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## **An Analytical Study On The Psychological Determinants Influencing Purchase Intentions Toward Counterfeit Luxury Brands In Nagpur City**

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### **Abstract**

The psychological impetus behind the consumer decision to purchase fake luxury goods is the question that this paper research is asking. The author explores the such variables as the value consciousness, the materialism, the social influence, the perceived risk and the attitude toward counterfeits with the help of descriptive research design and the structured questionnaire carried out among 200 participants. Statistical tests the results of correlation and regression have indicated that the attitude, social influence and value consciousness play a significant and positive role in purchase intentions, but the perceived risk plays a negative role. The conclusions are that social context of consumers together with its psychological considerations are more powerful in the decision-making process of whether to purchase counterfeit luxury goods or not, as opposed to ethical or legal. The study will inform the managers, policy makers, and marketers on the strategies to develop effective mechanisms to reduce the demand of this product and to improve the consumer attitude on the importance of detecting the authentic and moral consumption.

**Keywords:** Counterfeit luxury brands, purchase intention, psychological determinants, value consciousness, materialism, social influence, perceived risk, attitude, Nagpur City.

### **Introduction:**

The intentions of consumers to purchase a fake brand of luxurious products has its own irony: first, it is the direct breaking of the laws, as well as the moral principles, and, secondly, it is the same goods that respond to the actual psychological needs, which includes status signalling, maximisation of values and self-expression. The purpose of this study will be to research the impact of psychological factors on the intention to purchase fake luxury goods within one of the Indian urban regions.

Counterfeiting does not simply act as an economic concern both to brand owners and in policymaking, but it displays consumer subjective assessment of authenticity, social identity and fairness. Initial studies have determined that the attitudes towards product characteristics and the lawfulness influence consumers to purchase counterfeits (Cordell, Wongtada, and Kieschnick, 1996), and the latter research advances the point that attitudes and socially contingent cultural norms mediate such effects (Phau and Teah, 2009). In the evolving markets with income inequalities and conspicuous consumption, counterfeit products tend to serve as easy status stuff, but recent researchers upset the status explanation by revealing new reasons like egalitarian value, perceived value and face-related concerns, which drive or remind counterfeit buying behavior (Liu, 2021; Ting, Goh, and Isa, 2016).

This paper places Nagpur, which is a fast-urbanizing Indian city with thriving informal markets in counterfeit products, as the right location to examine the psychological determinants that shape intention of counterfeits purchase, and thus contributes to the both scholarly and localized action against counterfeit policy.

### **Literature Review:**

The body of literature reveals a set of psychological antecedents that will anticipate consistent counterfeit purchase intentions, but the effects will be relative to different cultural settings and conspicuousness of different products. The attitude towards counterfeits performs a central mediating role in most models: the positive attitudes raise the purchase intention; the attitudes are conditioned by personal values (e.g., value consciousness, materialism), social factors (e.g., subjective norms, informational susceptibility), and perceived risk (Ting et al., 2016). Value consciousness- the desire of the consumers to get functional advantages at a lower price has been found to facilitate the make of counterfeit purchases many times and with favorable attitudes; that is where counterfeits can supply equivalent worth at very reduced cost. Personal characteristics including materialism and novelty seeking have been identified as the factors that increase interest in conspicuous branded products. However, evidence on materialism is varied with some studies showing positive relationships but others reporting weak or non-significant relations once social factors are measured (Ting et al., 2016; Phau and Teah, 2009).

The motives of social influence and face are especially relevant in the collectivist or stratified society. The counterfeit purchase propensity is heightened by subjective norms and informational susceptibility where the peer groups are rewarding the visible demonstrations of brand ownership or the consumers are using social information to determine product acceptability.

A typical discouraging factor of counterfeit purchase is perceived risk (performance, social, legal): the higher the perceived performance risk (poor quality, low life span) and the social/legal risk the less the desirable attitudes and intention (Cordell et al., 1996; Riquelme et al., cited in reviews).

The analysis of the counterfeits products has evolved over the years because it has focused on consumer motivation, consumer behavioral intentions and attitudes. One of the earliest contributions of principle was made by Ang et al. (2001) who researched the mechanism of the process of consumer differentiation between the actual and counterfeit products. They found out that price and appearance being determinants of product evaluation are not the sole determinants, as personal ethics and perceived risks are also determinants.

In that case of the knowingly purchase, Prendergast et al. (2002) subsequently investigated the motives that lead consumers to undertake the purchase of the non-deceptive brands of the pirated goods. They stressed that a number of buyers are drawn to imitations due to the benefits in terms of money and social discrimination and that even the knowledge, that the item is counterfeit, will not necessarily stop the people selling such.

The literature application has also empowered the literature of Staake et al. (2009) who researched in detail the counterfeit trade in the world. They addressed the rate of expansion of counterfeit markets and gave the causes (technological, economical) and psychological causes that favored the usage of counterfeits.

The succeeding years were characterized by increased research on developing countries. Hidayat and Diwasasri (2013) studied the Indonesian consumer and found that the attitude to counterfeit luxury brands is dependent on the perception of the quality, social pressure, and the availability.

The review by Mathews and Bianchi (2016) covered a broader theoretical approach to consumer behavior in relation to counterfeit products. They formulated some key themes such as moral reasoning, value consciousness and social influence and perception of the risk and the future research directions.

The modern is the use of improved research on luxury imitation products and emerging markets. Bhardwaj and Kim (2020) wrote about the motivations of counterfeit luxury buying and claimed that the majority of the buyers are driven by their status, appreciation of brands, and deterrence. Likewise, a study by Rana and Tirthani (2020) on the determinants that affected buying counterfeit fashions in the new market led to the discovery that the idea of social approval, brand image, and perceived value are robust in describing the intentions of consumers to buy counterfeit fashions.

Overall, the literature shows that the consumer behavior of fake product is conditional on an amalgamation of economic, social, psychological, and ethical determinants, and they have been not changing, but rather they have been becoming complicated.

Combined, existing studies indicate a multi-dimensional model of psychological factors of counterfeit luxury purchase intention that incorporates valuable (value consciousness, materialism), social (subjective norms, face), cognitive (attitude, perceived risk, price-quality inference), and moral/legal (dispositions). Nevertheless, there are still gaps within the city-level research in Indian settings where the market structure locally, the visibility of enforcement and the culture can generate unique trends. The study thus aims to test using already validated constructs of other studies on the same the extent to which attitudes, perceived risk and social influences mediate or moderate the association between psychological determinants and purchase intention toward counterfeit luxury brands in Nagpur.

### **Objective of the Study:**

The purpose of this research paper is to find out the psychological factors which have the power to cause the purchase intentions of consumers of the CLBP in Nagpur City with specific reference over the value consciousness, materialism, social influence, perceived risk and attitudes with the view to understand how all these factors would interact with the consumer behavior within the counterfeit luxury market.

### **Methodology:**

The kind of research design is a descriptive research design that is to be conducted systematically in order to learn in a orderly manner the psychological factors which dictate the buy intentions with respect to imitated luxury brands in Nagpur City. The structured questionnaire was used to collect the primary data and it sought to take into consideration the perceptions and attitudes of the consumer. The purposive sampling technique was applied to select 200 interested respondents and the interest group consisted of people who are familiar with luxury brands and those who deal with fake products. The correlations within the psychological factors and intentions to purchase would be established through the statistical program.

### Result and Discussion:

A population of 200 respondents were chosen in these efforts to investigate the psychological aspects that influence the purchase intention with regard to the counterfeit luxury brands to include such a population since the object of interest (the luxury brand) was divided into several demographic groups that lived in Nagpur City. The analysis has been carried out using the descriptive analysis, correlation analysis and the regression analysis to determine the strength of the relationship between different noteworthy psychological variables value consciousness, materialism, social influence, perceived risk and attitude towards counterfeit products.

**Table 1 Descriptive**

Variable	Mean	Standard Deviation	Minimum	Maximum
Value Consciousness	4.12	0.68	2.10	5.00
Materialism	3.84	0.72	2.00	5.00
Social Influence	4.25	0.66	2.40	5.00
Perceived Risk	2.98	0.84	1.60	5.00
Attitude Toward Counterfeits	4.05	0.70	2.30	5.00
Purchase Intention	4.18	0.64	2.50	5.00

This implies the fact that consumers of Nagpur are more driven by peer pressure and value of fake luxury goods as the findings mean that social influence and value consciousness have the highest mean (4.25 and 4.12 respectively). Conversely, the perceived risk has a lowering mean of the 2.98 that implies less perceived risk by the consumer in purchasing the counterfeit luxury brands.

**Table 2 Correlation Analysis Between Psychological Determinants and Purchase Intention**

Variables	Purchase Intention (r)	Sig. (p-value)
Value Consciousness	0.671**	0.000
Materialism	0.512**	0.000
Social Influence	0.688**	0.000
Perceived Risk	-0.421**	0.002
Attitude Toward Counterfeits	0.729**	0.000

The results of the correlation are the highest positive correlation with the purchase intention with attitude towards counterfeits ( $r = 0.729$ ) and social influence ( $r = 0.688$ ). The relationships between value consciousness ( $r = 0.671$ ) that indicates that individuals in maximum value-consciousness will buy counterfeits luxury brands are also strongly positive. Perceived risk on the contrary is also negatively correlated with significant coefficient ( $r = -0.421$ ) that indicates that an individual will not buy a fake product having perceived risk.

### Hypothesis Testing:

The following null hypothesis was formulated:

**H<sub>0</sub>:** Psychological determinants (value consciousness, materialism, social influence, perceived risk, and attitude) do not significantly impact the purchase intention of consumers to the counterfeit luxury brands.

**Table 3 Multiple Regression Analysis of Psychological Determinants on Purchase Intention**

Predictor Variable	Beta Coefficient ( $\beta$ )	t-Value	Sig. (p-value)
Value Consciousness	0.243	4.152	0.000
Materialism	0.182	3.021	0.003
Social Influence	0.261	4.531	0.000
Perceived Risk	-0.198	-3.282	0.001
Attitude Toward Counterfeits	0.291	5.418	0.000
<b>R<sup>2</sup> = 0.68, Adjusted R<sup>2</sup> = 0.66, F = 82.47, p = 0.000</b>			

It can be seen that the regression equation is found to be significant ( $F = 82.47$ ,  $p =$  less than 0.001) and the  $R^2 = 0.68$  indicating that the 5 psychological variables used are significant in explaining the variability of purchase intentions of 68 percent. The predictors of purchase intention are the highest with Attitude toward counterfeits ( $b = 0.291$ ) followed by social influence ( $b = 0.261$ ), then again there is the value consciousness ( $b = 0.243$ ). The perceived risk ( $b = -0.198$ ), has a negative but significant impact on the counterfeit purchase intention and the more it is perceived the lower the counterfeit purchase intention. Thus, the null hypothesis is rejected and it demonstrates that psychological variables that form a major contribution in purchase intentions that are associated with fake luxury brands in consumers of Nagpur City.

The result shows that psychological variables have a decisive influence to determine purchasing intentions of consumers towards CLBP. Value consciousness, social influence, and positive perception of counterfeit luxury brands are the driving factors of the consumers in Nagpur, with perceived risk being a push factor. The findings agree with the previous empirical studies (Phau and Teah, 2009; Ting et al., 2016; Wu, 2021), which supports the fact that social image and value-seeking tendencies are high predictors in developing urban markets. The statistical data highlights the necessity of raising consumer awareness and practicing ethical marketing of brands in order to alleviate the popularity of faux luxury.

### Conclusion

The current analytical research indicates that psychological factors are important factors in determining the purchasing intentions of the consumers of the counterfeit luxury brands in Nagpur City. The results indicate attitude towards counterfeits, social influence and value consciousness are the most effective positive predictors of purchase intention whilst perceived risk has a negative but significant effect. Counterfeit luxury and luxury goods have been regarded by consumers as affordable luxury substitutes, which enable

them to experience social connotations and symbolic consumption in connection to luxury consumption at a special price. The analysis affirms that social pressures and peer pressure have a pronounced effect on the purchasing behavior, implying that the consumer behavior of buying counterfeits is somehow deemed to be acceptable in some groups of the society. In addition, the findings underline the fact that the psychological motivators are more influential than the ethical or legal considerations when it comes to changing the buying behavior. This explains the necessity of further insights into consumer psychology in order to deal with the increasing popularity of counterfeit luxury goods in the urban developing market of Nagpur.

### **Recommendations**

Through the results obtained, consumers are advised to be sensitized through awareness and educational campaigns on ethical, legal and economic effects of buying counterfeit products. The owners of luxury brands are supposed to concentrate on building brand authenticity and emotional attachment with customers through or with local marketing and brand engagement strategies. The policy makers and the enforcement authorities should improve the tools of checking the availability of counterfeits in the local markets as well as foster consumer responsibility through the opportunity to establish more strict rules. The marketers should also work on the value consciousness of the consumers by providing them with cheaper luxury lines or smaller versions of authentic products as an alternative means of minimizing the appeal of the counterfeits. Future studies might further develop this study by incorporating behavioral and demographic moderators like income, education, and digital exposure to have a clear idea on how these variables interact with psychological determinants to influence intention to counterfeit purchases.

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