Dark motives-counterfeit purchase framework: Internal and external motives behind counterfeit purchase via digital platforms

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ABSTRACT

This study aims to identify and develops a framework that captures the buyers' online internal and external motives that can be generalized to the overall luxury markets, called "Dark motives-counterfeit purchase framework". The study consists of 22 in-depth interviews with counterfeit sellers and 42 in-depth interviews with buyers who have bought counterfeit luxury products. The buyers are fully aware of their decision to purchase counterfeit and pirated products. This study focuses on non-deceptive market as customer demand is one of major drivers of the existing counterfeit business. The framework includes 16 motives for buying online counterfeit product (i.e. 9 external and 7 internal motives). The external motives are (1) social acceptance, (2) peer influence, (3) sense of belonging/desired image, (4) perceived risks (associated with purchase), (5) perceived risks (associated with usage), (6) affordability, (7) accessibility, (8) degree of justice and penalty, and (9) social networking sites. The internal motives are (1) sense of adventure, (2) fashion/novelty seeker, (3) sense of morality, (4) perception toward inequality, (5) perception toward the actual product, (6) quality acceptance, and (7) purchasing experience. This research is one of the first studies that examine both seller and buyer's perspectives in the same study.

1. Background

Dark marketing is evident in the wealth of labels that are used to describe the unwanted and undesirable behaviours of marketing actors including unethical, aberrant, dysfunctional, illegitimate, and problematic behaviour (Daunt and Harris, 2012; Fullerton and Punj, 2004). Dark marketing is defined as the adaptation of marketing principles and practices to domains of death, destruction and the ostensibly reprehensible (Brown et al., 2012) which could damage an individual and/or others. To be more specific, dark marketing occurs when a subject acts, behaves, performs, perceives or thinks in a manner that could harm themselves, other people, society, a group of people, country, company, brand, animals or nature. Hence, counterfeiting is considered as an instance of dark marketing.

This study aims to identify buyers' internal and external motives to purchase counterfeit goods via online platforms with a view to capturing the buyers' internal and external motives in the non-deceptive market. The global losses from the counterfeiting of luxury brands amounted to more than $200 billion in 1996 (Nill and Shultz, 1996), $512 billion in 2004 (Eisend and Schuchert-Güler, 2006), and increased to $600 billion in 2014 (Argent, 2014). Besides, counterfeiting is said to be responsible for the loss of around 300,000 jobs in Europe every year (Eisend and Schuchert-Güler, 2006). It can be seen that the global economy for illicit goods is vast and it is still growing. In the European Union, the number of counterfeit items seized at border controls has increased by more than 1000%, rising to over 103 million in 2004 from 10 million in 1998 (Eisend and Schuchert-Güler, 2006). Hence, counterfeiting can be seen as a significant issue for luxury markets.

To develop appropriate countermeasures, it is necessary to understand the phenomenon of counterfeiting as a whole. In particular the reasons why people buy counterfeit goods via online platform is still not fully explored in the literature. Many studies

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have investigated demand for counterfeit goods, addressing a variety of possible causes of consumer complicity (Bian et al., 2015; Bian and Moutinho, 2011; Nwankwo et al., 2014; Stöttinger and Penz, 2015; Tang et al., 2014). However, they have failed to completely capture the differences between distribution channels (e.g., Internet versus physical market). The counterfeit market includes two large sub-markets, namely the deceptive market and the non-deceptive market (Haie-Fayle and Hübner, 2007). In the deceptive market, consumers buy counterfeit and pirated products without knowing that they are not the genuine articles. In contrast, consumers in the non-deceptive market actively seek bargains and are fully aware of their decision to purchase counterfeit and pirated products. This study focuses on non-deceptive buyers as their demand is one of major drivers of the existing counterfeit business.

There are possible differences in complicity based on the distribution channels. Purchasing via the Internet is one of the most rapidly growing forms of shopping, with sales growth rates outpacing traditional retailing (Clemes et al., 2014; Faqih, 2016; Hahn and Kim, 2009; Lissitsa and Kol, 2016; Tontini, 2016). Indeed, online sites such as Alibaba and eBay have become popular selling platforms for counterfeit products (Aron, 2014). International attention has focused on these sites and greater restrictions have been introduced to regulate copyright violations. As a result, counterfeit sellers have recently moved their business to Facebook and other social networking sites in order to approach their customers, especially Millennials, in developing countries where regulatory framework for e-commerce and intellectual property are still lacking (Lissitsa and Kol, 2016). Therefore, this study aims to investigate this phenomenon more thoroughly through identifying buyers' motives.

Previous research has attempted to understand the demand side of the counterfeit market (Bian and Moutinho, 2009; Eisend and Schuchert-Güler, 2006; Nwankwo et al., 2014; Stöttinger and Penz, 2015; Tang et al., 2014). Jiang and Cova (2012) propose five categories of determinants. The first category comprises product characteristics, for example, price (Poddar et al., 2012), investment risk (Cordell et al., 1996), product type, product utility (Poddar et al., 2012; Tang et al., 2014), product attributes, and style (Bloch et al., 1993). Among these, price difference is the benefit most sought in purchasing counterfeit products (Bloch et al., 1993; Harvey and Walls, 2003; Poddar et al., 2012). The second category refers to consumers' demographic and psychographic variables, such as social status (Bian et al., 2015; Bloch et al., 1993; Wee et al., 1995), counterfeit purchase experience (Bian and Moutinho, 2011; Stöttinger and Penz, 2015) and attitudes toward counterfeiting (Chen et al., 2015; Penz and Stottinger, 2005). The third category includes the social and cultural context in which the purchase of counterfeits is influenced by cultural norms (Lai and Zaichkowsky, 1999), country of origin, social influence (Phau and Teah, 2009; Tang et al., 2014) and consumers' ethnocentrism (Chakraborty et al., 1996). The fourth category consists of the mood and situational context, induced when tourists consider purchasing counterfeit products as an authentic experience (Gentry et al., 2001). The fifth category comprises the consumers' ethical and lawfulness cues, for instance, attitude towards the legal protection of intellectual property (Chiu and Leng, 2016), conformity to law, and ethical standards (Phau et al., 2009). However, very few researches actually combine the internal and external motives of the buying fake goods into the same study. For that reason, this study aims to address this gap by developing a framework that captures both internal and external motives.

2. Research design

The study adopted a qualitative, inductive approach to data

Table 1
Demographic profile of the interviewees (seller).

Participant no.	Age	Gender	Operating online	Operating offline	Years of experience
1	25	Male	Yes	Yes	4
2	28	Female	Yes	No	5
3	24	Female	Yes	No	1
4	27	Male	Yes	No	1
5	27	Female	Yes	No	2
6	22	Male	Yes	No	3
7	20	Female	Yes	No	2
8	26	Female	Yes	Yes	2
9	25	Male	Yes	Yes	1
10	30	Female	Yes	No	1
11	25	Female	Yes	No	3
12	24	Male	Yes	No	3
13	24	Male	Yes	No	4
14	23	Male	Yes	No	5
15	26	Female	Yes	Yes	1
16	25	Female	Yes	Yes	3
17	27	Female	Yes	No	1
18	31	Male	Yes	No	6
19	29	Female	Yes	No	4
20	24	Male	Yes	Yes	2
21	23	Female	Yes	No	2
22	25	Female	Yes	No	1

collection, using a sample of 64 in-depth interviews. The study obtained 22 in-depth interviews with counterfeit sellers and 42 in-depth interviews with buyers who have bought counterfeit luxury products in Vietnam. The buyers were fully aware of their decision to purchase counterfeit and pirated products. The chosen product category was fashion, one of the most popular categories of counterfeit products. Data collection was carried out in the respondents' chosen venues, such as home and office, or online. Interviews lasted from 25 min to 60 min. Through an industry contact, we obtained a list of counterfeit sellers who were 20–31 years old and had been working in the industry for more than a year (Table 1). We chose the seller who have more than one year of operation as they can share more insights on the business experiences and matters. Three fifth of the participants were female. All the subjects had been operating their business via online platforms and particularly social network platforms. Six of the respondents also owned or worked in an actual physical store. The participant in study 1 then shared a list of their existing customers with us.

We contacted over 90 individuals for Study 2. However, we only received 42 positive replies from 31 females and 11 males (Table 2). All customers had experienced purchasing a counterfeit product via an online platform in the preceding 12 months, and 12 of them had experienced purchasing a genuine luxury product in the past. They were 18–25 years old; 26 were students, 14 office workers, and 4 self-employed.

Adopting a qualitative approach meant that the underlying motives of buyers could be explored (Finsterwalder et al., 2012; Hernandez and Handan, 2014). It would have been difficult to examine these issues through quantitative methods as the different levels of meaning required to understand this topic would not have been uncovered (King, 2004). Research has shown that using qualitative interviews can produce rich, in-depth, reliable accounts, and result in disclosures of knowledge (Mayall, 2000; Thaichon and Quach, 2016). The semi-structured interview format helps to define the areas of interest. The interviews followed an in-depth, loosely structured approach and involved the use of open-ended questions, with probing questions used by the interviewer to clarify and elicit more details concerning the participants' responses to the original question. All the interviews were digitally recorded and transcribed. Template analysis was employed to