

## The Mediating Role of Attitude Towards Intentional Buying of Counterfeit Goods: An Indian Consumer's Perspective

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The current study offers a conceptual framework for how consumer attitude for buying the counterfeit goods may mediate the relationship between consumer perceptions and their buying intentions to acquire the counterfeit goods in India. A hypothetical model is being proposed and validated through survey questionnaire. An overall sample size of 960 respondents were being selected from the different counterfeit markets of Delhi (India). To capture the true behavior of shoppers in the retail environment, face-to-face interviews were conducted utilizing the mall-intercept approach. The mediation model is validated through SPSS and PROCESS macro. According to the results, consumers' view of buying counterfeit goods has a favorable impact on their purchase intentions, and this effect is entirely mediated by customers' perception of buying counterfeit goods in India. This study is admissible to the present marketing environment because it offers brand makers and marketers insightful information that they can use to create strategies and regulations that will effectively sway customers' decisions to buy counterfeit goods in India.

**Keywords:** Consumer behaviour, Counterfeiting, Innovation, Intellectual property rights, Non-deceptive counterfeiting

### Introduction

Counterfeits are the goods manufactured illegally or genuine goods generally associated with a high brand value reproduced illegally to infringe the legal rights of producer and owner.<sup>1,2</sup> As defined in TRIPS agreement note 14 (a) Counterfeit trademark goods shall mean “any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation.”<sup>3</sup> The process of counterfeiting may be categorized as the deceptive and the non-deceptive counterfeiting. Some individuals unknowingly buy counterfeits that will come under deceptive counterfeiting because consumers of this type are deceived.<sup>4</sup> Another type is when consumers are demanding a product despite knowing that the product is a fake.<sup>1,5</sup> The first incident about the brand counterfeiting came in about sixty years ago.<sup>6</sup> At that

time, it was observed that only a few industries were affected such as jewelry, textile and accessories that were very prestigious goods and are of very high value. This phenomenon was assumed of minor significance. However, in today's time, counterfeiting has grown to become a phenomenon of international importance because of the issue they cause that are both social and economic.<sup>7</sup> In today's market, no industry is left, where the presence of counterfeiters cannot be felt. One has to name the industry and will get the evidence of the existence of the counterfeiters, be it automobile sector, FMCG goods, pharmaceuticals, food, industrial equipment, textile, alcohol, sports equipment, computer and their accessories or any other good,<sup>8</sup> this led counterfeiting to become one of the most severe crimes of the present economy.<sup>9</sup> The counterfeiting has emerged as a major problem incurring heavy losses to genuine brands, losses to the nation, indicating a serious threat to consumer safety and health.<sup>10</sup> As per OECD the industries, which were largely affected by counterfeiting were the footwear (22%), Clothing (16%), Leather Goods (13%), Electric equipment (12%), watches (7%) respectively. In the post COVID a significant increase of counterfeit luxury product is

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observed, consumers are knowingly purchasing the counterfeits due to value expressive and social adjustive reasons.<sup>11</sup> In this digital world, social media platforms and user generated contents propagated through various digital platforms were also found promoting non-deceptive counterfeiting.<sup>12</sup> It has been estimated in the annual report of year 2020–21 by FICCI CASCADE that counterfeiting and piracy will cost between USD 1.54 trillion to USD 1.87 trillion and employment loss will be somewhere between 4.2 million to 5.4 million jobs globally in 2022.<sup>(13)</sup> The whole globe is getting affected by counterfeiting and India is not an exception for that matter as it is found that the luxury counterfeit market alone is growing by approximately 40 to 45% and has reached \$1 billion in 2018.<sup>(14)</sup>

The majority of the researches have been done in the western countries and the Indian context is still unexplored in terms of non-deceptive counterfeiting. Since, Indian consumers differ in purchasing power; culture, perception and other social-economic variables, an in-depth study is required.<sup>15</sup> The existing studies on counterfeiting have talked about consumer's perception, attitude and buying intentions towards non-deceptive counterfeiting separately. The reviewed literature failed to identify the study, which has undertaken attitude as a mediating variable between perception and purchase intentions towards counterfeit goods in India.

The current study proposes a conceptual framework for how consumer's attitude of buying counterfeit goods may mediate between consumers' perceptions and their intentions to acquire counterfeit goods in reference with the Indian consumers. The study will be of much importance to the industry, as it will give them some insights about the reason behind consumer's intentions towards buying counterfeit goods in India.

## Literature Review and Hypotheses Development

### Consumer's Perception and Buying Intentions Counterfeit Goods

Perception is described as to how individuals see the world around them. A set of people might be exposed to similar stimuli under similar conditions, but how each person reacts to these stimuli is highly subjective and depends on every person's values, needs and expectations. Perception is the basis for the purchase decision.<sup>16</sup> Some people might have unfavorable perception towards the purchase of

counterfeit goods, while others might have a favorable perception and may argue neutralization theory to justify their illicit purchase.<sup>17</sup> The existing studies have stated that perception of benefit and technical risk is the strongest and weakest drive respectively for developing intentions towards pirated goods. Further, the study also confirms that the perception of consumers influences the purchase intention of counterfeit goods, also said that the buyers of counterfeit goods have a favorable perception for such goods.<sup>18</sup> According to Hanzae<sup>19</sup>, product participation and understanding may have an impact on how consumers perceive and plan to buy counterfeit goods. According to this study, people are more likely to view counterfeit goods favorably if they cannot clearly tell the difference between a real product and a counterfeit one. In addition to that several other factors such as inexpensive advantage, brand influence and social factors also trigger consumers' intentions towards counterfeit goods.<sup>20</sup> Similarly, self-regulation, sustainable consumption and pleasure-based values also impact attitude which in turn influence the buying intentions of consumers.<sup>21</sup> However, it was established that the perception of monetary risk associated with counterfeits negatively affects the buying intention of consumers.<sup>22</sup> High-income consumers also have a negative perception towards buying counterfeit goods.<sup>23</sup> Keeping in view the above literature and arguments, we postulate our first hypothesis as follows:

*H1. Consumer perception has positive effect on buying intentions towards counterfeit goods.*

### Consumer's Perception and Attitude towards Counterfeit Goods

Attitude lets anyone define how people see and behave in any situation, and our decision and behavior is impacted and influenced by attitude.<sup>24</sup> Ajzen<sup>25</sup> has defined attitude as favorable or unfavorable consideration towards any object. The perception of a consumer is shaped by the environment, that shapes beliefs and personality.<sup>26</sup> Perception is closely related to attitude.<sup>27</sup> The same case exists in the counterfeiting domain as it was found that perception towards lawfulness is majorly related to consumers' attitudes towards counterfeit goods.<sup>28</sup> The previous study states that if consumers develop a perception of smart shopper for themselves, then this perception has a favorable relationship with the attitude towards luxury counterfeit purchase.<sup>29</sup> Smart shopper self-

perception gives a person pride, self-esteem, confidence and prestige while shopping.<sup>30</sup> This smart shopper perception frames a positive attitude for the counterfeit goods.<sup>29</sup> In an another finding it was revealed that consumers who perceive branded goods have a positive attitude of purchasing counterfeit goods.<sup>31</sup> Further, the research conducted to understand the attitude of the respondents from South Africa towards purchase of non-deceptive counterfeit goods also confirms that the price-quality inference positively affects the purchase.<sup>32</sup> Similarly, in another study conducted on university graduates of two different countries concluded that the purchase intentions are significantly contributed by attitude and subjective norms.<sup>33</sup> From the literature and argument, we postulate our second hypothesis as:

*H2. Consumer perception has a positive effect on consumer attitude of purchasing counterfeit goods.*

**Consumer’s Attitude and Buying Intentions Towards Counterfeit Goods**

Ajzen<sup>25</sup> has defined intention as subjective evaluation, which can differ from person to person regarding any particular thing to respond to a specific behavior. Applying this concept, counterfeit purchase intention has been defined in past literature as evaluating a particular consumer willing to engage in illicit consumer behavior.<sup>34</sup> The connection between attitude and behavioral intentions has been thoroughly investigated in earlier consumer behavior studies. As in the most popularized theory of planned behavior and theory of reasoned action it has been shown that purchase behavior is majorly affected by the purchase intention, which is further influenced by the attitude towards any particular product.<sup>35,36</sup> Past literature shows that consumers with a positive attitude towards counterfeit have greater chances of purchasing counterfeit goods, and consumers with a negative attitude towards counterfeit goods have fewer chances of purchasing those counterfeit goods.<sup>36,37</sup> However, some studies in counterfeit consumption research have shown an inconsistent relationship between attitude and counterfeit buying intention. A favorable and unfavorable attitude of consumers does not always mean positive and negative counterfeit purchase intention.<sup>34</sup> Boulstridge<sup>38</sup> have termed this the "attitude-behavior gap". A study, which employed a different approach to attitude as utilitarian and hedonic, found that hedonic attitude act as an influencing factor for buying intention as in comparison to the attitude.<sup>39</sup> Keeping in view the

above literature and arguments, we posit our third hypothesis as:

*H3. Consumer attitude has a positive effect on consumer buying intentions of purchasing counterfeit goods.*

**The Mediating Role of Consumer’s Attitude**

The theory given by Fishbein<sup>40</sup> may be used to support the proposed the mediating role of attitude. This theory says that beliefs influence attitudes, which in turn affects intention. If consumers have favorable perceptions about counterfeit items, they are more likely to have positive attitudes towards them. Therefore, there are more opportunities to develop a positive intention to purchase fake items. In contrast, consumers are more likely to adopt unfavorable attitudes if they have negative beliefs regarding counterfeit goods. Further, there are greater chances to develop an unfavorable intention to buy counterfeit goods.

Apart from theoretical justification, there is the existence of empirical evidence as well. The link between risk-seeking, smart shopper self-perception, subjective norm, value consciousness, and buying intention is mediated.<sup>29</sup> The past studies have shown that a consumer's attitude of purchasing the counterfeit goods mediates between product, personal and social factors and their intention to purchase counterfeit goods.<sup>41-43</sup> It is clear that earlier studies did not discuss how attitudes may act as a buffer between customer perception and desire to purchase counterfeit items. Therefore, we formulate our fourth hypothesis.

*H4. Consumer perception has a positive effect on consumer buying intentions mediated through consumer attitude towards counterfeit goods.*

The hypothetical conceptual model for the current investigation is given in Fig. 1.

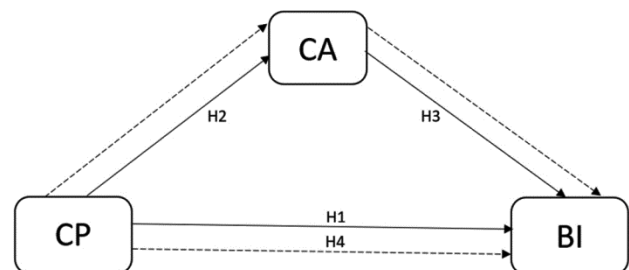


Fig. 1 — Conceptual Serial Mediation Model with a Single Mediator (Model 4, Hayes 2013<sup>(49)</sup>) Note(s): CP- Consumer’s perception; CA- Consumer’s attitude; BI- Buying Intentions

Table 1 — Operationalization of constructs and reliability analysis

Scales	Source	Cronbach's alpha
Consumer Perception of purchasing Counterfeit goods	Bian and Moutinho <sup>18</sup>	0.773
Consumer Attitude towards Counterfeit goods	Huang, Lee, and Ho <sup>46</sup> ; De Matos, Ituassu, and Rossi <sup>47</sup>	0.751
Consumer Buying Intentions of purchasing counterfeit Goods	Zeithaml, Berry, and Parasuraman <sup>48</sup>	0.844

Source: Authors Compilation

## Methodology

### Sampling and Data Collation

The present study uses a quantitative cross-sectional study approach to gather survey responses from Delhi's three most well-known markets for fake goods. The reason behind the selection of Delhi is the report published by OECD-EUIPO, 2019 that reveals that India continues to rank sixth in the world counterfeit market. In India, Delhi has developed into a center for the selling of fake goods and serves as their primary point of transit before being distributed to Chandigarh, Amritsar, and the National Capital Regions.<sup>3</sup> For the present study, we have specifically chosen the three markets of Delhi which are well known for the availability of counterfeit goods.<sup>3</sup> The study tried to analyze counterfeiting in apparel and fashion accessories. The counterfeit marketplaces chosen were Monastery Market (Kashmere Gate), Palika Bazaar (Connaught Place) and Sarojini Nagar Market based on the product category. The quota sampling technique is being used for the collection of responses from the above selected counterfeit markets of Delhi. The optimal sample size was calculated using the G\*Power algorithm (v3.1.9.7) Faul *et al.*<sup>44</sup> uses the software for "a priori" power analysis [ $\alpha$ : 0.05; (medium of effect size)  $f^2$ : 0.15; power; 0.95]. A required size for the mediation analysis is found to be 119 responses as per G\*Power. Initially, 320 responses each were being collected from the three-selected counterfeit market of Delhi. A complete set of 960 responses were received which was processed further to test the hypothesized mediation model.

### Instruments and Measures

For the current investigation, a two-part self-administered questionnaire including items on standard scales was developed. Respondents were asked to score each scale item on a five-point Likert scale (1 being the strongest disagreement, and 5 being the strongest agreement), all of which were derived from past research. The validity of the various conceptions has been evaluated using the Inter

Table 2 — Profile of the respondents (N=960)

	Frequency	(%)
<i>Gender</i>		
Male	538	56.0
Female	362	37.8
<i>Age</i>		
15–24	377	39.27
25–34	303	31.56
35 and above	220	22.91
<i>Occupation</i>		
Business/self-employed	95	9.90
Public sector	89	9.27
Private sector	270	28.12
Student	423	44.06
Housewife	23	2.40
<i>Monthly disposable income (INR)</i>		
Below 10,000	303	31.56
10,000–20,000	202	21.04
21,000–49,000	215	22.39
50,000 and above	180	18.75

Source: Author's compilation

Consistency Reliability test (ICR). The internal consistency of the constructs has been evaluated using the reliability coefficient Cronbach's alpha values. A dependable Cronbach's alpha value is one that is greater than or equal to 0.50.<sup>(45)</sup> The reliability analysis's findings which are presented in Table 1 demonstrate that the values are significantly higher than the recommended levels, indicating that the need for internal consistency reliability has been met. Also, see Table 2, depicting the profile of the respondents.

### Statistical Techniques Used

The structural relationships were confirmed using the bootstrapping method, which is statistically more powerful and provides more precise results than previous moderated mediation models.<sup>49</sup> For the verification of the mediation model, the Baron and Kenny<sup>50</sup> and Preacher and Hayes<sup>51</sup> proposed requirements. Data analysis and model validation are carried out using the SPSS PROCESS macro (version 4.1). By bootstrapping the sample distribution of indirect effects, we were able to assess the mediation effects.<sup>52</sup>

**Results**

The mediation analysis with one mediator is conducted which was based on Hayes’ PROCESS macro (Hayes, 2012)<sup>(49)</sup> by installing Andrew F. Hayes PROCESS on SPSS 18.0. PROCESS is a computational tool for SPSS used to conduct mediation and moderation analysis. Mediation analysis illustrates that ‘how’ and by ‘what means’ independent variable ‘X’ transmitting its impact on the dependent variable ‘Y’ through an intervening variable, mediator ‘M’. The present study used model 4 of the PROCESS to know whether consumer attitude of purchasing counterfeit goods mediates between consumer perception and purchase intentions of counterfeit goods or not. In order to interpret the results, the Preacher and Hayes<sup>53</sup> bootstrapping technique was used. The statistical diagram of mediation model with attitude as a single mediator is being depicted in Fig. 2. The independent variable taken is consumer’s perception (X) whereas the dependent variable taken is consumers’ buying intention (Y).

Sample size = 960

X = Consumer’s Perception

Y = Consumer’s Buying Intention

M = Consumer’s Attitude

C = Total effect of X on Y (M is not held constant)

C’ = Direct effect of X on Y (M is held Constant)

ab = Indirect effect of X on Y through M

The model shows the direct effect of ‘X’ on ‘Y’, Total effect of ‘X’ on ‘Y’ and the indirect effect of ‘X’ on ‘Y’ through M. The mediation model was tested with 95% Confidence Interval (CI) and the value more than zero predicts significant mediation. In order to interpret the results, the Preacher and Hayes, (2008) bootstrapping method was being used with 5000 bootstrapping samples to estimate the standard error of the variables. The path coefficients

were calculated by using OLS regression by installing PROCESS in SPSS. Also, the bootstrapping method can be used for large sample size without using the normality assumption. In order to overcome this limitation, Sobel test within the bootstrapping macro was being conducted.

To test the above formulated hypotheses, the total effect and the direct effect of independent variable ‘X’ on ‘Y’ are being computed by conducting mediation analysis (Model 4, Hayes PROCESS). The total effect is defined as the sum of the direct effects and indirect effect of ‘X’ on ‘Y’ and is illustrated as  $C = C' + ab$  whereas C represents the total effect. The path ‘C’ is being depicted in Table 3 which is found to be significant for the values ( $\beta = 0.35$ ,  $t = 15.27$ ,  $p < 0.001$ ,  $CI = 0.31, 0.39$ ). Further, the total effect model predicts that 27% changed in the Dependent variable is brought by the Independent variable in presence of a single mediator (R Square = 0.27).

**Consumers’ Perception has a Positive Predictive Effect on Consumer Buying Intentions Towards Counterfeit Goods**

The direct effect of ‘X’ on ‘Y’ is being illustrated in Table 4. The direct effect path is being represented by path C’ which further signifies the difference between the total effect of ‘X’ on ‘Y’ and the indirect effect of ‘X’ on ‘Y’ through the mediator M i.e.,  $C' = C - ab$ . The direct effect model is found to be significant for the values ( $\beta = 0.25$ ,  $t = 15.27$ ,  $p < 0.001$ ,  $CI = 0.22, 0.28$ ). In terms of variability, R Square = 0.50 which predicts that 50% of the variation in the dependent variable ‘Y’ can be explained by the independent variable ‘X’. Further, the total effect of ‘X’ on ‘Y’ as well as the direct effect of ‘X’ on ‘Y’ are found to be significant and positively associated so it can be said that Consumers’ perception has a positive predictive impact on consumer buying

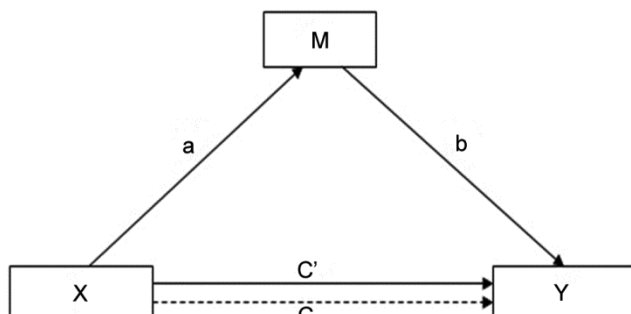


Fig. 2 — Statistical diagram of mediation model with attitude as a single mediator (Model 4, Hayes 2013<sup>(49)</sup>)

Table 3 — Total effect model

Total Effect of X on Y (M is not held constant)					
Model summary	R	R-sq	MSE	F	P
	0.5218	0.2723	15.3105	335.95	P<0.001
Consumers’ perception	Coeff.	SE	t	p	CI
	0.35	0.0194	18.3291	P<0.001	0.31, 0.39

Table 4 — Direct effect model

Direct Effect of X on Y (M is held constant)					
Model summary	R	R-sq	MSE	F	P
	0.710	0.5043	10.4403	456.29	P<0.001
Consumers’ perception	Coeff.	SE	T	p	CI
	0.25	0.0168	15.27	P<0.001	0.22, 0.28

intentions towards counterfeit goods and hence, H1 is accepted.

**Consumers’ Perception has a Positive Predictive Effect on Consumer’s Attitude of Purchasing Counterfeit Goods**

The effect of consumers’ perception of purchasing counterfeit goods (X) and their respective attitude (Y) is shown in Table 5. The findings showed that 'X' and 'M' had a substantial positive association as the model did not contain zero within the 95% bias corrected confidence intervals (effect= 0.17, SE = 0.018, t= 9.1067, p<0.001, LLCI= 0.13, ULCI = 0.20). The value of R Square is found to be 0.53, which illustrates that 53% of the change in the model can be brought by the exogenous variable. Further, the analysis indicates Consumers’ perception has a positive predictive effect on consumer attitude of purchasing counterfeit goods and hence H2 is accepted.

**Consumers’ Attitude has a Positive Predictive Effect on Consumer Buying Intentions of Counterfeit Goods**

The effect of consumers attitude for purchasing counterfeit goods (M) and their buying intention (Y), after controlling variable ‘X’ is depicted in Table 6. The model predicts that a positive significant linkage exists between ‘M’ and ‘Y’ as the model did not contain zero within the 95% bias corrected confidence intervals (effect= 0.59, SE= 0.029, t= 20.4917, p <0.001, LLCI= 0.54, ULCI = 0.20). In terms of variability, R square = 0.50 which indicates that almost 50 % of changes in the dependent variable can be brought by the exogenous variable. Further, the analysis illustrates Consumer attitude has a positive predictive effect on consumer buying intentions towards counterfeit goods and hence H3 is accepted.

Table 5 — Effect of ‘X’ on ‘M’

Model summary	R	R-sq	MSE	F	P
	0.72	0.53	13.65	82.93	P<0.001
Consumers’ perception	Coeff.	SE	t	p	CI
	0.17	0.018	9.1067	P<0.001	0.13, 0.20

Table 6 — Effect of M on Y

Model summary	R	R-sq	MSE	F	P
	0.710	0.5043	10.4403	456.29	P<0.001
Consumers’ attitude	Coeff.	SE	t	p	CI
	0.59	0.029	20.4917	P<0.001	0.54, 0.65

**Consumer Perception is having a Positive Effect on Consumer Buying Intentions Mediated from Consumer Attitude for Counterfeit Goods**

The PROCESS has also calculated the indirect impacts of 'X' on 'Y' that are unstandardized, partially standardized, and fully standardized. The unstandardized indirect effects of ‘X’ on ‘Y’ through ‘M’ as a mediator is given in Table 7. The indirect effect of independent variable ‘X’ on dependent variable ‘Y’ through a mediator M can be represented as the product of a and b i.e., path ‘ab’. The path ‘ab’ is found to be statistically significant as the confidence interval did not contain zero for the values (effect= 0.099, Boot SE = 0.0136, LLCI= 0.07, ULCI= 0.12).

The values of partially and completely standardized indirect effect of ‘X’ on ‘Y’ with ‘M’ as a single mediator is illustrated in Table 8. Partially standardized indirect effect can be defined as the ratio of indirect effect to the standard deviation of ‘Y’ and can be expressed as under:

$$ab_{ps} = \frac{ab}{\sigma_y}$$

Here, path ‘ab’ refers to the indirect effect of ‘X’ on ‘Y’ where as  $\sigma_y$  signifies the standard deviation of ‘Y’. The term  $ab_{ps}$  can be described as the number of standard deviations by which the dependent variable ‘Y’ is expected to increase or decrease as per the change in the mediator ‘M’.<sup>54</sup> The results of the partially standardized indirect effect of ‘X’ on ‘Y’ were calculated, which reveals that the consumers’ buying intention are expected to increase only by 0.019 standard deviations for every one unit increase in the psychographic determinants indirectly through consumers’ attitude. Further, partially standardized

Table 7 — Indirect Effect of X on Y through M

Mediation	Effect	Boot SE	Boot LLCI	Boot ULCI
PER -> ATT -> BI *	0.099	0.0136	0.07	0.12

\* Significant, Note: PER= Perception, ATT= Attitude, BI= Buying intention

Table 8 — Indirect Effect of X on Y

Mediation	Completely standardized I.E	Partially standardized I.E	
	Effect (Boot SE)	CI	Effect (Boot SE) CI
PER -> ATT -> BI *	0.146 (0.018)	0.11, 0.18	0.021 (0.002) 0.016, 0.027

\* Significant, Note: PER= Perception, ATT= Attitude, BI= Buying intention

indirect effect model is found to be convincing for the values (effect= 0.021, Boot SE= 0.002, LLCI= 0.016, ULCI = 0.027).

The fully standardized indirect effect of ‘X’ on ‘Y’ can be computed by multiplying the partially standardized indirect effect with the standard deviation of ‘X’.<sup>55</sup> This can be defined as under:

$$ab_{CS} = ab \frac{\sigma_x}{\sigma_y}$$

The fully standardized indirect effect of ‘X’ on ‘Y’ is expressed by  $ab_{cs}$ , whereas  $\sigma_x$  denotes the standard deviation of ‘X’ and  $\sigma_y$  defines the standard deviation of ‘Y’. The value of completely standardized indirect effect which indicates that consumer’ buying intention increases by .0146 standard deviations for every 1 standard deviation increase in psychographic determinants via consumer attitude (Table 8). The completely standardized indirect effect model is found to be significant for the values (effect= 0.146, Boot SE= 0.018, LLCI= 0.11, ULCI = 0.18). Further, the analysis reveals that consumer attitude of buying counterfeit goods is having a mediated relationship between psychographic determinants of consumers and their buying intention as the values of unstandardized, partially standardized and completely standardized indirect effects ‘X’ on ‘Y’ through ‘M’ did not include zero within the 95% bias corrected CI. Hence H4 is accepted.

The ratio of indirect effect to total effect of the Independent variable ‘X’ on the dependent variable ‘Y’ is also known as mediation ratio i.e.  $P_M$  which is being depicted in Table 9. The percentage of the overall impact that is being mediated by the mediator ‘M’ is defined by the mediation ratio. It can be calculated as follows:

$$P_M = \frac{ab}{ab + C}$$

$$= \frac{0.099}{0.099 + 0.256}$$

$$= 0.28$$

Here,  $ab$  is the indirect effect of ‘X’ on ‘Y’ through mediator ‘M’ and  $C$  is the conditional slope showing the total effect of independent variable ‘X’ on the dependent variable ‘Y’. The mediation ratio as calculated above illustrates that consumers’ attitude mediates approximately 28% of the total effect of consumer perception on consumer buying intentions for counterfeit goods. The mediation model is also tested by conducting Sobel test<sup>56</sup> with the help of

Sobel test calculator. In order to determine if a mediating variable significantly affects the indirect changes of the independent variable on the dependent variable or not, Sobel devised the Sobel test.<sup>56</sup> The Sobel test equation used for the analysis is follows:

$$z = \frac{ab}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}}$$

$$= \frac{0.166 \times 0.59}{\sqrt{(0.59^2 \times 0.18^2) + (0.166^2 \times 0.029^2)}} = 8.39955$$

**a**= Regression coefficient for the association between the mediator "M" and independent variable "X"

**b**= Regression coefficient for the association between the mediator ‘M; and dependent variable ‘Y’

**SE<sub>a</sub>**= Standard error of ‘a’

**SE<sub>b</sub>**= Standard error of ‘b’

The one-tailed and two-tailed probability values are found to be significant  $p < 0.001$  and also the  $z$  value is well above the critical values of  $\pm 1.96$  as defined by.<sup>57</sup> Hence, Sobel test validates the findings of the mediation analysis and suggest that the association between consumers’ perception and buying intentions is significantly mediated by consumers’ attitude ( $z = 8.39955$ ).

To determine the intensity of the indirect influence of independent variable X on dependent variable Y through the mediator 'M,' Preacher and Kelley's kappa-squared was also determined (Preacher and Kelly, 2011). The result of Preacher and Kelly Kappa-Squared test is being illustrated in Table 10. The value of kappa square or  $K^2$  is found to be significant for the present mediation model ( $K^2 = 0.365$ ) within 95% bootstrap confidence interval (LLCI= 0.123, ULCI = 0.205). Further, it shows that indirect effect of 36% of the total possible effect is being revealed by the mediation model.

The results of normal theory test which is conducted to compute the standard errors by using delta method is illustrated in Table 11. The normal

Table 9 — Ratio of Indirect Effect to Total Effect of X on Y

Mediation	Effect	Boot SE	Boot LLCI	Boot ULCI
PER -> ATT -> BI *	0.28	0.032	0.21	0.34

\* Significant, PER= Perception, ATT= Attitude, BI= Buying intention

Table 10 — Preacher and Kelley (2011)<sup>(54)</sup> Kappa- Squared

	Effect	Boot SE	Boot LLCI	Boot ULCI
Consumers’ Attitude	0.365	0.027	0.123	0.205

Table 11 — Indirect Effect Normal Theory Test

	Effect	Boot SE	Z	P
Consumers' Attitude	0.099	0.120	8.3137	0.000

Table 12 — Results of Hypotheses Testing

Hypotheses	Result
H1. Consumer perception has positive effect on buying intentions towards counterfeit goods.	Accepted
H2. Consumer perception has a positive effect on consumer attitude of purchasing counterfeit goods.	Accepted
H3. Consumer attitude has a positive effect on consumer buying intentions of purchasing counterfeit goods.	Accepted
H4. Consumer perception has a positive effect on consumer buying intentions mediated through consumer attitude towards counterfeit goods.	Accepted

*Source: Author's Compilation*

theory test suggests that the estimates of indirect effects of 'X' on 'Y' through 'M' are normally distributed as the values are found significant (effect= 0.099,  $z = 8.31$ ,  $p < 0.001$ ).

## Discussion

The present investigation makes a novel addition to the existing review of literature related to non-deceptive counterfeiting by including the mediation mechanism of consumer's attitude in the predictive association between consumer perception and consumer purchase intentions towards counterfeit goods. The mediation analysis was conducted to test the hypothetical model that whether consumers' attitude mediates between consumers' perception and buying intention or not. Table 12 presents the conclusions of the hypothesis testing.

The model was tested and found to be significant. The counterfeit consumption behavior comprises of consumers' perception, attitude and buying intention respectively. The findings state that consumer purchase intention are the direct outcome of consumer attitude, which in turn has a conclusive positive association with consumer perception towards counterfeit goods. Further, it can be said that counterfeit consumption behavior is a step-by-step cognitive process in which consumers' favorable attitude facilitated by consumers' perception, influences consumers to have favorable purchase intention towards counterfeit goods in India.

## Managerial Implications

By demonstrating a crucial link between customer perceptions, attitude, and purchase intention of counterfeit items, the study offers a fresh approach for

understanding counterfeit consumption. The genuine product manufacturer and manager can benefit from this and work on their product so that consumers develop a positive perception towards their goods, which may lead to a positive attitude regarding their goods. Today's counterfeiters copy the product so well that it is hard for customers to differentiate between an authentic and a counterfeit item. Looking into this, manufacturers and retailers of genuine brands should invest on R&D to develop features and designs, which are less expensive and difficult to copy. Another possible option to tackle the problem is asking consumers to insist for bill against the purchases done. In addition, it is suggested to do social advertising making consumers aware about the damage counterfeit goods does the economy so that consumers develop a negative perception and attitude towards counterfeit goods. Genuine brand owners and managers can counter consumers' favorable attitude and intention towards counterfeit goods by adding value to their goods. These values could be increased warranty, better after-sales service and others, which may help them not only in countering favorable attitude and intentions but also in formulating positive perception, attitude and intention towards genuine goods. Besides this, vertical integration could also be one of the ways to overcome the incidents of non-deceptive counterfeiting. As we know that the price plays an important role in non-deceptive counterfeiting, vertical integration could bring down the final cost which the customers pay by reducing the channel margins.<sup>58</sup> Government and policymakers should also work together to strengthen anti-counterfeiting organization such as FICCI CASCADE. They should enforce stricter legislation, impose fines, and bring legal action against those responsible for producing, selling, and consuming counterfeit goods so that consumer frame negative perception, attitude and intention towards counterfeit goods. The government should also educate people about the adverse social, economic, psychological, and individual outcomes of buying counterfeit goods.

## Conclusions

The current study has only focused on analyzing the problem of counterfeiting from the perspective of the consumer, or the demand side. Further, studies can be carried on identifying the issues associated with both the demand and supply sides. This study has only undertaken the counterfeiting associated with apparel and fashion accessories in the selected

markets of Delhi, which may not be the representative of the whole population. Thus, it becomes the obvious limitation of the study. Further, to generalize the findings and to increase the scope of the research, inter country study can be carried out in future to understand the consumer intentions across countries in other consumer goods such as tobacco goods and entertainment industry, consumer electronics, toiletry and other household goods. For the purpose of gathering data, the present study used a cross-sectional research approach. Future studies could use a longitudinal research approach to understand the change in buying intentions of consumers over a period of time.

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