

Middlesex University Research Repository

An open access repository of

Middlesex University research

<http://eprints.mdx.ac.uk>

Priporas, Constantinos-Vasilios ORCID logo ORCID: <https://orcid.org/0000-0003-1061-4279>,
Kamenidou, Irene, Kapoulas, Alexandros and Papadopoulou, Filomila- Maria (2015) Counterfeit
purchase typologies during an economic crisis. *European Business Review*, 27 (1) . pp. 2-16.
ISSN 0955-534X [Article] (doi:10.1108/EBR-11-2013-0132)

UNSPECIFIED

This version is available at: <https://eprints.mdx.ac.uk/14609/>

Copyright:

Middlesex University Research Repository makes the University's research available electronically.

Copyright and moral rights to this work are retained by the author and/or other copyright owners unless otherwise stated. The work is supplied on the understanding that any use for commercial gain is strictly forbidden. A copy may be downloaded for personal, non-commercial, research or study without prior permission and without charge.

Works, including theses and research projects, may not be reproduced in any format or medium, or extensive quotations taken from them, or their content changed in any way, without first obtaining permission in writing from the copyright holder(s). They may not be sold or exploited commercially in any format or medium without the prior written permission of the copyright holder(s).

Full bibliographic details must be given when referring to, or quoting from full items including the author's name, the title of the work, publication details where relevant (place, publisher, date), pagination, and for theses or dissertations the awarding institution, the degree type awarded, and the date of the award.

If you believe that any material held in the repository infringes copyright law, please contact the Repository Team at Middlesex University via the following email address:

eprints@mdx.ac.uk

The item will be removed from the repository while any claim is being investigated.

See also repository copyright: re-use policy: <http://eprints.mdx.ac.uk/policies.html#copy>

Counterfeit purchase typologies during an economic crisis

Constantinos-Vasilios Priporas
Middlesex University Business School,

Irene Kamenidou
Kavala Institute of Technology,

Alexandros Kapoulas
City College, An International Faculty of the University of Sheffield,

Filomila Maria Papadopoulou
City College, An International Faculty of the University of Sheffield

Abstract

Purpose-The economic crisis has become a global phenomenon, although in Europe it mostly affected the Mediterranean countries of Southern Europe. In times of economic stress, counterfeit products increase their market share. In this context this paper aims to explore, and attempt to explain, consumer perspectives on the purchasing of counterfeit brands.

Methodology-The study utilized an e-mail based open ended questionnaire as its data collection method. The research used a sample of 83 participants belonging to generation Y (younger and older) and upper medium and high income class brackets.

Findings-Purchasing behaviour of counterfeit products during the economic crisis enabled us to identify four types of consumers. Furthermore, the results indicated that some consumers have significant interest in counterfeits while some consumers show apathy or indifference towards counterfeiting. Furthermore, some consumers believe that the government's economic austerity policies cause high level consumption of counterfeits while others consider the authorities to be responsible for counterfeiting, since they do not adequately tackle it.

Research limitations/implications- This research is exploratory in nature and restricted to Greek generation Y consumers. Suggestions are presented regarding future studies and generalization of the findings.

Practical implications- Implementation of law, joint communication campaigns and social media usage are the major implications for the stakeholders in the marketplace.

Originality/value-This study extends the body of knowledge of purchasing behavior on non-deceptive counterfeit products by offering empirical findings from Greece, a country facing a severe economic crisis. To our knowledge this is the first study that explores counterfeit buying behaviour during an economic crisis period.

Keywords: consumer behaviour, economic crisis, counterfeit brands, generation Y, Greece

Paper type: Research paper

Introduction

Counterfeiting is an old phenomenon (Veloutsou and Bian, 2008), however, contemporary literature (i.e., Fernandes, 2013; Staake *et al.*, 2012; Wiedmann *et al.*, 2012), suggests that the extent of counterfeiting has increased, plaguing markets all over the world. According to Wilcox *et al.* (2009) counterfeiting is the trade of illegally made products that are manufactured in a way that resembles genuine goods, yet are inferior in terms of quality, performance, reliability and durability. Similarly, The International Trademark Association (n.d) defines counterfeiting as “the practice of manufacturing goods, often of inferior quality, and selling them under a brand name without the brand owner’s authorization. Generally, counterfeit goods are sold under a trademark that is identical to or substantially indistinguishable from the brand owner's trademark for the same goods, without the approval or oversight of the trademark owner”. However, Gheorghe and Madar (2008) state that a

universally acknowledged definition of counterfeiting does not exist, though there are various definitions of the term and the activities closely related to it.

Counterfeiting is divided into two categories depending on consumer awareness, deceptive and non-deceptive counterfeiting. The former includes those cases of counterfeiting where consumers are totally unaware that the product is an imitation of the original one, therefore, they cannot be held accountable for the purchase. The latter category includes consumers who are aware that the products are fake, yet intentionally buy them (Penz and Stottinger, 2005). Furthermore, Bian (2006) introduced a third category, the blur counterfeiting, referring to cases where consumers are not sure whether the products are counterfeit or genuine versions.

Bian and Moutinho (2011), assert that consumers' relationship to purchasing counterfeited goods is becoming an important field of study for academic researchers and practitioners. It is still a new area of research with several literature gaps, and a need for more rigorous research (Staake *et al.*, 2009). First of all, the majority of empirical studies apply quantitative approaches and only a few studies are qualitative in nature (i.e., Jiang and Cova, 2012; Perez *et al.*, 2010). Secondly, although, there are several studies focused on consumers and counterfeit products from developed countries such as the USA (i.e., Wilcox *et al.*, 2009; Marcketti and Shelley, 2009), and developing countries such as Morocco (Hamelin *et al.*, 2013), or comparative studies; such as between the UK and China (i.e., Bian and Veloutsou, 2007), none of them has researched consumer purchasing behaviour during the global economic turndown nor has researched this in countries facing major financial hardship, like Greece. Today, Greece is under the supervision of the Troika and Greeks are experiencing major financial problems due to considerable salary cuts and job losses. It is noted that counterfeiting in Greece has increased (Telidis, 2009) and according to the European Commission's Report (2012) on EU customs enforcement for the year 2012, Greece detained

171 counterfeit cases in contrast to 2011 where 117 numbers of cases were detained, an increase of 46%.

On that basis, the purpose of this qualitative study is to explore and attempt to explain the buying behaviour of non-deceptive counterfeits (clothes and shoes) from consumers-members of Generation Y (younger and older) in the upper medium to high income bracket and who have a high education level. Moreover, the main objectives of the study are twofold: (1) to explore generation Y consumers' knowledge, beliefs and perceptions of the counterfeit product phenomenon and the impact of the financial crisis on the expansion of counterfeiting and (2) to explore counterfeit buying behaviour during the financial crisis. The prime focus was to obtain preliminary insights rather than test theory.

Additionally, this study expands our knowledge on counterfeiting literature in the following fashion. Firstly, to our knowledge, there has not been an empirical study on counterfeits in the sphere of the economic crisis, either from Greece or elsewhere, from the customers' perspective. Fortmann (2011 cited in Kasl Kollmanova, 2012) states that counterfeiting has been increasing since the 2008 crisis. Stravinskiene et al. (2013) point out that during the economic crisis the demand for counterfeit luxury goods has increased, and consequently the shadow economy has grown. According to Schneider (2013), the shadow economy in Greece for the years 2011 and 2012 was about 24% of Gross Domestic Product (GDP). Furthermore, Yoo and Lee (2009) suggested further research in different contexts, while Eisend and Schuchert-Güler (2006) assert that prior research has neglected the situational context since purchase situations for consumers under investigation were comparable. Secondly, it focused on Generation Y, several studies point out that Generation Y represents an extremely attractive market segment, due to its size, its large disposable income and spending power (i.e., Littman, 2008), and its long future of potential consumer decisions (Williams and Page, 2011). Thirdly, to our knowledge, no studies focus particularly

on higher educated upper middle to high income consumers. Finally, our findings could be of value to both academics and practitioners and could serve as reference for future research on counterfeiting.

This paper is further organized as follows. The next section gives the theoretical literature background on consumer behaviour on counterfeits, on generation Y shopping behaviour as well as on the consequences of the economic crisis in Greece. Section 3 describes the research method, while section 4 discusses the results of our study. Finally, in the last section we present the main conclusions, limitations and implications of the study.

Consumer behaviour on counterfeits

Previous studies on consumers' purchase of, or intention to buy, non-deceptive counterfeit products have investigated the phenomenon from different perspectives. Many studies have focused on ethical issues (i.e., Ang *et al.*, 2001; Belk *et al.*, 2005), consumer socio-cultural characteristics (Bloch *et al.*, 1993; Gentry *et al.*, 2006; Nia and Zaichkowsky, 2000) and motivations (i.e., Nia and Zaichkowsky, 2000; Gentry *et al.*, 2006; Wilcox *et al.*, 2009). Other studies used various established theories such as Fishbein and Ajzen's (1975), Theory of Reasoned Action (i.e., Shoham *et al.*, 2008; Marcketti and Shelly, 2009), Ajzen's (1991) Theory of Planned Behavior (i.e., Fernades, 2013; Penz and Stottinger, 2005), and Kohlberg's (1976) Theory of Moral Reasoning (i.e., Phau *et al.*, 2009) in order to explain the purchase of luxury brand counterfeits. Furthermore, the work of Yoo and Lee (2009) identified that consumer interest in buying counterfeit products may be affected by a number of factors such as their beliefs about the economic and hedonic benefits of counterfeit purchases, their previous purchases of originals, and their perceived future social status and self-image.

It has been noticed that socioeconomic characteristics also affect consumers' purchasing behaviour of counterfeit goods. Consumers who are of a lower socio-economic

status and who are younger (i.e., Bian and Veloutsou, 2007; Casola *et al.*, 2009) have a greater inclination to purchase counterfeit goods (Rutter and Bryce, 2008; Hieke, 2010). However, some studies indicate that counterfeit brands are also purchased by high income consumers in developed countries (i.e., Gentry *et al.*, 2006). Many consumers characterize counterfeit products as low quality, yet they admit that they constitute an alternative, especially when it comes to clothes and accessories. Despite the fact that counterfeiting is not considered to be legal, there are people who have purchased counterfeit brands and are likely to repurchase them under particular circumstances (Gentry *et al.*, 2001). It is not unusual for consumers to be satisfied with a counterfeit; due to the fact that the price is particularly low, and expectations about the quality are moderate to low (Wiedmann *et al.*, 2012; Wilcox *et al.*, 2009). Therefore, consumers who are moderately satisfied by the products are those who are likely to repurchase them (Hieke, 2010). Since the counterfeit brands serve the same need as the genuine ones and consumers are satisfied with the quality, they will repurchase the particular product. The approval of this purchase by the consumers' reference group is critical to the decision about a potential repurchase. Thus, the possibility of repurchasing a counterfeit product depends on the level of satisfaction (Tom *et al.*, 1998) and social influence (Jiang and Cova, 2012) since the price is a factor that will always contribute positively to this decision.

On the other hand, academic research on counterfeit purchasing behaviour in times of economic crisis is very scarce. There is a very limited published work on the topic (Kasl Kollmanová, 2012; Olorenshaw, 2011; Stravinskiene *et al.*, 2013), which is theoretical (general view) and not empirical.

Generation Y and shopping behaviour

Generation Y consumers were born between 1977 and 1994 (Aquino, 2012), are very well educated (Wolburg and Pokrywczynski, 2001) and more aware of marketing tactics than previous generations (Tsui and Hughes, 2001). Studies outline them as skeptical, rationally-oriented and concerned consumers (i.e., Phillips, 2007; Williams and Page, 2011). In particular, they consider price and product features as more important factors than brand names (Phillips, 2007). Additionally, generation Y is often characterized as being highly oriented towards consumerism and sophisticated in terms of tastes and shopping preferences (Holtshausen and Styrdom, 2006; Wolburg and Pokrywczynski, 2001).

This generation is more consumption-oriented than previous generations (Eastman and Liu, 2012), since it has grown up in a materialistic society (Bakewell and Mitchell, 2003). Because Gen-Yers love to shop, they have a profound impact on retailing (Taylor and Cosenza, 2002), and are very concerned about what others think of them because of their group and community orientation (Markow, 2005). They are more involved with their purchases than previous generations because they are more concerned about the social consequences of the wrong purchase (Fernandez, 2009). Generation Y consumers are driven by a need to have a 'trendy' social image (Twenge and Campbell, 2008) which they tend to realise through brand consumption, they are also more fashion conscious and keep up to date with the latest fashion trends (Rathnayake, 2011). These consumers use brands to express themselves by making congruence between themselves and the brand which is critical to their potential brand loyalty.

However, the literature provides contradictory results on Generation Y consumers' brand loyalty. For example, some studies state that most Gen Yers are not brand loyal (i.e., Greenberg, 2011; Phillips, 2007). Young consumers are often only loyal to the brands which are in line with their personality and values, for example; studies indicate their dedication to

brands expressing social and community values (i.e., Beirne and Howe, 2008). The study of Lodes and Buff (2009) offers a more balanced approach by concluding that Gen Yers will demonstrate brand loyalty towards high-priced items, but will adopt a low loyalty attitude towards low-price commodity goods. Littman (2008) asserts that Gen Yers' choice of new brands is often determined by peer recommendations transmitted directly or through social networking channels.

Economic crisis in Greece- Consequences

Since the beginning of 2010 Greece has entered a long period of severe austerity in an effort to bring public finances back under control. The government has announced rounds of austerity measures, and under these, public sector pay and pension benefits were cut. In the context of tax reform, the government changed personal income tax, raised the top rate and announced a clampdown on tax evasion (Matsaganis and Leventi, 2011). Even today, the government keeps imposing austerity so that the Troika of the European Union-International Monetary Fund-European Central Bank (EU-IMF-ECB) will keep rescue loans coming. That has worsened the country's recession, now in its sixth year (Dabilis, 2013) with dramatic consequences for the Greek economy and society. The unemployment rate increased to a record 26.8% in March 2013 from 9.4% in 2009, due to the policies of the Troika (ELSTAT-Hellenic Statistical Authority). According to a study by the Organization for Economic Cooperation and Development (OECD), Greece's gross domestic product has reduced by a quarter, while prices continue to be high. For example, a typical household "basket" with supermarket products that cost 100€ in Greece, costs the equivalent 110€ in Germany. It is noted though, that the average income in Germany is more than double compared to Greece (www.ekathimerini.com, 2013). Furthermore, the severity of Greece's crushing economic crisis and austerity measures demanded by international lenders has drastically cut the

incomes of more than 90% of Greek households, with an average drop of 38% (Dabilis, 2013).

Methodology

The purpose of this study was exploratory and therefore qualitative research methods were considered to be more appropriate (Creswell, 2009). The research took place in April-May 2012 in Thessaloniki, the second largest city in Greece. Initially, 118 Greek consumers were approached by individualized email to inform them about the research objectives and to invite their participation in the study. The invited consumers were known personally to the researchers from previous business and academic cooperation as well as from social activities. They were chosen based on their age, from 18 to 35 years old (members of generation Y) with an upper medium to high income with an annual family income of 21000€ and above (GR Reporter, 2012), and based on the fact that they had a third level education. 83 consumers participated representing a response rate of 70%. Unlike other studies which used only young adult members of Generation Y (Durvasula and Lysonski, 2008), in this study older Gen Yers were included too. Furthermore, it tries to take account of Yoo and Lee's (2009) suggestions about allowing for a greater age range, since studies on counterfeit purchase tend to collect data with students only. The selection of this type of consumer was made intentionally because it is useful to identify the reasons why a consumer who could afford the original brand may purchase a counterfeit one.

Participants were recruited using a non-probability sampling method, and specifically by convenience sampling. Data was collected through open-ended email questionnaires (Bryman and Bell, 2011; Burns, 2010; Meho, 2006) using the form of online asynchronous interviews, in which the respondent does not respond instantaneously. The primary rationale in adopting this technique was to make use of the online competence of generation Y

participants who feel very comfortable with this approach, as well as taking account of participants' time and availability restrictions.

The questionnaire consisted of five questions. The questions were designed to draw more information from personal experiences. The participants also had to respond to 6 demographic questions. In this paper, only a part of the questionnaire is presented. The process was initiated by sending a personal email to participants expressing our appreciation for their involvement to this study (Meho, 2006). This email explained how their responses would be anonymous, that there were no right answers, that it would take approximately 25-30 minutes to complete the survey, and that they should not share the interview record with others (Kazmer and Xie, 2008). Three days later we sent a follow up email to remind them about the research. When the interviews were complete, the data was copied into a Word file, anonymised and then transcribed and translated from Greek into English.

Data analysis was performed by conducting thematic analysis. The information gathered through the e-mail questionnaires was processed into categories or themes (Mitic and Kapoulas 2012). The data was divided into categories in order to be analyzed (Kapoulas *et al.*, 2002). Each question was considered to be a different category, and the answers of all the respondents were analyzed at the same time for each question, therefore, differences and similarities could be analysed more accurately. This method also helped us in comparing and contrasting information and data from both primary and secondary sources (Saunders *et al.*, 2009). Finally, a personalized reply email was sent to the participants thanking them for their time, effort and contribution to the study.

Sample

Eighty three (83) consumers aged from 18 to 35 years old participated. In terms of age distribution, 30 (36.1%) were from 18-23 and 22 (26.6%) aged 24-29, and 31 (37.3%) 30-35. Referring to gender, the majority, 46 (55.2%) were females while 37 (44.8%) were males. The sample divided almost equally between students and non-students. Forty participants (48.2%) were private college/university (undergraduate and postgraduate) students; 11 (13.3%) were public employees; 21 (25.2%) were professionals; and 11 (13.3%) respondents were dependent (housewives and unemployed). The vast majority, 66 (79.5%) were single while the rest 17 (20.5%) were married and 7 of them had children. Regarding the educational level of the non-student participants, 26 indicated that they had a bachelors degree, 12 a masters degree, and 5 a PhD.

Findings

Counterfeiting as a phenomenon-knowledge and perceptions

In terms of the participants' knowledge and perceptions about counterfeiting, the majority linked the term with "low cost", "low quality" and "black economy/illegal trade", which is in agreement with an extensive body of literature (i.e., Tom *et al.*, 1998; Wilcox *et al.*, 2009). They also acknowledge that these products can be hazardous to health since they are produced in countries where the production costs are particularly low, and the quality of the ingredients is questionable.

"...counterfeits are produced in China, which is a low cost production country and the products are of a very low quality and may pose a threat to our health...thus, I do not buy them and I prefer to buy original less known brands..." (C4, male, 28, single, BSc, professional).

This view supports the work of Van Kempen (2003) and contradicts the view of others (i.e., Jiang and Cova, 2012), who state that today many counterfeits have the same quality and even better durability than the genuine ones. Moreover, some respondents expressed their concerns about whether the genuine luxury brands that are sold in the regular stores or department stores are not counterfeits. In other words, they mentioned Bian's (2006) blur counterfeiting category. The following statement offers this perspective:

“..I am not sure anymore whether what is sold in stores is genuine. It was on the news that a well-known expensive apparel retailer was selling counterfeits. Since then I have had this doubt ...” (C83, female, 22, single, student).

The impact of financial crisis on the expansion of counterfeiting

All consumers seemed to realize that the practice is rather extensive in Greece. This is due to the economic crisis, which decreased consumers' purchasing power, and the lack of will from the authorities to resolve the problem, as it was noted:

“...I can understand people that buy counterfeits. Especially, those that have seen their salary evaporate, or lost their job. It is logical. The thing that I do not understand is the apathy of the authorities, local and central. We pay so many taxes, and they are incompetent in terms of eliminating or reducing this phenomenon. Instead of putting taxes on citizens they should have eliminated counterfeiting, which costs the country many billions per year through tax evasion...” (C52, Male, 34, single, MSc, professional-businessman).

“...the phenomenon has increased due to the crisis because people cannot purchase expensive products like they used to. Counterfeit ones are sold at a very low price and provide the image of the original ones so consumers buy them.” (C72, Female, 21, single, student)

“...the financial crisis pushes people to purchase cheaper products in order to satisfy their needs. In terms of aesthetics, it is not that bad because holding a branded product can boost their mood. The consumer tries to satisfy his/her needs at the least possible cost....” (C9, Male, 32, married, BSc, public employee).

Financial crisis and counterfeit purchasing behaviour

Literature highlights that consumers have changed their buying patterns due to the economic crisis (i.e., Ang *et al.*, 2000; Nistorescu and Puiu, 2009). People have started to compare different products and purchases based on price and quality (Nistorescu and Puiu, 2009). Additionally, these changes in consumption behavior may be moderated by various personality characteristics such as the degree to which consumers are risk adverse, value conscious, and materialistic (Ang, 2001).

There were a significant number of respondents who do not buy counterfeits since they favor the quality and durability of the brands, and still continue to buy them, however, not as regularly or in the same quantities. Respondents stated with emphasis:

“...I have never purchased counterfeits since I believe that 'you get what you pay for'. Even in this difficult period with financial stringencies, I prefer to buy brands because of their qualityalthough, I have reduced my purchases significantly...I also believe that you are what you wear, not only what you eat! We cannot all be classy, or all be of the same social class, whether we like it or not ...” (C57, male, 35, single, PhD, professional)

“I am studying classical music and opera and for that I have to maintain a certain image. My clothes have to be of good quality and not fake [counterfeit] in any way. The people that I deal with are classy and if I want to be part of the group I have to dress and behave in the same manner. I have to keep my image of my work as well, because any time I can be called for a job. Of course, the brands are expensive and I do not buy them very frequently, but I do

not want to be embarrassed if someone of my social group thinks that I wear a counterfeit” (C82, female, 30, single, student and professional singer).

According to some consumers, purchasing non-branded products is a much wiser choice in order to purchase good quality products at economical prices. Respondents claimed: *“...I do not buy brands because of their high prices or counterfeits because of their quality. I prefer to buy less known brands mainly local (Greek) because they have good quality and their prices are very reasonable. Besides that, in this economic crisis, I strongly believe that we have to support our own products, since the brands are of foreign origin and counterfeits do not contribute to the growth of our economy”* (C66, male, 27, single, BSc, PhD student) *“...there is no reason to purchase something of low quality just to have the brand, there are many delicate products which are not branded and can meet my expectations”* (C39, female, 23, single, BSc, unemployed).

“I have not purchased counterfeit products. I have always purchased Greek brands, although they are less known, I consider them to be of high quality.....and in today's situation, I believe that everyone should purchase Greek brands, and not imported brands, to support the economy, which means that the money stays here and creates jobs.... If we had done that in the first place, we wouldnot have the Troika on our heads” (C19, female, 28, single, MSc, public employee).

Also, consumers made a comparison with the attitudes they had in the past towards these products. The following extracts demonstrated this view:

“...It is much easier now to purchase a counterfeit brand. In the past, because I had second thoughts, I didnt purchase them. Nowadays, I do not think about it. I just do it...” (C23, Male, 25, single, MSc student).

“.....I had not purchased counterfeits until now (economic crisis), since I could afford to buy original brands. However, now with the reduction in our salaries [mine and my husband's]

and the birth of our child, my husband and I, when we want to buy clothes or athletic shoes, sometimes buy counterfeits because of their prices. The majority of our money goes on the increased taxes and on the needs of our child ...” (C30, Female, 34, PhD, public employee).

On the contrary, some claim that the recession has had no impact on their buying behaviour, because those who have the rationale to purchase counterfeits will be willing to purchase them regardless of their financial situation. A participant stated with emphasis:

“.....Personally, I purchase counterfeit apparel not only now, but years ago because today is the era of ‘what you show you are’, and not what you really are. Nobody cares about people anymore. People care about what you wear, what you drive, where you go and whom you go with...I did not make the rules, I just play the game.” (C47, female, BSc, 30, single, professional).

“...I have been buying counterfeit clothes and sneakers since my teenage years mainly in order to be trendy and fashionable, and many times it was an impulse purchase. I think it is silly to buy some expensive clothes in order to follow the fashion every year. Now with this economic crisis- each of my parents has lost about 30-40% of their salary- and I do not want to spend a lot of money on brands....” (C33, female, 25, single, PhD student).

“... I buy counterfeits, only. You are what you show you are. Lacoste from “laiki” (open-air market), but Lacoste” (C26, 19, single, student).

Consumer Typologies

In qualitative research studies where the samples are smaller than the quantitative ones, it is not uncommon for consumer typologies to be developed based on qualitative findings (i.e., Angell *et al.*, 2012; Green *et al.*, 2014; Öberseder *et al.*, 2013). Based on this study's participants' responses on counterfeit buying behavior we divided the buyers and non-buyers into four sub-groups of consumers.

1. *Brands' buyers*: Consumers who used to purchase genuine brands before the crisis and still resort to buying them and are critical of counterfeits. This segment mainly consists of men, single, 30+ years of age, who hold a master degree, and are professionals or businessman. They believe that what people wear reflects their identity.
2. *Unknown brand buyers*: Consumers who preferred unknown or less known brands and are not in favor of counterfeit products. This segment comprises of almost equal numbers of men and women, married and single, 27-32 years of age, civil servants or PhD students. This subgroup consisted of people who do not believe that clothes and shoes reflect their personality. They are not brand-attached, and thus marketing techniques do not seem to “touch” them. They can be considered to be “conscientious consumers” regarding national economic interest. They could be ethnocentric consumers.
3. *Counterfeit switchers*: These are consumers who used to buy brands but now have switched to counterfeits. This segment includes married, 28 years and older, public employees and dependents. They are the ones that have been “hit” more by the economic crisis, have experienced, or are afraid that they will experience, more salary cuts. For this reason, they are not willing to spend money on original brands, due to the cost, but neither are they willing to give up the image that brands shoes offer them.
4. *Counterfeit buyers*: Consumers who used to buy counterfeit products occasionally before the economic crisis and still buy them. This segment is mainly made up of university students, single, with ages ranging from 18-26. They are the apathy group who are fashion seekers, want to be “in” and in-style, and are accepted by their reference groups for their image. They ‘are what they have’, and are brand- attached.

Discussion-Conclusions

The scope of this study, based in Greece during the economic crisis, was to explore the consumption of non-deceptive counterfeits (clothes and shoes) from consumers-members of Generation Y (younger and older) who had an upper medium to high income, and were third level educated. This was accomplished through qualitative research, specifically 83 e-mail asynchronous interviews. This research had a twofold objective. The first was to record generation Y consumers' knowledge and perceptions of counterfeit products. Findings revealed that generation Y are knowledgeable about the practices of counterfeiting and its consequences to the economy. Counterfeits are perceived as low priced, low quality products and in some instances harmful to health, these findings are in line with the literature (i.e., Gentry *et al.*, 2006; Tom *et al.*, 1998). Additionally, they consider the phenomenon to be widespread, not only because of the economic crisis and its effectson buying behaviour (i.e. people spend less on brands and try to satisfy more essential needs), but also due to how local authorities and central government do not take adequate measures to restrict or eradicate counterfeiting.

The second objective of the study was to explore Gen Yer's counterfeit purchasing behaviour during the economic crisis. Findings revealed that a significant number of participants have purchased non deceptive counterfeit clothes and shoes. The reasons given for these counterfeit purchases were their low price, image maintenance, and an interest in keeping up with fashion trends. The reasons for non-purchase were also image maintenance, acceptance by the reference groups, and an interest in purchasing good quality "unknown brands". Regarding this buying behaviour this study identified four distinctive groups of consumers: the *'brand buyers' who believe that what a person wears reflects their personality*; the *unknown brand buyers regarded as the "conscientious consumers"* regarding the national economic interest, the *'counterfeit switchers' who turned to counterfeit*

“substitutes” due to the low price but good image, and the ‘counterfeit buyers’, the “in style” group.

This research is important because, as far as we are aware, the study is original in many ways, and thus fills gaps in the existing literature. First of all, it deals with counterfeit purchasing behaviour in a period of economic crisis; secondly, it has as a sample, all the age range of Gen Y consumers, those in upper middle to high income brackets, and those who are highly educated. Thirdly, it is qualitative in nature, and lastly, it deals with a country – Greece, that because of its economic crisis, has been the focus of international media attention.

Implications

The findings of this study have some implications for all the stakeholders in the marketplace; consumers, producers, retailers and the government. First of all, the local authorities and the government should be active and implement the law in order to protect legal trade and secure jobs in the retail sector. This way they can limit tax evasion from counterfeiting and can also protect consumers. Producers and retailers should join forces through communication campaigns in an effort to increase consumers’ awareness about the benefits of legal trade for the economy and the prevention of job losses. Since consumers play a leading and growing role in the existence of counterfeit trade (Yoo and Lee, 2009), consumers' association campaigns and other non-government organizations would be very useful in informing and educating consumers in order to reduce the practice. Lastly, in all these cases, social media could be used since members of this generation are heavy internet users.

Limitations and future research

It is important to acknowledge some avoidable research limitations which offer prospects for further research. This study was qualitative in nature and the focus was explicitly on obtaining depth of understanding rather than generalization. The sample used in this study was adequate for the purposes of this study and allowed reasonable conclusions to be drawn; however, it cannot be considered representative of all Greek consumers of generation Y. Future studies should include larger samples in terms of size and geography and quantitative measures should be employed to strengthen the current findings. Also, since the focus was only on Generation Y and non-deceptive apparels, other potential studies should include consumers from different generation cohorts in order to present a more complete picture of buying behavior and counterfeits during an economic crisis period.

Additionally, further research studies could attempt a more in-depth analysis in order to identify more internal psychological factors that influence and shape purchasing behaviour. Furthermore, this research could be expanded to investigate the extent to which the new living conditions imposed by the new economy have affected consumers' behaviour. Finally, it is important that studies be undertaken in other countries that experience an economic crisis in order to build on the current findings.

References

- Ajzen, I. (1991), "The theory of planned behavior", *Organizational Behavior and Human Decision Processes*, Vol. 50 No. 2, pp. 179-211.
- Ang, S.H., Leong, S.M. and Kotler, P. (2000), "The Asian apocalypse: crisis marketing for consumers and businesses", *Long Range Planning*, Vol. 33 No. 1, pp. 97-119.

- Ang, S.H., Cheng, P.S., Lim, E.A.C. and Tambyah, S.K. (2001), "Spot the difference: consumer responses towards counterfeits", *Journal of Consumer Marketing*, Vol. 18 No. 3, pp. 219-235.
- Ang, S.H. (2001), "Personality influences on consumption: insights from the Asian economic crisis", *Journal of International Consumer Marketing*, Vol. 13 No. 1, pp. 5-20.
- Angell, R., Megicks, P., Memery, J., Heffernan, T. and Howell, K. (2012), "Understanding the older shopper: A behavioural typology", *Journal of Retailing and Consumer Services*, Vol. 19, No. 2, pp. 259–269.
- Aquino, J. (2012), "Gen Y: the next generation of spenders", *CRM Magazine*, Vol. 16 No. 2, pp. 20-23.
- Bakewell, C. and Mitchell, V-W. (2003), "Generation Y female consumer decision-making styles", *International Journal of Retail & Distribution Management*, Vol. 31 No. 2, pp. 95-106.
- Bian, X. (2006), "An examination of factors influencing the formation of the consideration set and consumer purchase intention in the context of non-deceptive counterfeiting", *PhD Thesis*, University of Glasgow.
- Bian, X, and Veloutsou, C. (2007), "Consumers' attitudes regarding non-deceptive counterfeit brands in the UK and China", *Journal of Brand Management*, Vol. 14 No. 3, pp. 211-222.
- Bian, X, and Moutinho, L. (2011), "Counterfeits and branded products: effects of counterfeit ownership", *Journal of Product & Brand Management*, Vol. 20 No. 5, pp. 379–393.
- Beirne, M. and Howe, N. (2008), "Generation Gab", *Brandweek*, June 30, p. 16.
- Belk, R.W., Devinney, T. and Eckhardt, G. (2005), "Consumer ethics across cultures", *Consumption Markets & Culture*, Vol. 8 No. 3, pp. 275-289.

- Bloch, P.H, Bush, R.F. and Campbell, L. (1993), "Consumer 'accomplices' in product counterfeiting: a demand-side investigation", *Journal of Consumer Marketing*, Vol. 10 No. 4, pp. 27-36.
- Bryman, A. and Bell, E. (2011), *Business Research Methods*, 3rd ed., Oxford University Press, Oxford.
- Burns, E. (2010), "Developing email interview practices in qualitative research", *Sociological Research Online*, 15. <http://www.socresonline.org.uk/15/4/8.html>.
- Casola, L., Kemp, S. and Mackenzie, A. (2009), "Consumer decisions in the black market for stolen or counterfeit goods", *Journal of Economic Psychology*, Vol. 30 No. 2, pp. 162-171.
- Creswell, J.W. (2009), *Research Design. Qualitative, Quantitative, and Mixed Methods Approaches*, 3rd ed., Sage Publications, Thousand Oaks, CA.
- Dabilis, A. (2013), "Austerity cuts Greek household income 38%", February 7, 2013, available at: greece.greekreporter.com/ (accessed 20 June 2013).
- Durvasula, S. and Lysonski, S. (2008), "A double-edged sword: understanding vanity across cultures", *Journal of Consumer Marketing*, Vol. 25 No. 4, pp. 230-244.
- Eastman, J.K. and Liu, J. (2012), "The impact of generational cohorts on status consumption: an exploratory look at generational cohort and demographics on status consumption", *Journal of Consumer Marketing*, Vol. 29 No. 2, pp. 93-102.
- Eisend, M. and Schuchert-Güler, P. (2006), "Explaining counterfeit purchases: a review and preview", *Academy of Marketing Science Review*, No. 12 Available: <http://www.amsreview.org/articles/eisend12-2006.pdf>
- European Commission. (2012), "Report on EU customs enforcement of intellectual property rights Results at the EU border 2012", available at: http://ec.europa.eu/taxation_

customs/resources/documents/customs/customs_controls/counterfeit_piracy/statistics/2013_ipr_statistics_en.pdf (accessed 6 February 2014).

- Fernandes, C. (2013), "Analysis of counterfeit fashion purchase behaviour in UAE", *Journal of Fashion Marketing and Management*, Vol. 17 No. 1, pp. 85-97.
- Fernandez, P.R. (2009), "Impact of branding on gen Y's choice of clothing", *Journal of the South East Asia Research Centre for Communications and Humanities*, Vol. 1 No. 1, pp. 79-95.
- Fishbein, M. and Ajzen, I. (1975), *Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research*, Addison-Wesley, Reading, MA.
- Fortmann, C. (2011), "Counterfeiting trends and litigation shaping the licensing industry in Europe", *IP Litigator*, Vol. 17 No. 2, pp. 20-29.
- Gentry, J.W., Putrevu, S., Shultz, C. and Commuri, S. (2001), "How now Ralph Lauren? The separation of brand and product in a 'counterfeit culture'", *Advances in Consumer Research*, Vol. 28, pp. 258-265.
- Gentry, J.W., Putrevu, S. and Shultz, II C. (2006), "The effects of counterfeiting on consumer search", *Journal of Consumer Behaviour*, Vol. 5 No. 3 , pp. 245-256.
- Gheorghe, C.A. and Madar, A. (2008), "The counterfeit of the products-the topical provocation for Romania and European Union", In *Proceedings of international conference on applied economics-ICOAE*, Kastoria, Greece, 15-17 May, 2008, pp. 339-342.
- Green, T., Tinson, J. and Pelozo, J. (2014), "Giving the gift of goodness: an exploration of socially responsible gift-giving", *Journal of Business Ethics*, doi: 10.1007/s10551-014-2076-01-16.

- Greenberg, K. (2011), “Study: Gens X, Y rely on research, less on loyalty”, Mediapost, February 7, available at: www.mediapost.com/publications/?fa¼Articles.showArticle&art_aid¼144338&nid¼123452# (accessed 30 May 2012).
- Grossman, G. and Shapiro, C. (1988), “Foreign counterfeiting of status goods”, *Journal of Economics*, Vol. 103 No. 1, pp. 79-100.
- GRReporter. (2012), “20,202 euro was the average income of a Greek family in 2011”, available at: http://www.grreporter.info/en/20202_euro_was_average_income_greek_family_2011/7604#sthash.RTo2CbdV.dpuf (accessed 1 August 2013).
- Hamelin, N., Nwankwo, S. and El Hadouch, R. (2013), “‘Faking brands’: consumer responses to counterfeiting”, *Journal of Consumer Behaviour*, Vol. 12 No. 3, pp. 159–170.
- Hieke, S. (2010), “Effects of counterfeits on the image of luxury brands: an empirical study from the customer perspective”, *Journal of Brand Management*, Vol. 18 No. 2, pp. 159-173
- Holtshausen, T. and Styrdom, J. (2006), “Generation Y consumers: behavioral patterns of selected South African students”, *The Business Review Cambridge*, Vol. 5 No. 1, pp. 314–318.
- International Trademark Association. (n.d), “Fact sheets protecting a trademark”, available at: <http://www.inta.org/TrademarkBasics/FactSheets/Pages/Counterfeiting.aspx> (accessed 6 February 2014)
- Jiang, L. and Cova, V. (2012), “Love for luxury, preference for counterfeits—A qualitative study in counterfeit luxury consumption in China”, *International Journal of Marketing Studies*, Vol. 4 No. 6, pp. 1-9.

- Kapoulas, A., Murphy, W. and Ellis, N. (2002), "Say hello, wave goodbye: missed opportunities for electronic relationship marketing within the financial services sector", *International Journal of Bank Marketing*, Vol. 20 No.7, pp. 302-310.
- Kasl Kollmanová, D. (2012), "Fake product? Why not! Attitudes toward the consumption of counterfeit goods in CEE as shown on the example of Slovakia", *Central European Business Review*, No. 2, pp. 23-28.
- Kazmer, M.M. and Xie, B. (2008), "Qualitative interviewing in internet studies: playing with the media, playing with the method", *Information, Communication & Society*, Vol. 11 No. 2, pp. 257-278.
- Kohlberg, L. (1976), "Moral stages and moralization: the cognitive development approach", in Lickona, T. (Ed.), *Moral Development and Behavior: Theory, Research and Social Issues*, Holt, Rhinehart & Winston, New York, NY, pp. 31-53.
- Littman, S. (2008), "Welcome to the new Millennials", *Response Magazine*, May 1, pp. 74-80.
- Lodes, M. and Buff, C.L. (2009), "Are generation Y (Millennial) consumers brand loyal and is their buying behavior affected in an economic recession? A preliminary study", *Journal of Academy of Business and Economics*, Vol. 9 No. 3, pp. 127-135.
- Marcketti, S.B. and Shelly, M.C. (2009), "Consumer concern, knowledge and attitude towards counterfeit apparel products", *International Journal of Consumer Studies*, Vol. 33 No. 3, pp. 327-337.
- Markow, D. (2005), "Children's reactions to tragedy", *Young Consumers: Insight and Ideas for Responsible Marketers*, Vol. 6 No. 2, pp. 8-10.
- Matsaganis, M. and Leventi, C. (2011), *The distributional impact of the crisis in Greece*, EUROMOD Working Paper, No. EM3/11.

- Meho, L. (2006), "E-Mail interviewing in qualitative research: a methodological discussion", *Journal of the American Society for Information Science and Technology*, Vol. 57 No. 10, pp. 1284-1295.
- Mitic, M. and Kapoulas, A. (2012), "Understanding the role of social media in bank marketing", *Marketing Intelligence and Planning*, Vol. 30 No. 7, pp. 668-686.
- Nia, A. and Zaichkowsky, J.L. (2000), "Do counterfeits devalue the ownership of luxury brands?", *Journal of Product and Brand Management*, Vol. 9 No.7, pp. 485-497.
- Nistorescu, T. and Puiu, S. (2009), *Marketing strategies used in crisis - case study*, MPRA Paper 17743, University Library of Munich, Germany.
- Norum, P.S. and Cuno, A. (2011), "Analysis of the demand for counterfeit goods", *Journal of Fashion Marketing and Management*, Vol. 15 No. 1, pp. 27-40.
- Öberseder, M., Schlegelmilch, B.B. and Murphy, P.E. (2013), "CSR practices and consumer perceptions", *Journal of Business Research*, Vol. 66, pp.1839-1851.
- Olorenshaw, R. (2011), "Luxury and the recent economic crisis", *Vie & Sciences de l'Entreprise*, Vol. 2 No. 188, pp. 72-90.
- Penz, E. and Stottinger, B. (2005), "Forget the "real" thing- take the copy! An exploratory model for the volitional purchase of counterfeit products", *Advances in Consumer Research*, Vol. 32, pp. 568-557.
- Perez, M.E., Castaño, R. and Quintanilla, C. (2010), "Constructing identity through the consumption of counterfeit luxury goods", *Qualitative Market Research: An International Journal*, Vol. 13 No. 3, pp. 219-235.
- Phau, I., Sequeria. M., and Dix. S. (2009), "To buy or not to buy a "counterfeit" Ralph Laurent Polo shirt", *Asia-Pacific Journal of Business Administration*, Vol. 1 No. 1, pp. 68-80.

- Phillips, C. (2007), "Millennials: clued in or clueless?", *Advertising Age*, Vol. 78 No. 46, pp. 12-13.
- Rathnayake, C.V. (2011), "An empirical investigation of fashion consciousness of young fashion consumers in Sri Lanka", *Young Consumers: Insight and Ideas for Responsible Marketers*, Vol. 12 No. 2, pp. 121-132.
- Rutter, J. and Bryce, J. (2008), "The consumption of counterfeit goods here be pirates", *Sociology*, Vol. 42 No. 6, pp. 1146-1164.
- Saunders, M.N.K., Lewis, P. and Thornhill, A. (2009), *Research Methods for Business Students*, 5th ed., Pearson, Harlow, UK.
- Schneider, F. (2013), "The shadow economy in Europe, 2013", available at: <http://www.atkearney.com//documents/10192/1743816/The+Shadow+Economy+in+Europe+2013.pdf/42062924-fac2-4c2c-ad8b-0c02e117e428> (accessed 6 February 2014).
- Shoham, A., Ruvio, A. and Davidow, M. (2008), "(Un)ethical consumer behavior: Robin Hoods or plain hoods?", *Journal of Consumer Marketing*, Vol. 25 No. 4, pp. 200-210.
- Staake, T.R., Thiesse, F. and Fleisch, E. (2012), "Business strategies in the counterfeit market", *Journal of Business Research*, Vol. 65 No. 5, pp. 658–665.
- Staake, T., Thiesse, F. and Fleisch, E. (2009), "The emergence of counterfeit trade: A literature review", *European Journal of Marketing*, Vol. 43 No. 3-4, pp. 320-349.
- Stravinskiene, J., Dovaliene, A. and Ambrazeviciute, R. (2013), "Factors influencing intent to buy counterfeits of luxury goods", *Economics and Management*, Vol. 18 No. 4, pp. 761-768.
- Taylor, S. and Cosenza, R. (2002), "Profiling later aged female teens: mall shopping behavior and clothing choice", *Journal of Consumer Marketing*, Vol. 19 No. 5, pp. 393-408.

- Telidis, C. (2009), "They filled the market with counterfeits", Ethnos.gr, 14 August 2009, available at: <http://www.ethnos.gr/article.asp?catid=22770&subid=2&pubid=5310818> (accessed July 2013).
- Tom, G., Garibaldi, B., Zeng, Y. and Pilcher, J. (1998), "Consumer demand for counterfeit goods", *Psychology & Marketing*, Vol. 15 No. 5, pp. 405-421.
- Tsui, B. and Hughes, L.Q. (2001), "Generation next", *Advertising Age*, Vol. 72 No. 3, pp. 14-16.
- Twenge, J.M. and Campbell, S.M. (2008), "Generational differences in psychological traits and their impact on the workplace", *Journal of Managerial Psychology*, Vol. 23 No. 8, pp. 862-877.
- Van Kempen, L. (2003), "Fooling the eye of the beholder: deceptive status signalling among the poor in developing countries", *Journal of International Development*, Vol. 15 No. 2, pp. 157-177.
- Veloutsou, C. and Bian, X. (2008), "A cross-national examination of consumer perceived risk in the context of non-deceptive counterfeit brands", *Journal of Consumer Behaviour*, Vol. 7 No. 1, pp. 3-20.
- Wiedmann, K-P, Hennigs, N, Klarmann, C. (2012), "Luxury consumption in the trade-off between genuine and counterfeit goods: what are the consumers' underlying motives and value-based drivers?", *Journal of Brand Management*, Vol. 19 No. 7, pp. 544-566.
- Wilcox, K., Kim, H.M. and Sen, S. (2009), "Why do consumers buy counterfeit luxury brands?", *Journal of Marketing Research*, Vol. 46 No. 2, pp. 247-259.
- Williams, K.C. and Page, R.A. (2011), "Marketing to the generations", *Journal of Behavioral Studies in Business*, Vol. 5 No. 1, pp. 1-17.

Wolburg, J. and Pokrywczynski, J. (2001), "A psychographic analysis of generation Y college students", *Journal of Advertising Research*, Vol. 41 No. 5, pp. 33-52.

Yoo, B. and Lee, S.H. (2009), "Buy genuine luxury fashion products or counterfeits", *Advances in Consumer Research*, Vol. 36 No. 1, pp. 280-228.

www.ekathimerini.com. "Greek prices 'on level of Germany'", Wednesday June 12, 2013 (accessed 1 August 2013).