATCH	I purchase counterfeit branded watches.	**0.769**	0.152
P4PERFUM	I purchase counterfeit branded perfume.	**0.777**	-0.03
P9VCDS	I purchase pirated movie video compact/digital video discs (VCDs/DVDs).	0.167	**0.893**
P10MUSIC	I purchase pirated music compact discs (CDs) and cassettes.	0.122	**0.885**
P11SOFTW	I purchase pirated computer software.	0.048	**0.790**
	Percentage of Variance (71.64%)	39.041	32.594
	Eigen Value	3.211	1.804
	Chronbach's Alpha	0.846	0.826

Revised Framework

The framework was revised in respect to the changes made after performing the factor analysis (Figure 2). The initial variables of 'trust in stores that sell counterfeit goods' and 'value for money' were combined and renamed as 'implicit impressions of counterfeit goods'.

Although not often pondered upon, counterfeit goods do convey some unspoken but understood messages to observers. In our current materialistic and status-conscious society, counterfeit goods are frequently regarded as cheap and distasteful, totally unreliable, inferior in quality and in some cases, even harmful. Being found in possession of counterfeit goods, one faces the likelihood of being considered as 'low-class', miserly, poor, rich-man wannabe and, etc.. Given the many negative impressions surrounding the use of counterfeit goods, it is expected that this will affect their purchase decisions of counterfeit goods. Thus,

H4a: The implicit impressions are negatively associated with the purchase of counterfeit symbolic goods.

H4b: The implicit impressions are negatively associated with the purchase of counterfeit functional goods.

Apart from that modification, all other variables proposed in the framework remain unchanged.

Descriptive Analyses

Mean scores were computed for the variables examined in this research. The variable, fairness registered the highest value with a mean of 4.059 while morality recorded the lowest mean (2.083).

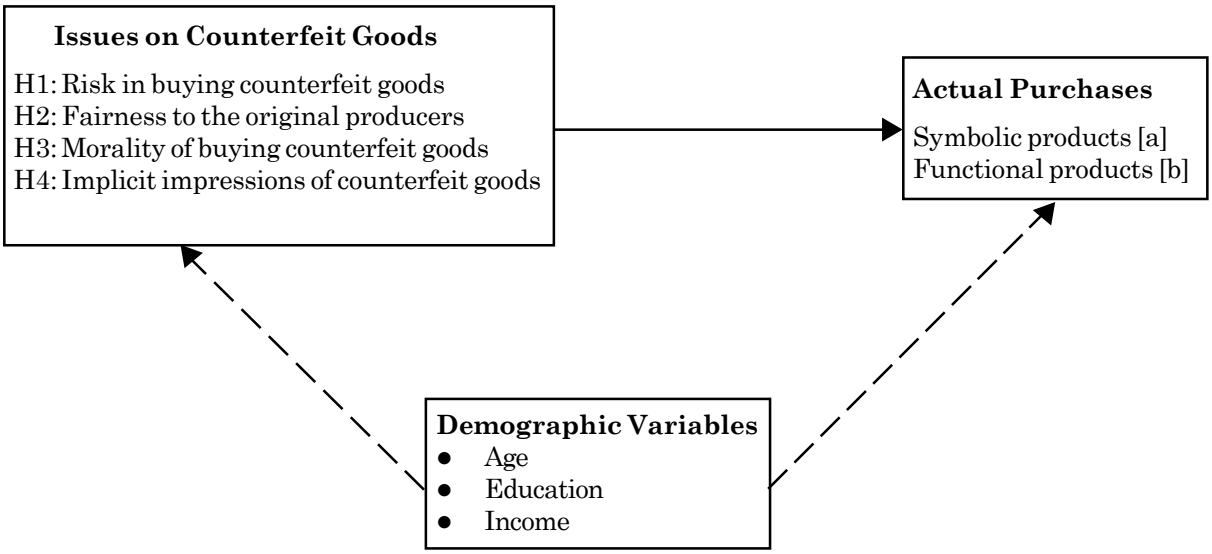

Figure 2: Revised Framework

With reference to the two types of counterfeit goods, functional products scored a higher mean value compared to symbolic products (2.551>1.045).

The results of the descriptive analysis are summarised in Table 4.

Table 4: Descriptive Statistics

	Mean	Std. deviation
Risk in buying counterfeit goods	3.616	1.00
Fairness to the original producers	4.059	0.858
Morality of buying counterfeit goods	2.083	0.976
Implicit impressions of counterfeit goods	3.252	0.879
Symbolic counterfeit goods	1.045	1.052
Functional counterfeit goods	2.551	1.505

Pearson Correlation Analysis

Pearson correlation analysis was run to assess if multicollinearity exists between all variables. Strong multicollinearity effects are said to exist if the values of any pair of 2 predictor variables registered values above 0.70. Looking at the results in Table 5, it can be observed that the contention for severe presence of multicollinearity is unfounded. All independent variables were siginificantly but not highly correlated, except for the pair of morality-risk, thereby verifying that the constructs are comparatively distinct from each other. Predictive validity was also established between all independent variables (with the exclusion of fairness) and the two dependent variables of symbolic and functional counterfeit goods, indicating that consumers' views are linked to the purchases of counterfeit goods.

Multiple Regression Analysis

To tests the hypotheses of the study, the consumers' views on counterfeit goods were regressed on the two dimensions of actual purchases of counterfeit goods, namely symbolic and functional goods.

Table 5: Inter-Correlations Among Views on Counterfeit Goods and Actual Purchases

	Risk	Fairness	Morality	Implicit	Symbolic	Functional
Risk	1.00					
Fairness	0.360**	1.00				
Morality	0.105	0.269**	1.00			
Implicit	0.370**	0.410**	0.401**	1.00		
Symbolic	-0.165*	-0.057	-0.166*	-0.188*	1.00	
Functional	-0.173*	-0.094	-0.235**	-0.257**	0.266**	1.00

*p<0.05, **p<0.01

Age, education and income were believed to differ in their respective dimensions with regards to their views and actual purchases of counterfeit goods. Nonetheless, these variables might have a significant effect on both the independent and dependent variables, hence, resulting in the 'control' of these variables. Table 6 presents a summary of the regression results. Control variables comprising of age, education and income were entered in the first equation, accounting for as much as 23.1% of variance in the purchases of symbolic counterfeit goods.

Table 6: Summary of Multiple Regression Results

Independent Variables	Symbolic		Functional	
	Std. Beta (Model 1)	Std. Beta (Model 2)	Std. Beta (Model 1)	Std. Beta (Model 2)
Control Variables				
Age (50 and above=benchmark)				
15 – 19	-0.037	-0.131	0.075	-0.044
20 – 29	0.139	0.080	-0.002	-0.070
30 – 39	0.488***	0.428	-0.022	-0.097
40 – 49	0.108	0.098	0.013	-0.009
Education (Degree or higher = benchmark)				
Secondary or less	0.362***	0.347	-0.217**	-0.218
Pre-university and diploma	0.342***	0.324	-0.106	-0.134
Income (more than RM3000 = benchmark)				
RM 1000 or less	-0.421***	-0.313	-0.159	-0.053
RM 1001 to RM 2000	-0.374***	-0.306	-0.317***	-0.245
RM 2001 to RM 3000	-0.259***	-0.128	-0.248***	-0.104
Model Variables				
Risk		-0.147*		-0.191**
Fairness		0.046		0.072
Morality	-0.074		-0.155*	
Implicit impressions	-0.171**		-0.155*	
R^2	0.231	0.295	0.094	0.189
Adj. R^2	0.187	0.236	0.047	0.127
R^2 Change	0.231	0.064	0.094	0.096
F Change	5.328***	3.553***	1.994**	5.012***

*p<0.10, **p<0.05, ***p<0.01

With regards to the symbolic products, the age bracket of 30-39 registered a higher value than respondents between 50 years old and above, with no significant differences for the rest of the age groupings. In addition, respondents who received at least a tertiary level of education charted a somewhat more conservative and lower value in the purchase of symbolic products as opposed to their counterparts (i.e. secondary, pre-university and diploma). Contrary to general supposition, the middle and lower income groups (i.e. RM 1000 or less, RM 1001 to RM 2000 and RM 2001 to RM 3000) were actually discovered purchase less of symbolic counterfeit goods compared to those earning RM 3000 and above.

In the second stage, all the control variables and the 4 variables on issues were entered into the equation, yielding a combination of 29.5 percent of the variation in the actual purchases of symbolic counterfeit goods. It can also be observed that risk ($\beta = -0.147$, $p<0.1$) and implicit impressions ($\beta = -0.171$, $p<0.05$) were negatively related to the purchases of symbolic counterfeit goods, with an addition of 6.4 percent to the control variables explanatory power. Therefore, H1a and H4a were supported.

In terms of functional products, there was no evidence to substantiate the difference in purchasing patterns between age groupings. Interestingly however, it can be observed that those with at least a bachelor's degree exhibited a more favorable disposition towards functional products while those earning larger incomes (i.e. > RM 3000) were the ones who displayed a propensity to purchase more functional pirated goods in comparison to the middle income groups of RM 1001 to RM 2000 and RM 2001 to RM 3000. All in all, the control variables could only explain a rather low percentage of the variance found in purchases of functional products ($R^2 = 0.094$).

Similar to symbolic products, risk ($\beta = -0.191$, $p<0.05$) and implicit impressions ($\beta = -0.155$, $p<0.1$) was significantly related to functional counterfeit goods. While morality did not prove significant for symbolic products, it was the reverse for functional products ($\beta = -0.155$, $p<0.05$). The inclusion of all control variables and the model variables resulted in a change in the R2 value of 9.6%. Therefore, we accept H1b, H3b and H4b.

One noteworthy observation was derived from the R2 change from both the symbolic and functional equations. Demographic variables exhibited a greater explanatory power than the model variables on the purchases of symbolic counterfeit goods. Conversely, model variables portrayed a slightly higher influence on the purchases of functional counterfeit goods as opposed to symbolic ones.

Discussion

The results revealed that consumer views vary in significance for different types of products. The purchase of symbolic counterfeits is influenced by their views on issues like the risk in buying and also the implicit impressions underlying the purchase of those goods. In the consumer's mind, symbolic goods comprising the likes of clothing, watches, and perfume and leather goods are products that are used to boost one's self-image by conveying messages like affluence, wealth and status. Thus, it is not surprising that the implicit impressions portrayed through using counterfeits (e.g. Fake Prada bags are used by low class people) play a role in consumers purchase decision of symbolic counterfeit goods. The significance of the risk factor in determining the purchase of counterfeit goods can possibly be explained by local authorities having informed lately that actions will be taken against those who are found in possession or bringing in fake luxury bags (e.g. LV bags) and accessories from neighbouring countries (i.e., Thailand).

As for functional counterfeit goods, the issues of morality, risk and implicit impressions were found to be significantly related in determining the purchase decision of these goods. The crackdowns and warnings issued by the enforcement officers in busting piracy as well as the 'buy original' campaigns

championed by artistes and actors have certainly proved to be effective. Consumers now realize that buying counterfeit DVDs/VCDs, CDs and software is not worthwhile. The fear of having caught buying or owning (risk) or being spotted in sleazy stalls (implicit impressions), and the consciousness that buying the original goods is an ethical act of supporting intellectual properties (morality) are all contributory in reducing the consumers' purchase of functional goods.

It is interesting to note that for both types of products, the issue of fairness to the originators does not seem raise any concern among those who buy fake goods. Instead of thinking that injustice is done to the original makers, consumers on the other hand feel that injustice is done on their part as the real items are priced ridiculously exorbitant making them unaffordable to the mass public. To illustrate, the price of a Louis Vuitton monogram leather handbag is easily equivalent to a one-month salary for some people (around RM 1000 to RM 1500). In a word (or many words for that matter), consumers do not really believe that buying counterfeits can affect the reputation and demand of the real items (as real items already have solid, unshakable, strong brand names) or rob the original makers of their profits (in consumers' opinion, the original makers have already profited from them by charging such high prices for the real items).

Recommendations

The findings of this study have provided some valuable insights on Malaysian consumers' perceptions of purchasing counterfeit goods. Based on the revelation obtained, we propose several recommendations in hope that these recommendations can be of assistance in fighting the war of counterfeiting. To begin with, local policy makers should target the well-educated and higher income group. These are the two groups which showed greater propensity to purchase more counterfeit goods. Regardless of their educational achievement or comfortable paychecks, these groups of people still continue purchasing fake products especially optical discs. They have no regard towards the injustice done to the original makers. Nevertheless, they do care about the risk involved in buying counterfeit goods, be it financial risk (losing money if counterfeit goods found faulty) or social risk (what would others think if I'm buying imitation goods). Perhaps this can be attributed to the reason that most of these highly paid consumers comprise of Chinese ethnicity. The Chinese are notorious for being more calculative, stingy and possess a tendency to mull over the 'value-for-money' factor when it comes to virtually everything. In addition, 'face' and pride is extremely important in the Chinese community. Therefore, in reaching out to these group of people, messages aimed at educating them about the piracy must be designed in such a way showing that buying "counterfeit good really does not give value for money but rather makes you lose money" (show that copycats are faulty and unreliable and may even cause the electrical items playing the optical discs to break down = lose money in repair). Apart from that, policy makers can also utilize the face factor, stressing on the humiliation and embarrassment that one might get if they are criminally prosecuted for purchasing or possessing fake optical discs by the local authorities.

Secondly, different approaches can be used in accordance to discourage the purchase of symbolic and functional goods. For functional products, policy makers should focus more on the aspect of risk in purchasing counterfeit goods as well as stress on the immorality of purchasing counterfeit goods. Forget about fairness to the original makers as consumers don't seem to be bothered by this issue. Nevertheless, it does not mean that policy makers should discount educating the public on the issue of fairness. The idea here is to downplay the injustice issue and concentrate on instilling the 'fear factor' in the riskiness of using pirated goods. On the other hand, policy makers should espouse the issue of implicit impressions conveyed through using symbolic counterfeit goods. Again, here the issue of fairness to original makers and immorality does not strike a chord in the conscience of the consumers but rather what might, is the appearance factor. Advertising messages aimed at the purchasers or potential purchasers of symbolic counterfeits for instance can portray how being spotted wearing fake clothing and the like can transmit negative impressions about the user to those around him/her.

Conclusion

Counterfeit goods remain one of the problems that can not be easily wiped out overnight. Fighting counterfeiting requires the co-operation of all parties, namely, the government, firms (original producers) and most importantly the consumers themselves. It is imperative that consumers understand and acknowledge the importance of intellectual property rights and the detrimental effects that follow if these rights are violated. As rightly stated by Ang, et al. (2001), it is the acceptance of unethical behavior such as condoning fakes and buying stolen goods that undermines the strength of an economy. Without respect to the intellectual property rights and regard to the injustice done to the original producers, we lose the basis of a responsible and sensitive consumer-society.

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