Luxury Counterfeit Conspicuousness, Social Functional Attitude and Luxury Counterfeit Consumption

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Abstract: In recent years, in the field of luxury goods consumption, more and more research shows that consumers tend to buy low-conspicuous luxury goods. However, whether this conclusion is applicable to the field of luxury counterfeits is still lack of in-depth theoretical research. Based on the theory of luxury counterfeit conspicuousness and social function attitude, this paper constructs a theoretical model of the relationship between luxury counterfeits, social function attitude and purchase intention. The empirical results show that luxury counterfeit conspicuousness has a significant positive impact on consumers' social function attitudes. At the same time, the research results also found that consumers' social function attitudes significantly affect consumers' willingness to purchase luxury counterfeits, and social function attitudes play a mediating role in the influence of luxury counterfeit conspicuousness on the willingness to purchase luxury counterfeits.

1. Introduction

Counterfeit goods are a commodity phenomenon that has long existed along with human development. According to the Economic Cooperation and Development Organization (OECD), there are about 500 billion counterfeit goods traded every year. The existence of counterfeit goods not only brings enterprises and consumers. Injury also causes losses to the overall economy of the society. Especially for luxury brands, the existence of counterfeit goods not only causes them to suffer economic losses, but also the brand image and brand appeal of the brand and consumer perception. Etc. caused a threat. Not only that, but counterfeit goods bring harm to related companies, and its circulation also causes harm to the government's fiscal revenue. Moreover, the lack of regulated counterfeit production processes may even seriously harm the ecological environment. Although the relevant government departments and related luxury goods companies have made a lot of efforts in the governance and combating counterfeit luxury goods every year, they still have not achieved good results. Therefore, in this case, research on counterfeit luxury goods and their consumption behaviors has received more and more attention. Because counterfeit luxury goods are closely related to luxury goods, the study of counterfeit luxury goods and their consumption behavior can draw on and combine the study of luxury goods. In the field of luxury goods, some previous studies have shown that consumers have a greater preference for glamorous luxury goods than luxury goods with low flaunting [1-3], because these high-definition Luxury goods can better display their status and material wealth [4], and some studies also show that
conspicuous value is an important part of luxury value perception [5]. However, with consumers' perceptions of product changes and the pursuit of personality traits, consumers' preferences for luxury flaunting are also changing [6]. Recent studies by some scholars have shown that due to the rapid development of the Internet and the omni-channel promotion of luxury goods, low-profile luxury goods are increasingly favored by consumers because these low-profile luxury goods can be more Good shows their taste and differentiation [7]. That is to say, in the field of luxury consumption, consumers' purchasing preferences are gradually transformed from pursuing high-profile luxury goods to pursuing low-profile luxury goods. And for counterfeit luxury goods, will consumers' preferences have the same changes? In response to this problem, this paper believes that for those who buy counterfeit luxury goods, first of all, their spending power is limited, and secondly, their motivation is still mainly to show their social status and status or want to pass this Consumption to get the status they want, so high-profile counterfeit luxury goods can better meet their consumer needs. Therefore, this paper speculates that for counterfeit luxury goods, consumers are less likely to change their preferences. In the next section, this article will validate and explore this speculation and introduce the concept of consumer social attitudes to explore possible mechanisms.

2. Literature review and hypothesis

2.1 Counterfeit luxury goods

Counterfeit luxury goods are often defined as cheap imitations of luxury goods, which usually look similar to genuine luxury goods, but generally of poor quality [8]. From the consumer's point of view, counterfeit luxury consumption can be divided into two types: deceptive counterfeit luxury consumption and non-deceptive counterfeit luxury consumption. Deceptive counterfeit luxury consumption refers to consumers who mistakenly believe that the products they purchase are luxury goods. The difference is that non-deceptive counterfeit luxury consumption behavior refers to consumers who know that the product is a counterfeit luxury, but still choose to purchase the consumer behavior [9]. This study focuses on the second case, because only in the second case, consumers' purchasing decisions are more susceptible.

2.2 Counterfeit Conspicuousness

The conspicuousness of counterfeit luxury goods refers to the distinctiveness, visibility and identifiability of product identification (such as logo). This definition is based on the concept of luxury flaunting by Wilcox et al. [10]: “For luxury goods” The extent to which the brand or logo of a luxury brand is obvious to consumers and other relevant members of society. The symbolic value of luxury goods is related to the conspicuousness of the product. Therefore, consumers who wish to convey their social status and image through their own material products prefer those products that are “exquisite, unique and eye-catching” [11]. Consumers with high status requirements are attracted to products with significant brand identity and brand name, as these products can indicate that they are high-level people with wealthy assets [12]. For counterfeit luxury goods, if they are highly conspicuous, then counterfeit luxury goods can convey the same perceived conspicuous value as genuine luxury goods [13-16]. In this case, consumers may think that genuine luxury goods are not worth buying because counterfeit luxury goods can provide the same effect at a lower price. In other words, the perceived conspicuous value of counterfeit luxury goods is higher than that of genuine luxury goods [14]. In fact, research by some foreign scholars has shown that when the similarity between counterfeit luxury goods and genuine luxury goods in terms of product flaunting and appearance is higher, it is more attractive to consumers, and the conspicuous nature of
counterfeit luxury goods. Positively affect their willingness to buy [8, 10, 17-20]. For Chinese consumers, there are also studies that show that they are more inclined to show off high-profile counterfeit luxury goods [21]. That is to say, for these consumers, although the same authentic luxury goods are also highly conspicuous, on the one hand, their ability to pay is limited, on the other hand, they will also measure the conspicuousness of genuine luxury goods. Match it to its high price. In this case, the highly conspicuous counterfeit luxury naturally became their first choice.

While low-profile counterfeit luxury goods are unlikely to have this effect, for counterfeit luxury consumers, although these imitations also have lower prices, they may be difficult to demonstrate the identity and status desired by consumers. Therefore, consumers' willingness to purchase is low. Therefore, combined with the above discussion, this paper proposes the first hypothesis:

**Hypothesis 1:** High-conspicuous counterfeit luxury goods increase consumers' willingness to buy compared to low-conspicuous counterfeit luxury goods.

### 2.3 Mediating role of social function attitude

In order to gain a deeper understanding of the mechanism behind the purchase of high-profile counterfeit luxury goods, this paper introduces the concept of social functional attitude as a mediator to further explore. Previous studies by some scholars on the theory of personal attitudes and functions have shown that attitudes have important social functions, namely social functional attitudes [22-24], such as promoting value expression and self-expression [22, 23, 25, 26]. At the same time, according to Shavitt [23], social functional attitudes are highly correlated with the consumption behavior of superior material products (such as luxury goods), that is, consumers will be superior substances under the influence of social functional attitudes. Products such as luxury goods are seen as a good way to show yourself to others. For example, consumers can express their value by consuming luxury goods, that is, expressing their personal beliefs and personal values through luxury goods [10, 22, 23]. Consumers can also express themselves by consuming luxury goods, that is, to express their social status and status through luxury goods [10]. That is, consumers tend to buy luxury goods because it reflects their values and beliefs (such as value expressions), or because it reflects the social image they want to convey (such as self-presentation) or both. There are [10, 23].

For counterfeit luxury consumers who have a socially functional attitude, they also see products as a way to show personal characteristics (value expression and self-expression) to other members of society [26], then they are high. The willingness to buy offensive counterfeit luxury goods will also be greater, because such products can better serve their social functional attitudes [10, 27, 28]. Other studies have also shown that the more obvious the identifiable design of counterfeit luxury goods (such as brand logo), the higher the flamboyant of counterfeit luxury goods, the higher the consumer's social functional attitude, and thus the willingness to purchase. [29].

Therefore, in the context of counterfeit luxury goods, based on the above theories and research, this paper believes that the extent to which high-conceived counterfeit luxury goods affect consumers' preference for counterfeit luxury goods will be influenced by consumers' social attitudes. For those who have limited ability to pay and have a socially functional attitude, high-profile counterfeit luxury goods are their best choice. Specifically, for these consumers, when they hold social functional attitudes, they are very eager to express themselves or express their own values, while high-conceived counterfeit luxury goods and genuine luxury goods can satisfy consumers. This demand, but because the former dominates the price, consumers have a higher willingness to buy. Therefore, this paper proposes the following assumptions:

**Hypothesis 2:** Consumers' social functioning attitudes play a mediating role between...
high-profile counterfeit luxury goods and consumers' willingness to buy. That is to say, the high-profile and conspicuous counterfeit luxury goods enhance the social function attitude of consumers, thereby increasing the consumers' willingness to purchase.

3. Experiment 1: The impact of counterfeit conspicuousness

3.1 Experimental design

The purpose of Experiment 1 was to test how the difference in the sleazy of counterfeit luxury goods would affect consumers' willingness to buy. In Experiment 1, we virtualized two different scenarios: counterfeit luxury goods with high flaunting and counterfeit luxury goods with low conspicuousness. We used pictures of two products to distinguish the ostentatiousness of counterfeit luxury goods. These two pictures show Gucci sunglasses. The only difference is that one of the sunglasses has an obvious brand logo, while the other one does not. Specifically, there are obvious brand logos that represent high-profile counterfeit luxury goods, while no logos indicate low-profile counterfeit luxury goods. (See Appendix 1).

A sample of 205 Chinese participants came from a questionnaire star from one of the online survey companies, of which 106 were male and 98 were female. The main age group of participants is ages 26 to 40. These participants were first asked to imagine that they decided to buy a Gucci sunglasses as a gift for themselves, and they would randomly see one of the two product images, which means they would be randomly assigned to the following two scenarios. One: 1) They found their favorite sunglasses, and this sunglasses has a clear brand logo; 2) They found their favorite sunglasses, but this sunglasses has no obvious brand logo. After touching one of the two scenarios, the participant was first asked to complete a maneuvering check on the product's conspicuousness: “It is easy to notice that I wear Gucci sunglasses”; “Obviously, I am wearing Gucci sunglasses”; "People can easily detect that the sunglasses I wear are Gucci." Next, participants responded to a five-item scale of social functioning attitudes: "this pair of sunglasses shows my identity." "These sunglasses help me express myself." "The sunglasses are a status symbol." "These sunglasses will help me adapt to important social situations." I like to be seen wearing these sunglasses. These measurement items were adapted from the scale proposed by Qin et al. [28]. The participant then responded to a purchase intention vector form consisting of three items: “I would probably buy the sunglasses”, “I am interested in buying the sunglasses” and “I want to own the sunglasses”. These measurement items are adapted from the scale proposed by Cordell et al. [30]. Finally, the consumer's buying experience and some demographic information were collected and they were invited to participate in the study.

3.2 Experimental results and analysis

To analyze the experimental results, all continuous variables were processed as composite averages for analysis. Then, a series of independent t-tests were carried out to test the manipulation of counterfeit luxury goods and the willingness of consumers to purchase counterfeit luxury goods in two different scenarios. The results of the analysis first show that the manipulation of counterfeit luxury goods is successful (M high = 4.90 vs M low = 3.06, t (203) = -10.41, p < 0.001), as shown in Figure 1. Moreover, consumers' purchasing intentions in different counterfeit luxury sports situations are also significantly different (M high = 5.04 vs M low = 3.26, t = (203) = -9.46, p < 0.001), as shown in Figure 2. Therefore, this result supports Hypothesis 1, which is more likely to buy highly conspicuous counterfeit luxury goods than low-profile counterfeit luxury goods.
4. Experiment 2: Mediating role of social function attitude

4.1 Experimental design

The results of Experiment 1 have shown that the conspicuous differences (high and low) of counterfeit luxury goods can affect consumers' willingness to buy, that is, high-conscious counterfeit luxury goods will enhance people's minds compared with low-conscious counterfeit luxury goods. Purchasing intention, therefore, Experiment 2 aims to introduce the variable of the social functional attitude of consumers to explore the mechanism behind it. The experimental model of this experiment is shown in Figure 3: Specifically, “a” represents the coefficient of consumer social function attitude in the context of high-profile counterfeit luxury goods. At the same time, “b” indicates the coefficient of influence of the consumer's social function attitude on his willingness to...
purchase luxury goods. And “c” refers to the direct coefficient of the influence of high-brightness counterfeit luxury goods on consumers' purchase intention when all three variables are included in the model. It should be noted that “a×b” represents an indirect coefficient of high-conceived counterfeit luxury goods to consumers' willingness to purchase under the influence of consumer social attitudes. Therefore, when the coefficient of "a × b" is significant, an indirect effect occurs. On the contrary, when the coefficient of "c" is significant, but the coefficient of "a × b" is not significant, there is a direct influence. The significant indirect coefficient means that there is a relationship between the high-fashioning counterfeit luxury goods and the consumer's willingness to buy counterfeit luxury goods under the influence of consumer social attitudes. If the direct coefficient is also significant, this suggests that there may be other mediator variables, not just the social functional attitude of the consumer. On the contrary, it shows that the consumer's social functional attitude plays a completely positive intermediary role between the high-conceived counterfeit luxury goods and the consumers' willingness to purchase. Different from Experiment 1, Experiment 2 only designed a scenario of high-brightness counterfeit luxury goods. However, we introduced the social function attitude of consumers as a mediator to conduct in-depth research. First, participants were assigned to high-profile counterfeit luxury goods: they found their favorite sunglasses, and the sunglasses had a clear brand logo. After being exposed to this situation, the participants were first asked to complete a highly conspicuous manipulative check: "People can easily notice that I wear Gucci sunglasses"; "Obviously, I wear Gucci sunglasses"; It is easy to see that the sunglasses I wear are Gucci." Next, the participants responded to a scale of social functional attitudes consisting of five items: "This sunglasses can show my identity"; "This sunglasses can help me express myself"; "This sunglasses is socially "The symbol"; "This sunglasses can help me adapt to important social occasions"; "I like to be seen by others wearing this sunglasses." These measurement items were adapted from the scale proposed by Qin et al. [28]. The participant then responded to a purchase intention vector form consisting of three items: "I would probably buy the sunglasses", "I am interested in buying the sunglasses" and "I want to own the sunglasses". These measurement items were adapted from the scale proposed by Cordell et al. [30]. Finally, the consumer's buying experience and some demographic information were collected and they were invited to participate in the study.

4.2 Experimental results and analysis

Reliability test. As shown in Table 1, the Cronbach's α coefficient of each variable of the model is greater than 0.800, and the combined reliability (CR) is greater than 0.800, which indicates that the scale has good internal consistency and can reliably measure the latent variables.

Validity test. In this study, the confirmatory factor analysis (CFA) of each latent variable was used to test the convergence validity of the scale. The statistical results showed that the factor load
values of each variable were greater than 0.500, and the t values all reached a significant level of p < 0.05. At the same time, the average extraction variation (AVE) of each variable was greater than 0.500 (see Table 1), indicating that each variable has good convergence validity. In terms of discriminant validity, this study tests by comparing the correlation coefficient between the AVE value of each latent variable and other variables. As shown in Table 2, the AVE values of the variables in this study were larger than the squares of the correlation coefficients with other variables, indicating that the potential variables in this study have good discriminant validity.

### Table 1: Reliability Analysis and Confirmatory Factor Analysis of Variable Measurement

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measuring Item</th>
<th>Factor Loading</th>
<th>α</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterfeit Conspicuousness</td>
<td>It is easy to notice that I wear Gucci sunglasses</td>
<td>0.890</td>
<td>0.807</td>
<td>0.808</td>
<td>0.585</td>
</tr>
<tr>
<td></td>
<td>Obviously, I am wearing Gucci sunglasses</td>
<td>0.945</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>People can easily detect that the sunglasses I wear is Gucci</td>
<td>0.812</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Function Attitude</td>
<td>This pair of sunglasses shows my identity</td>
<td>0.617</td>
<td>0.834</td>
<td>0.836</td>
<td>0.508</td>
</tr>
<tr>
<td></td>
<td>These sunglasses help me express myself</td>
<td>0.877</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The sunglasses are a status symbol</td>
<td>0.925</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>These sunglasses will help me adapt to important social situations</td>
<td>0.671</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I like to be seen wearing these sunglasses</td>
<td>0.780</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>I would probably buy the sunglasses</td>
<td>0.754</td>
<td>0.831</td>
<td>0.835</td>
<td>0.628</td>
</tr>
<tr>
<td></td>
<td>I am interested in buying the sunglasses</td>
<td>0.934</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I want to own the sunglasses</td>
<td>0.913</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fitting index: $\chi^2$/df=1.529, p<0.05; IFI=0.965, NFI=0.905, CFI=0.964, GFI=0.900, RMSEA=0.073

### Table 2: Discriminant Validity Analysis of Variable Measurement

<table>
<thead>
<tr>
<th>Structure Variables</th>
<th>Counterfeit Conspicuousness</th>
<th>Social Function Attitude</th>
<th>Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterfeit Conspicuousness</td>
<td><strong>0.585</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Function Attitude</td>
<td>0.436</td>
<td><strong>0.508</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.391</td>
<td>0.379</td>
<td><strong>0.628</strong></td>
</tr>
</tbody>
</table>

### Table 3: Mediating Role of Social Function Attitude

<table>
<thead>
<tr>
<th>a</th>
<th>SE</th>
<th>b</th>
<th>SE</th>
<th>c</th>
<th>SE</th>
<th>a×b</th>
<th>SE</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>β</td>
<td></td>
<td>β</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.722**</td>
<td>0.057</td>
<td>0.466**</td>
<td>0.115</td>
<td>0.48**</td>
<td>0.105</td>
<td>0.336**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a: the influence of high conspicuousness counterfeits on social functional attitudes; b: the influence of social functional attitudes on consumers' buying intentions; c: the influence of high conspicuousness counterfeits on consumers' purchase intention (direct); a×b: the influence of high conspicuousness counterfeits on consumers' purchase intention (indirectly); Beta: non-normalized regression coefficient; SE: standard error; * * p < 0.01.

In order to verify the mediating role of consumers' social functional attitudes, we use Process to analyze the mediating effect. The results of the analysis are shown in Table 3. As we expected, the social functional attitude of consumers is an important mediator. Specifically, high conspicuous counterfeit luxury goods have a significant positive impact on consumers' social functional attitudes: (a: $\beta = 0.722$, SE = 0.057, $t (101) = 12.731$, p <0.01), meanwhile, Consumers' social functional attitudes have a significant positive impact on their willingness to purchase: (a: $\beta = 0.466$, SE =
0.115, \( t(101) = 4.056, p < 0.01 \), and high-profile counterfeit luxury and social functions. The interaction effect of attitude on consumers' willingness to purchase is also positive: \( (a \times b: \beta = 0.336, SE = 0.087, t(101) = 3.854, p < 0.01) \), these results show that in the high conspicuous counterfeiting luxury Between the product and the consumer's willingness to purchase, the consumer's social function attitude plays a mediating role. In addition, the high conspicuous counterfeit luxury goods have a direct and significant positive impact on the consumer's willingness to purchase: \( (c: \beta = 0.480, SE = 0.105, t(101) = 4.569, p < 0.01) \), this shows that the consumer's social function attitude does not completely mediate the relationship between the high-fashioning counterfeit luxury goods and the consumer's willingness to purchase, that is, in addition to the social functional attitude of the consumer, There are other influencing factors, such as the perceived luxury value of counterfeit luxury goods (such as unique value, etc.), high-definition counterfeit luxury goods may increase the consumer's perceived luxury value, thereby increasing consumers' willingness to purchase.

5. Research significance

The theoretical significance of this study is mainly as follows. First of all, in response to the changes in consumer preferences in the field of luxury consumption in recent years, this paper explores for the first time whether the same changes will occur in consumer preferences in the field of counterfeit luxury consumption. The results show that, unlike the current situation in the field of luxury goods consumption, in the field of counterfeit luxury goods consumers, consumers still prefer high-fashion counterfeit luxury goods, because this has an important relationship with the social function attitude of consumers. In other words, the results of this study show that the difference in product flaunting has a different impact in the field of luxury goods and counterfeit luxury consumption. The results of Experiment 1 and the results of Experiment 2 respectively verify and illustrate this effect and the mechanisms behind it.

This study also has important practical significance. By exploring the link between counterfeit luxury and the socially functional attitudes of consumers and consumers' willingness to buy, this research helps managers, marketers and practitioners better understand consumer counterfeit luxury consumption. Act and make better responses. First, because the study shows that consumers are more willing to buy high-profile counterfeit luxury goods, luxury operators should pay more attention to high-profile counterfeit luxury goods than low-profile counterfeit luxury goods, because this counterfeit luxury goods will have a greater impact on genuine sales. Previous studies have shown that counterfeit luxury flaunting will positively affect consumers' perceptions of shame on you. That is to say, the higher the flamboyant of counterfeit luxury goods, the easier it is to be recognized by others as a replica. The higher the sex, the greater the risk of perception when consumers use these high-profile counterfeit luxury goods. Therefore, for those luxury luxury goods manufacturers, they can try to improve consumer perception. Risk. For example, they can design advertisements that show the perceived risk of consumers after purchasing high-profile counterfeit luxury goods and their embarrassing situation after being discovered using replicas. On the other hand, this study shows that consumers' social functional attitudes will have a positive mediating effect on consumers' willingness to buy, so for those luxury brands with low brand awareness, they should do more. The promotion and promotion of the brand continues to increase the brand's popularity. Because the brand awareness is higher, the brand can better meet the needs of consumers to display their status, that is, better meet the social function attitude of consumers.

6. Research limitations and future research

Although this study provides some important insights into understanding consumer counterfeit luxury consumption behavior, there are still some limitations. First of all, in terms of product
categories, the entire study only selected sunglasses, the product category is too single, so future research should explore more product categories. Secondly, the study uses scenario experiments throughout the experiment. Due to the lack of real shopping environment and shopping experience, this may affect consumers’ attitudes and behaviors. Therefore, future research can not only consider field experiments. To create a real shopping experience for consumers. Third, the sample size of this study is relatively small due to time and economic costs. In order to improve the accuracy of the research conclusions, future research should expand the sample size. Fourth, this study only distinguishes the conspicuous differences of counterfeit luxury goods from the external factors of counterfeit luxury brand logos (such as brand logo). Therefore, future research should consider more factors, such as brand awareness. This intrinsic factor is studied. Finally, this study covers only Chinese participants and the results may not be applicable to other countries and cultural regions. Future research should explore whether the results of this study are very universal.

References