

Ethics in Unethical Buying? Understanding Cultural Motives for Counterfeit Purchase Behavior

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The market size of counterfeit and pirated goods, through both domestic and international sales, is estimated to total \$1.7 trillion and \$4.5 trillion a year (Bharadwaj et al. 2020). The illegal nature of counterfeiting makes it difficult to estimate the exact figures of the market. However, constituents from governmental, business, and academic sectors seem to have a consensus that the counterfeit market is growing. Understanding the consumer motivations, attitudes, and behavior toward counterfeit products is essential to develop regulations to curb demand of counterfeit goods.

This study empirically tested whether and how culture influences consumers' counterfeit behavior. Culture was operationalized in two ways, first with race and ethnicity, and then with various psychological and individual differences based on previous theory and literature. These included power distance, religiosity, attitude toward business. The study results imply that cultural differences in counterfeit purchase come from psychological attributes, not from race or ethnicity per se. When measured with only demographic variables, race and ethnicity was significant in that Black and Hispanic respondents held more favorable attitudes toward counterfeit purchase behavior compared to non-Hispanic white respondents. However, when other cultural aspects were included in the model, race and ethnicity became insignificant. Respondents with higher group identity, stricter power distance beliefs, and extrinsic religiosity indicated more favorable attitudes toward counterfeit or pirated goods. The fact that respondents with negative attitudes toward business view counterfeit purchase more favorable is in line with the moral profiteering (Podder et al. 2011).

References

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