



Factors Surrounding Adolescents' Counterfeit Purchasing: An Exploratory Study

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Worldwide counterfeit imports are estimated nearly a half a trillion dollars in 2013, a double the OECD estimate in 2008 (OECD / EUIPO, 2016). The U.S. Customs and Border Protection (CBP) reported continuously increasing figures in intellectual property rights related seizures during the last decade. In 2016, the total retail dollar amount of seizures reached nearly \$1.4 Trillion had they been genuine (CBP, 2017). Over a half of the total 31,560 seizures were fashion categories: wearing apparel (20%) and footwear (12%), followed by handbag/wallet (10%). The significant increase of counterfeit trade over the last decades is due to increased trade as well as increased consumer demands (OECD / EUIPO, 2016). Legal and policy interests have primarily been placed on combating the production and distribution parts of counterfeit trade. However, in the secondary market, consumers look for and knowingly purchase counterfeit products for bargains or other symbolic gains. As the availability and sources of counterfeited goods significantly rise and the routes and trafficking methods become more diversified and sophisticated, control at the demand side becomes urgent.

The social control theory (Hirshi, 2002), originally developed in 1969, discusses the effect of socialization and norms on people's deviant behaviors. The beliefs of our society shape moral norms in people. The theory assumes that deviance is a natural phenomenon in humans and thus requires no intense motivation. The theory notes that, during earlier in the stages of life, individuals are prone to deviant behavior and as they age the tendency decreases. Steinberg (2007) explained adolescents' behaviors from two brain networks that interact with one another: the socio-emotional network and the cognitive-control network. The socio-emotional network is easily activated in the adolescent stages of life as the cognitive-control network experiences slower change as the adolescent grows into adulthood. Interestingly, adolescents use the cognitive-control network more than adults, thus the information their brain retains is limited for various decision making. They tend to act on instinct rather than reason. They tend to make their decisions based on feelings and the small amount of information they do have stored and possibly based on short-term rewards they are to receive by performing a certain act.

Research regarding the secondary market has been directed toward understanding the normative factors (attitude toward counterfeiting, beliefs, significant others, importance of status) of counterfeit purchasing (e.g., Ha & Lennon, 2006). The basis of these studies is that humans are cognitive and therefore norms and beliefs impact their counterfeit purchasing behaviors. No studies have been conducted to investigate emotional or habitual counterfeit purchases among adolescents. The purpose of this study was to investigate the effects of personal and social factors of adolescents' counterfeit purchasing. A focus group interview was conducted to identify the variations of counterfeit purchase situations, psychological responses (thoughts and emotions), and previous counterfeit purchase experiences. The focus group consisted of six 16 -18 years old female adolescents enrolled in a high school in a southern state.

The results show that use of socio-emotional network is prevalent in the subjects' counterfeit purchasing behavior. Subjects expressed that status was irrelevant; rather, their 'liking' of the item was the primary factor of purchasing. They associated peers wearing or carrying luxury brand items with an attitude of being "better than everyone else" with a negative connotation. Not being in the group, subjects were not interested in such status. Rather, subjects have expressed personal preference or liking of specific items as the primary motivation of purchasing. Looks and coolness were found important for their purchasing in general. Peer groups also appeared to be important factor of their perceptions and behaviors, yet coolness, appearance, or brands do not appear to be the factors of being in a certain group or being popular. They did not care whether their peers knew the items they wore or carried were counterfeits and would have revealed the origin to others if asked.

Past counterfeit purchase experience of their own and family members were found influential in subjects' counterfeit purchasing. Two subjects expressed a feeling of intimidation that they experienced in a 'shack' while purchasing counterfeit goods, yet they said such feeling would have not been there if family or friends were present with them. One subject shared her experience of purchasing counterfeit handbags with her mother and the excitement of her mother made her feel comfortable. Subjects agreed to such feelings when shopping with family and friends. The most interesting finding of this study is that the subjects perceived or believed that that counterfeit goods and counterfeit purchasing were nothing but normal, and even enjoyable if someone shares the experience. All subjects were unaware of anything negative about counterfeit merchandise and felt no guilt or responsibility.

Consistent to social control theory, counterfeit purchasers are likely to purchase counterfeits and family plays a significant role in it. Common assumption that counterfeit purchasers seek status or symbolic gains was not supported in this study. The finding that the adolescents do not have any negative or anti-social perceptions regarding counterfeit purchasing indicates that the education regarding consumer ethics is significantly lacking for the generation. The society and the family do not seem to provide normative basis of ethical consumption. As adolescents are still in the process of socialization, the results of this study have significant implications for education. Consumer education needs to start in early years and thus shape children's and adolescents' ethical consumer behaviors and thus their offspring. A large scale survey or a controlled experiment study will further generalize the findings of this study.

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