



Anticipating regret and consumers' preferences for counterfeit luxury products[☆]



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ABSTRACT

When consumers consider their feelings about a future purchase, these feelings can influence their preferences for the product under consideration and alter their final purchase decision. This research identifies the effect of anticipating regret on consumer preferences for a product that is a conspicuous counterfeit. Study 1 shows that consumers are more likely to choose non-conspicuous luxury counterfeits after anticipating the potential regret of purchasing a counterfeit product. Study 2 demonstrates the mediating effect of perceived risk on the anticipation of regret effect. Studies 3 and 4 determine two boundary conditions of the anticipation of regret effect, specifically, only consumers who have an independent self-view and are less conscious of their social face experience the anticipation of regret effect.

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1. Introduction

Crucial factors that influence the consumption of counterfeit luxury products include the typicality and the display of brand logos, as well as a consumer's attitude toward counterfeit products (e.g., self-presentation vs. self-expression). In terms of the typicality of the luxury product, consumers who purchase counterfeit products have a strong tendency to choose luxury bags that look prototypical—that is, bags that look familiar to other consumers (see Fig. 1a). Additionally, consumers seldom choose atypical luxury bags, which are unique and not often seen or easily recognized by other consumers (see Fig. 1b). Regarding brand logos, consumers have a stronger preference for counterfeit bags that have a loud brand prominence (a conspicuous brand), because their signals are more decipherable than counterfeit bags that have a quiet brand prominence (a non-conspicuous brand) (Han, Nunes, & Drèze, 2010; Han, Suk, & Chung, 2008). Lastly, Wilcox, Kim, and Sen (2009) show that social-adjustive consumers (high need to convey a high social status) are more likely to purchase a counterfeit brand because the product is a status symbol, whereas value-adjustive consumers (low need to convey a high social status) are more likely to

purchase an authentic brand because the product reflects their personality. Therefore, social-adjustive consumers are more likely to choose a prototypical counterfeit bag that has a noticeable logo.

However, among consumers who will purchase counterfeit goods, will consumers prefer a prototypical counterfeit luxury handbag when the bag has a logo (conspicuous counterfeit) or doesn't have a logo (non-conspicuous counterfeit)? Further, if these consumers anticipate regretting their choice to purchase a counterfeit, will they prefer a conspicuous or a non-conspicuous counterfeit? Existing research has addressed the influence of prototypical versus atypical counterfeits, loud versus quiet brand prominence, and social- versus value-adjustive attitudes on consumers' preferences for counterfeit luxury products, yet a gap exists as research has yet to address the effects of anticipating regret on consumer preferences for counterfeit luxury products. Therefore, the goal of the current study is to determine whether anticipating regret decreases (or increases) consumers' desire for prototypical counterfeit luxury products that have a logo (do not have a logo).

This research presents a conceptual model demonstrating that when consumers mentally generate hypothetical scenarios where they anticipate the regret they may feel after the consumption of counterfeit products (e.g., other consumers discover that their product is a counterfeit, rather than the authentic luxury brand), consumers will be more likely to choose a non-conspicuous option over a conspicuous option. More specifically, given that conspicuous prototypical counterfeits are associated with a higher probability of regret, this research proposes that consumers are more likely to choose a counterfeit luxury product that does not have a logo rather than a counterfeit luxury product that

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PROTOTYPICAL AND ATYPICAL LUXURY HANDBAGS



Fig. 1. Prototypical and atypical luxury handbags.

does have a logo. Therefore, the objective of this research is to analyze consumers' decreased desire for conspicuous prototypical counterfeit luxury products by examining how anticipating regret influences their preference for purchasing such products.

The findings of this research are particularly important because anticipating regret relates to a growing interest in behavioral motivation, attitude, and processing of counterfeits (Wilcox et al., 2009), as well as non-commercial campaigns such as the International Anti-Counterfeiting Coalition (IACC) and Quality Brands Protection Committee (QBPC). Through a series of four studies, this research tests the aforementioned conceptual framework regarding consumer's anticipation of regret when purchasing counterfeit products. The first study examines how anticipating regret influences consumers' choices of conspicuous prototypical counterfeit luxury products (namely with logo vs. without logo). The conceptual model predicts that consumers who anticipate regret will choose a product that does not have a logo. Study 2 investigates how perceived risk mediates the effect of anticipating regret on consumers' preferences for conspicuous counterfeit luxury products. Study 3 evaluates if consumers who have an independent self-view rather than an interdependent self-view have a more pronounced decrease in preference for conspicuous counterfeit products due to anticipating regret. Finally, Study 4 identifies how consciousness of social face influences consumers' choice of conspicuously branded luxury counterfeit products. The conceptual model predicts that the effect of anticipating regret will only decrease the preference for conspicuously branded counterfeit products among consumers who are less conscious of their social face.

2. Theoretical background

2.1. Previous research on prototypical conspicuous counterfeits

One of the most worrying aspects about counterfeiting has always been the threat to human life and safety caused by poorly made counterfeits using potentially dangerous materials (BASCAP, 2009). This concern primarily applies to items such as counterfeit medication and electronics; however, today's counterfeits are mostly low-quality fake copies of luxury apparel, which are virtually harmless to the end consumer. Therefore, the current strategy of educating consumers about the risk to human life and safety posed by counterfeits is unlikely to be effective for decreasing purchases of counterfeit luxury products. Counterfeits that resemble the original can comply with the attributes of genuine prototypical luxury products that convey high status (brand logo, color, etc.). Additionally, conspicuousness is widely assumed to be the key motivation behind luxury consumption (Han et al., 2010; O'Cass & McEwen, 2004; Phau & Prendergast, 2000; Piron, 2000; Truong, Simmons, McColl, & Kitchen, 2008; Vigneron & Johnson, 1999; Wang & Chen, 2004). Therefore, consumers purchase counterfeit

luxury products because they want to obtain the conspicuousness that the authentic prototypical luxury product possesses. Consumers who cannot afford the authentic, original luxury product will purchase a counterfeit that has a discernible logo of the original brand (Louis Vuitton, Chanel, etc.). The logo of even the counterfeit prototypical conspicuous luxury product represents a symbolic signal of status and wealth (Han et al., 2010) and conveys the conspicuousness associated with the authentic brand (Kim & Karpova, 2009). Consumers who purchase counterfeit luxury brands seek the prestigious symbolism of the authentic brand at extreme cost savings (Ehrlich, 1985).

In addition, most of the literature on counterfeits focuses on consumers' motivation and intention to purchase such counterfeits (Albers-Miller, 1999; Gentry, Putrevu, & Shultz, 2006; Kim & Karpova, 2009; Leisen & Nill, 2001; Swami, Chamorro-Premuzic, & Furnham, 2009; Tom, Garibaldi, Zeng, & Pilcher, 1998; Wilcox et al., 2009; Yoo & Lee, 2009), only a limited amount of research has focused directly on consumers' consumption of conspicuous counterfeits (e.g., Han et al., 2008, 2010; Wilcox et al., 2009). For example, Wilcox et al. (2009) demonstrates the influence of elements of the marketing mix, such as product logo design, on the social functions served by consumers' consumption of luxury brands. Given that the logo or emblem creates a luxury brand's conspicuousness, counterfeits that have a prominent logo will serve the social functions of most consumers of counterfeit products. Wilcox et al. (2009) proposes that the extent to which a counterfeit luxury brand fulfills a consumer's social goals is likely to depend on brand conspicuousness. These researchers suggest that the way a luxury brand's meaning becomes accessible to other consumers through product design can affect the consumers' desire for counterfeit versions of the authentic brand. Wilcox et al. (2009) also suggests that a prominently displayed brand logo on a counterfeit enables consumers to acquire and display to other consumers the authentic brand's aspirational associations.

Another study using online authentic brand data and counterfeit brand data from Thailand shows that counterfeit handbags copy loud authentic brands and that brand prominence drives which product lines will be counterfeited (Han et al., 2010). These authors define loud branding as a product that has visible markings that ensure consumers can recognize the brand; a product with a loud brand is a conspicuous brand. Conversely, Han et al. (2010) define a quiet brand as a product that is discreet and does not have any visible markings (e.g., brand logo may be on the inside of a handbag, rather than on the outside); a product with a quiet brand is a non-conspicuous brand. Consumers with prototypical counterfeits that have big logos face a higher risk that other consumers will easily identify their products as counterfeit.

Few studies have focused on how consumers choose between prototypical counterfeits that have a logo (loud, conspicuous brand) or do not have a logo (quiet, non-conspicuous brand). In reality, counterfeiters often sell consumers conspicuous prototypical bags because consumers

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