Analysis Of Consumer Buying Behaviour Of Counterfeiting Footwear Products: Empirical Investigation From Uttarakhand

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ABSTRACT

Nowadays Counterfeiting is becoming a hugely successful industry. Counterfeit products are fake replicas of the real product with the intent to take advantage of the brand value of the original product. And, we can counterfeit products in every sector, some of the most counterfeited industries are fashion and cosmetics. The fashion industry is hard hit by counterfeiting. Footwear and clothing represent the most counterfeited item in the world. The present study focused on the counterfeiting of footwear only. The most common victims' brand is Nike, Adidas, Rebook, and puma. The study aims to examine the relationship between consumer buying behaviour toward counterfeit footwear products. This empirical study was conducted in Uttarakhand. A survey of 300 respondents was conducted using an online questionnaire developed on Google docs. The regression technique is used to test the hypothesis. The study discovered that there is an impact of counterfeit footwear products on consumer buying behaviour. The research findings are relevant to the current market scenario as they can help brand manufacturers and marketers to better understand that consumers prefer counterfeit products rather than the originals and thus there is a need to take effective measures to control counterfeiting.

Keywords: Counterfeit product, Consumer buying behaviour, Footwear products.

INTRODUCTION

An ancient proverb, *"If you can make it, they can fake it,"* is as true now a day as it forever was. Counterfeit products are the illegal and unauthorised copies or replicas or knockoffs of real products. Various industries of an economy are battling the issue of counterfeit products. The footwear industry is among the top five industries which are affected by counterfeiting. About all counterfeit goods, clothing and footwear lead it to the most counterfeited products in the world. As with the advancement of technology, modernisation and liberalization of the Indian economy have provided an ideal platform and opportunity for manufacturers and marketers for misusing existing brands. Even the increasing popularity of online shopping has made it easier to sell counterfeit products. And the rate of counterfeit products has been rising. India has become one of the fast-growing markets for high-end luxury products. In India, the counterfeit market is constantly rising and has surpassed over Rs. 40000 crores in the organised sector alone (The Anti-Counterfeiting and Brand Protection Summit 2018). Counterfeit products impact has become a global phenomenon over the past few years. By 2022 the International Chamber of Commerce has predicted that the value of counterfeiting products could reach $2.3 trillion.

Today's generation is more fashion-conscious and not everyone can afford luxury brands specially branded footwear like Nike, Adidas, Rebook, and puma. Everyone wants to be a member of the high class. As a result, people get attracted and willingly buy counterfeit footwear products to fulfil their desire for branded products which is termed "willful counterfeiting". In India, no law provides punishment for buying counterfeit products. These loopholes and the desire of belonging to a high social class provided an opportunity for manufacturers and marketers to produce the counterfeit product. Today in the market we can easily get counterfeit of every item with various options like 1st copy, 2nd copy, etc. And this problem is more propelled by the overwhelming penetration of the internet, the adoption of smartphones, which is also seen to be contributing to the trading of counterfeit products without much restriction. Therefore, it is very challenging to stop such types of activities.

Footwear and clothing are the most counterfeited item in the world. The present study focused on the counterfeiting of footwear only. The reason being is that in non-deceptive counterfeiting, these are the products that are mostly counterfeited in India.

LITERATURE REVIEW

Today's market is flooded with counterfeit products. With wider impact counterfeiting has become a global phenomenon and is growing at an alarming rate. Fake fashion is most popular in India as a result fashion industry is mostly affected by the Counterfeiting of their products. A well said proverb "Why Make in India when you can Fake in India (the economic times). Researchers have identified many factors that play important role in purchasing counterfeit products some of which are as follows:

The most common reason which initiates customers to buy counterfeit products is the affordable price. With further studies it was found that price is not only the factor that motivates individuals to buy counterfeit products as people with high income were also involved in purchasing counterfeit products; Eisend & Guler, 2006). Some researchers identified that price along with social influence and economy affect the Customer perception of counterfeit products (ahasanul haque, ali khatibi and sabbir rahman 2009).

Both Price and non-price factors play important role in buying counterfeit products. A study has shown that the Fashionwear industry is the main thrust of counterfeits products in India. And the majority of Indian consumers are interested to purchase counterfeit products available in the markets. While Subjective norms and status influence plays a crucial role in counterfeit product purchasing intention along with lower price, customer willingness to purchase, hedonic purpose, reasonable performance and satisfactory past purchase behaviour factors as advocated in earlier studies. (Devkant Kala and D.S. Chaubey 2017). Another study identified price consciousness, novelty-seeking, status consumption and peer pressure are the key psychographic determinants affecting consumers' buying intention of purchasing counterfeit products consumers in India while value consciousness does not influence consumers' buying intention of purchasing counterfeit products. (Saurabh Verma, Rajender Kumar and Sunil Kumar Yadav, 2019).

Brand image, social factors and personality factors have a significant impact on the attitude and purchase intention of the consumers in the fashion industry with special reference to fashion sneakers in the Indonesian market. And attitude and consumers' intention of purchasing counterfeit products are significantly related (Sharah Alfia Djuhardi Andriani Kusumawati 2017). Social norms and social motivations also play a primary role in leading an individual to involve in counterfeiting activities (Mathumita Mukherjee Basu, Sumit Basu & Jung Kook Lee 2015)

Another study on intrinsic and extrinsic factors showed that Intrinsic factors like quality, material, performance, long-endured, crafting, the model also influences and encourages consumers to buy counterfeit products bags. While extrinsic factors like price, brand, logo, company goodwill and trademark provide additional value to the counterfeit products. But they are not having an as big impact as intrinsic factors have on consumers (Santi Budiman 2012). Again Price-quality relationship of counterfeit products proves to have a strong impact on the customers' attitude towards the purchase intention of counterfeit products. (Tinashe Chuchu, Richard Chinomona, Rukudzo Pamachech 2016). While Reference group interest along with other factors like Income, price and social status are the main factors affecting customer perception regarding the purchase of counterfeit garments products (Rana Muhammad Shahid Yaqub Ghilman Ahmed Dr. Jamal Abdul Nasir). From a Demographic point, factors like gender, age, education, income and profession are found to have a positive influence on the purchase of counterfeit products (Kumar and Rojhe 2015).

Footwear and clothing are the most counterfeited item in the world. since Indian domestic markets are highly flooded with counterfeit luxury brands, it will be interesting to find out the factors affecting the huge demand for counterfeit luxury brands in the Indian market. The present study focused on the counterfeiting of footwear only. The reason being is that in non-deceptive counterfeiting, these are the products that are mostly counterfeited in India.

## OBJECTIVE OF THE STUDY

The main objectives of the research are
1. To analyse the purchase of counterfeit footwear products and their relationship with the demographic characteristics of consumers.
2. To determine the satisfaction levels of consumers for counterfeit footwear products.
3. To find out the factors affecting individuals while purchasing counterfeit footwears products.
4. To determine the impact of footwear Product Counterfeiting on Consumer Buying Behaviour.

METHODOLOGY

This research work is used to evaluate and understand the impact of product counterfeiting footwear products on consumer buying behaviour for footwear products. The survey-based methodology is adopted for collecting opinions and comments regarding counterfeit footwear products in Uttarakhand. Although the data is mainly collected from college students. This study was conducted for 4 months (December 2020 – March 2021) on a sample of 300 respondents. The sampling technique that is used to conduct the survey is Convenient Random Sampling and since the area of research is circulated through online questionnaires, the regions under study are variated. The major source of data is the circulation of the questionnaire, which was created using Google Forms and circulated via social apps like WhatsApp, Facebook, Telegram and Emails.

VARIABLES

The Dependent Variable is consumer buying behaviour. The independent variable taken for the research is counterfeit footwear product. We have further subdivided the independent into its sub-variables. Independent variables are price, income, social status, brand loyalty, easy access and unavailability of a brand.
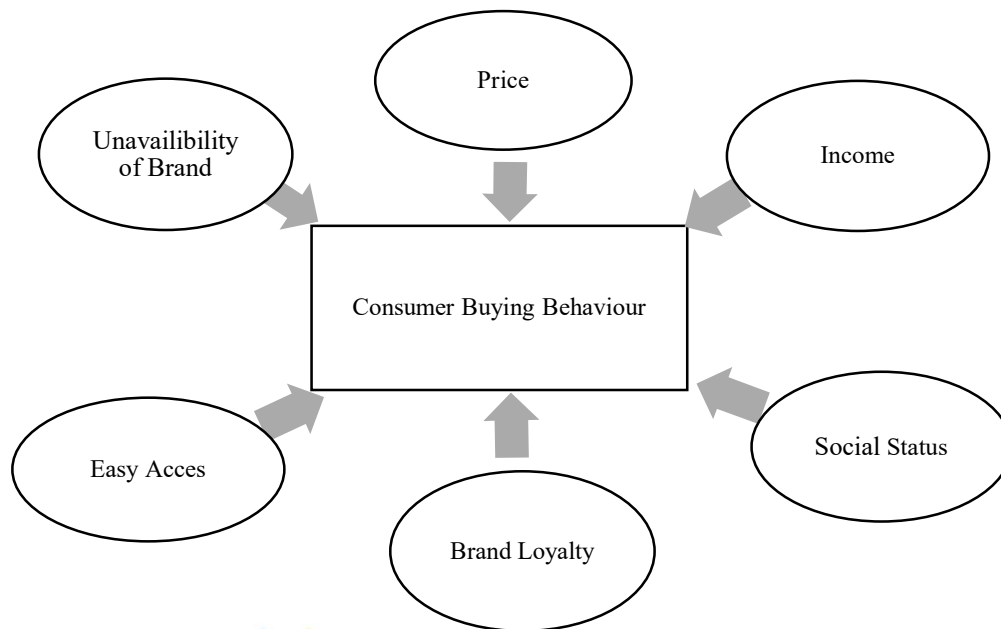
HYPOTHESIS
Hypothesis 1:
H0 (Null hypothesis): There is no significant association between counterfeit footwear products purchase and demographic characteristics of consumers.
H1 (Alternate hypothesis): There is a significant association between counterfeit footwear products purchase and the demographic characteristics of consumers.

Hypothesis 2:
H0 (Null hypothesis): There is no impact of counterfeit footwear products on consumer buying behaviour.
H1 (Alternate hypothesis): There is an impact of counterfeit footwear products on consumer buying behaviour.

ANALYSIS AND INTERPRETATION
Demographic data of the respondents

Table 1: Demographic Profile of the Respondents (N=300)		
Demographic factors	**Frequency**	**Percent**
Gender Male	218	73%
Female	82	27%
Age 18-30	221	74%
30-40	55	18%
41-50	20	7%
51-60	4	1%
Occupation Student	148	49%
Employed	88	29%
Businessman	64	22%
Area Urban	205	68%
Rural	95	32%
Education Higher Secondary	55	18%
Graduation	180	60%
Post-Graduation	65	22%
Income Less than 25K	148	49%
26K to 50K	66	22%
51K to 75K	48	16%
76K to 100K	28	9%
Above than 101K	10	3%

Table 1 describes the total sample size comprised of 300 respondents, out of which there were 218 males and 82 were females. The majority portions of the respondents were males at 73% as compared to their female counterparts i.e., 27%. The highest percentage 74% of the respondents were between the age of 18 to 30 followed by 18 % between 30 to 40, 7 % between 41 to 50 and a few i.e., 1 % were above the age group of 51-60. From a professional point of view, the greatest ratio was of students at 49%, whereas employed keeps account for 29% and only 22% were businessmen. The majority of respondents belonged to the rural area 68% and 32% were urban respondents. It is important to highlight that majority of users are well educated. 78% of the total respondents are having education either up to graduation level or more than that. The table shows that 49 % of users are earning either or below Rs.

25,000 /month, 22% of users are earning between Rs. 26,000 to Rs. 50,000/month. The monthly income of 16% of users is between Rs. 51,000 to Rs. 75,000. 9% are earning more than Rs.75,000 to Rs. 100000 a month and the rest are earning more than Rs.100000.

Table 2: Counterfeit product awareness		
Counterfeit footwear products purchased	Frequency	Percentage
Yes	189	63%
No	109	23%
Don't know	02	4%
Total	300	100%

To know whether respondents have purchased any footwear counterfeit products. it was found that 63 % have purchased, 23 % have not purchased while 4% of customers were not aware of counterfeit footwear products.

Table 3: Counterfeit Footwear Product of Different Brands		
Footwear Company	Frequency	Percentage
Nike	78	25%
Puma	56	18%
Adidas	82	26%
Rebook	79	25%
Other	15	4%
Total	310	100%

From a purchase point of view table, 3 shows that Consumers were highly interested in the footwear purchase of Adidas (26%), Nike (25%), and Rebook (25%) followed by Puma 18% and others 4%.

Table 4: stores buying counterfeit footwear products		
Types of Store	Frequency	Percentage
Specific markets	115	43%
Online sites	10	4%
Street markets	122	45%
Sidewalk hawkers	06	2%
Retail shops	16	6%
Total	269	100%

Table 4 shows the stores buying counterfeit footwear. Specific markets (49%) were highly preferred by buyers along with street markets 24(%) followed by retail shops (19%) and others (8%).

Table 5: Satisfied with the purchase of counterfeit footwear products		
Option	Frequency	Percentage
Yes	89	47%
No	79	42%
May be	21	11%
Total	189	100%

From satisfaction level with the purchase of counterfeit, 47% of consumers showed that they were satisfied with the purchase of counterfeit footwear products, 42% responded with no while 11 % were not sure about their satisfaction level.

Table 6: Reason for purchase of counterfeit Footwear products		
Reason	Frequency	Percentage
Price	161	32%
Income	112	22%
Social status	126	25%
Brand image	56	11%
Easily Accessibility	22	4%
Unavailability of brand	26	6%
Total	503	100%

When it came to the reasons for purchase of counterfeit footwear products, the highest percentage i.e., 32% was given to price, 25% to social status, 22% to income while the rest 21% to brand image, easy accessibility and unavailability of the brand. Price, income and social factors are the main reasons for the purchase of counterfeit products.

ANALYSIS USING STATISTICAL TOOLS

Reliability Test Analysis

Variables	Cronbach's Alpha	No. of Items
Consumer Buying Behaviour (CBB)	.889	4
Counterfeit footwear Products (CFP)	.782	16

The reliability of the data has been found out with the help of Cronbach alpha. The lenient cut off of Cronbach Alpha is 0.6 and the strict cut off is 0.7. As we have got 0.889 for our dependent variable and 0.782 for our independent variable this means that our questionnaire was reliable.

Table 7: Chi-Square Test: Consumer Demography and Counterfeit footwear Product brands				
Footwear Product brand	Demographic characteristics	Dof	The calculated value of X2	Table value of X2
Nike Puma Adidas Rebook Others	Gender	04	21.56	09.488
	Age	12	46.52	21.026
	Occupation	08	33.55	15.507
	Area	04	22.13	9.488
	Education	08	36.52	15.507
	Income	16	58.15	26.296
N= 310	Level of significance =0.05			

The Chi-square test checks the degree to which demographic characteristics of respondents are associated (Gender, Age, Occupation, Area, Education and Income) with the purchase of counterfeit footwear of different brands. The calculated value of all demographic characteristics exceeds the table value that shows that the demographic characteristics of respondents are associated and the buying of counterfeit footwear products of different brands therefore the null hypothesis is rejected.

Table 8. Regression Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of theEstimate
1	0.882	0.778	0.7734	.629
Predictors: (Constant), Counterfeit footwear products. Dependent variable: consumer buying behaviour.				

Table 8 labelled 'regression model summary' has been generated to understand the degree of regression between the impact of Counterfeit footwear on Consumer Buying Behaviour. From the table, we can see that the regression value (R square) is 0.778 and the correlation (R) between both the variables is very low at 0.882. This means that the independent variable causes a 77.8% variation in the dependent variable, further indicating that Counterfeit footwear Products dictates Consumer Buying Behaviour. More importantly, the difference between R square and adjusted R square signifies that there were no sample errors as this difference is less than 5%.

Table 9 ANOVA (Counterfeit footwear product & consumer buying behaviour)					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	132.63	1	132.63	238.54	.000
Residual	52.21	298	.556		
Total	1	299			
Predictors: (Constant), Counterfeit Footwear products. Dependent Variable: Consumer Buying Behaviour					

To test the hypothesis stated, one way ANOVA has been used. The p-value is less than 0.01 which means that it is significant at 1%. The calculated F value is greater than the cut-off value of 238.478> 7, which means that there is a significant impact of the independent variable on the dependent variable. This means we reject the null hypothesis that there is no impact of counterfeiting products on consumer buying behaviour in the footwear industry. Hence the model is significant.

Table 10: Regression Coefficients					
Model **1**	**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	.132	.173	.792	.763	.544
CFP	.897	.086		10.43	.000
Dependent Variable: Consumer Buying Behaviour					

Table 10 illustrates the effect on the behaviour of purchases by consumers of counterfeit products. The counterfeit product coefficient here is .897, which shows the direct relationship of counterfeit goods with the consumer's purchasing behaviour. In the case of a 1 unit increase in counterfeit products, the buying behaviour of consumers will be increased by .897 units. The table value 't' is 2; here it is 10.43, which is more than 2. This shows an important statistical relation. The sig value is also lower than 0.01, which leads to a strong relationship.

DISCUSSION

This research was aimed at assessing the impact of counterfeit products on the purchasing behaviour of consumers. The questionnaires were floated to better understand the effect on consumers' buying behaviour of counterfeit products. We collected the primary data and used those data on the regression model through these questionnaires. As a result of counterfeit products and consumer buying behaviour, the buying behaviour of consumers increases by 77.8 per cent when counterfeit products rise by 1 per cent to test the hypothesis stated, one way ANOVA has been used. The result indicates there is a significant impact of the independent variable on the dependent variable. This means we accept the alternative hypothesis that there is an impact of counterfeiting products on consumer buying behaviour in the footwear industry.

CONCLUSIONS AND SUGGESTION

Counterfeiting has become a serious problem in the 21st century. The counterfeit market is growing day by day, especially in fashionwear products. This paper proposes the examination of the impact of counterfeit footwear products on consumer buying behaviour. The study results in a conclusion that there is a significant relationship between counterfeit products and consumer buying behaviour. Hence Hypothesis H0 has been rejected. Price is one of the important factors, along with social status and income which motivates individuals to buy counterfeit footwear products. Generally, people tend to prefer counterfeit products over genuine ones as they are overpriced and out of their reach. So, manufacturers of footwear products can reduce the price so that it is within reach of maximum customers. The company is also expected to perform appropriate segmenting, targeting, and positioning strategies. Proper segmentation based on income would also help manufacturers to get original branded quality at a fair price so that consumers with normal income can also afford original products. The company has to keep an eye on the consumers who are between 18-30 years which are mostly involved in the purchase of counterfeit products. Especially understanding the factors working and making improvements in the factors that influence customers to purchase counterfeit footwear products will help the manufacturers of brands to control losses due to counterfeiting activities. Finally, it can be concluded that this study will assist manufacturers and marketers in understanding the impact of counterfeit footwear products on the consumer buying behaviour and various factors affecting purchase behaviour, thereby enhancing their marketing policies and strategies.

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