To download a movie or to buy fake branded clothes?

- A study of consumers’ attitudes towards counterfeited and pirated products.

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Abstract

Purchasing counterfeited luxury products and downloading pirated items have become more common nowadays. Fashion and IT industries are affected negatively by consumers’ supportive attitude towards piracy and counterfeits. Many luxury branded companies have their exclusive brand names stolen by counterfeits producers. Likewise producers of computer software, music, and movies are affected by individuals who download/stream their items for free. Consumers’ attitudes towards counterfeiting and piracy are important to examine as to understand their acceptance and rejection towards counterfeits and piracy.

The purpose of this thesis is to examine consumers’ attitudes towards counterfeits and piracy. What is accepted and rejected by consumers? To answer the research questions, a qualitative method is used. The data is collected through semi-structured interviews with 12 consumers of both/either counterfeits and piracy. The study is performed in Skåne (Scania), Sweden, mainly in Malmö, Perstorp and Kristianstad.

We implemented the Theory of Reasoned Action, Theory of Moral Reasoning, Consumer Theory and different attitudes for analysing the empirical presentation. The result of the study showed that the interviewees had a more accepting attitude towards piracy while the majority of them had a rejecting attitude towards counterfeits. Due to the fact that computer and IT have become a part of the everyday life for many individuals. However, the interviewees who buy counterfeits consume the items while they are on vacation abroad since the supply of counterfeits in the Swedish market is not very big. When it came to piracy and counterfeited products, the age of the interviewees did matter to some extent. Also, price was one important element why consumers are interested in counterfeits or download piracy.

This study contributes to fill the gap in the lack of studies of consumers’ attitudes towards both piracy and counterfeits. The conclusions can be used as a guideline and tool for companies to be aware of consumers’ attitudes towards illicit products.

Keywords: Counterfeit products, Piracy, Consumer attitude, Physical products, Digital products, Luxury brands, Genuine luxury brand, Illicit forged products
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1. Introduction

In this part of the thesis the background, problem, purpose, research question, theoretical limitation and an outline of the thesis are presented.

1.1 Background

“Would you steal a movie?” “Would you ever steal a handbag?” These are two of many questions that turn up in an anti-piracy commercial. The commercial was broadcasted worldwide by Motion Picture Association of America (MPAA) almost six years ago. Have you ever downloaded a movie? Have you bought a counterfeited Ralph Laurent shirt from a bazaar in Turkey or Thailand? What we do not always think about is that both of these actions are illegal, but why do people still purchase counterfeited clothes, accessories, or download movies or/and computer software?

We live in a globalised world and modern technology controls our societies (Phau and Teah, 2009). Hence, information technology and communication have made it easier and faster to interact. Today we can share and download for instance, music files between many computers, accessibility which have led to piracy. It is more easier for us to travel more, faster and cheaper; therefore, it is easier for us to purchase fake branded products while we are on our vacations, whether it is in Spain or in Thailand.

Counterfeits and piracy are not exactly the same crime and the difference will be explained here and more in the counterfeits and piracy part of the thesis. Product counterfeits can be explained as when a company intentionally, and without permission from the rightful manufacturer, exploits another company’s business concept and/or business sales in terms of copying the name, shape, or look of a product or products illegally (Jacobs et al., 2001; Phau and Teah, 2009). However, tangible/physical counterfeit products have identical, indistinguishable trademark to another product which can cause confusion for consumers (Bian et al., 2011). Today counterfeits of luxury branded products have become a vast global business, and a successful one, leading to rising job opportunities and higher competition on markets. This has also become a growing problem for many luxury brand producers and policy makers. Producers become unmotivated to be innovative and to invest in new product lines. However, piracy in contrast to counterfeiting is principally associated with downloading, sharing or selling illegally intangible products for instance,
software, music and movies (Phau and Teah, 2009). This affects digital oriented industries negatively due to that they become unmotivated to develop and update their products because they are easily shared between consumers.

Counterfeiting of luxury branded products and piracy have created a lot of issues. Product counterfeits discourage firms for further future investments in innovative product. Riquelme et al. (2012) address that product counterfeiting and piracy of luxury or/and industrial goods is more keen in developed nations. Moreover, some consumers do not perceive their behaviour towards piracy and counterfeit as harmful for the industries that are economically affected by piracy and counterfeit.

Consumers’ attitudes towards counterfeits and piracy are different in different communities. According to Riquelme et al. (2012), a highly collectivistic community, where peoples’ opinions are important, is more oriented towards expense rather than quality. Today the elements above are more important than ethical consciousness. Collectivism drives consumers to purchase forged product. Kozak et al. 2011, claim that highly materialistic consumers have lower ethical values which can be a reason to why people purchase counterfeiting products or are involved in piracy or counterfeits activity.

Phau, Prendergast and Chuen (2001) mention, even though it is an international problem, the demand for pirated and counterfeit activities has been growing in the developing economies of Eastern Europe and Asia. These activities cost luxury brand companies between 10 – 20 per cent of their sales. The growth in piracy and counterfeiting activity has pressured manufacturers to redesign strategies to overcome this problem. However, consumers demand for counterfeited luxury products and pirated products such as clothing, music, accessories and movies have increased due to the status of the product’s logo and due to the fact of their value (Phau et al., 2001).
1.2 Problem

According to Jacobs, Samli and Jedlik (2001, p. 500),

The International Federation of the Photographic Industry recently seized 45,000 CDs from a Moscow wholesaler because they were all pirated.

In Istanbul’s covered bazaar, there are rows of stalls piled high with Benetton and Lacoste T-shirts as well as Nike and Reebok sweatshirts and Levi’s jeans. All of these items were counterfeit copies.

These two examples are just to indicate how easily counterfeits of luxury brand products are being sold in different countries. Today both piracy of intangible/virtual/digital products and counterfeits of tangible/physical products are becoming a very big problem worldwide affecting both domestic and international trade.

Counterfeiting causes serious economic and social harm to both genuine producers and to society as a whole (Phau, Sequeria and Dix, 2009; Furnham and Valgeirsson, 2007). The American industry estimated almost $200 billion US dollars in lost sales as a result of brand or product counterfeit and the loss of intellectual property rights (Jacobs et al., 2001; Furnham et al., 2007). This number is estimated to increase with 30% in seven years (Jacobs et al., 2001). Technology innovation is a key element in the competitiveness of firms. One of the major intellectual property thefts is the software piracy, and it has posted a huge threat for industries that make profit from digital content (Charoensukmongkol and Elkassabgi, 2011). In comparison to counterfeiting, piracy has also affected companies such as technology oriented companies’ development and capability to invest in new jobs and new technology which harms many companies (Suki et al., 2011). Similarly, counterfeiting has also contributed in discouraging luxury brand producers to invest in new products since sales of counterfeited products have resulted in reducing their profits.

1.3 Research purpose

This thesis strives to investigate consumers’ attitudes towards counterfeited and pirated products. What is consumers’ attitude towards purchasing counterfeited and pirated goods? Is it acceptable to download a movie and unacceptable to buy a forged Christian Dior purse? What is rejected by consumers? The outcome of this thesis will include a comparative study of consumers’ attitudes towards pirated and counterfeited products in
Sweden. We assume that people in general have a split view about piracy and counterfeiting. We want to investigate what influence consumers’ attitude towards counterfeit and piracy activity. Our main goal with this research is to understand consumers’ perception towards counterfeiting and piracy. However, to conduct this thesis, interviews and previous literature is needed to analyse and interpret the results. Previous literatures have used a quantitative research philosophy with a deductive approach, meanwhile, this thesis is qualitative with an abductive research approach and the research philosophy of this thesis is Interpretivism. Previous research have focused either on piracy or counterfeit, while this thesis will focus on both subjects since it would be interesting to see if consumers reject or accept counterfeiting and/or piracy.

1.4 Research question

- What attitudes do consumers have towards counterfeited and pirated products?
- What is accepted and rejected by consumers?

Objectives:

- To examine if consumers have different attitudes towards counterfeited and pirated products.
- To investigate what elements affects consumers’ attitudes towards counterfeit and pirated products.

1.5 Theoretical limitation

The limitation of this thesis is the few interviews that are conducted due to time and saturation limit. All of the interviews were conducted in different cities in Skåne (Scania), Sweden. An abductive research approach will be used to implement this thesis. This research will not focus on one specific product area; therefore, it will be more interesting to keep it open and to examine consumers’ attitudes towards piracy and counterfeiting overall. Consumer Theory is applied to explain and to understand consumers’ attitude towards counterfeits and piracy. However, the Theory of Reasoned Action describes why consumers act differently in different situations. The Theory of Moral Reasoning will be used to understand consumers’ ethical and moral attitudes towards counterfeiting and piracy.
1.6 Outline

This thesis contains five different chapters. The first chapter covers the background, problem, research purpose, research question and the theoretical limitation. The definition of counterfeits and piracy will be presented in chapter two. Meanwhile, the third chapter covers the theoretical review and summary of theoretical review. The fourth chapter reviews the method and the methodology for this thesis. Empirical presentation is presented in the fifth chapter, followed by an analysis of the results. The conclusion can be found in chapter six followed by research limitation, social and ethical aspects, critical review and further research.
2. Counterfeits and Piracy

This chapter will clarify the definition of the two subjects, counterfeiting and piracy. Counterfeiting and piracy are divided into two different parts, to simplify for the reader.

In the past years counterfeits of luxury brand and piracy of digital products have increased drastically and become more desirable and well-known for many people. To understand what counterfeiting and piracy are, the definitions are clarified in this part of the thesis. The elements that affect consumers’ attitude towards both counterfeiting and piracy are discussed. Different theories are presented to understand consumers’ attitudes towards counterfeiting and piracy.

2.1 Counterfeits

Counterfeited luxury products are goods that are identical or near-identical/inseparable copies of brands that are legitimated (Jacobs et al., 2001; Phau and Teah 2009). It is primarily tangible/physical products for instance, clothing, pharmaceutical products, bags and sunglasses.

The brand of a company is one of their highly valued assets. Due to the high brand awareness in today’s society, counterfeits are stealing billions of dollars from different businesses each year. Therefore, it has been affecting the success of many business strategies (Stumpf et al., 2011). This is because the cost of manufacture is low, distribution is easy and the sale of counterfeited goods is tremendous (Kozar, Marcketti, 2011). According to Phau and Teah (2009), it has been acknowledged that the world’s most notorious country for counterfeiting products are China and all sources of counterfeited goods can be traced back to China due to the cheap labour. According to Jacobs et al. (2001) p. 500:

All the counterfeit goods seized by U.S. Customs, 38% are from China. That amount is three times as much as is seized from number-two Taiwan and ten times as much as from all of Western Europe.
It is more common today that consumers purchase counterfeits of luxury brands since they have lower and more competitive prices than the genuine products. At the same time, people today are getting more fashion oriented; consequently, many cannot afford the high prices on genuine luxury brand products. This may result in that consumers will buy fake branded products to either gain higher social status or to blend in with the fashion oriented individuals (Phau and Teah, 2009).

Counterfeiting continues to increase globally. The manufacturers of counterfeited luxury products are producing more and the demand for these products is also growing in a directly proportional way (Kozar and Marcketti, 2011). Much of the prior literature about counterfeiting blames the increase of the fake products on the suppliers, manufactures and governments policy for the proliferation of counterfeiting (McLaughlin, 2008; Kozar and Marcketti 2011).

Many international and well-known luxury brand producers are affected by the growing counterfeiting industry. A fast growing counterfeit industry in a country could result in reduction of profits, attractiveness in foreign investment, and also decrease in brand equity for the international and local luxury brand goods (Phau and Teah, 2009). High availability of counterfeit products in a country, could lead to new luxury brand companies considering to enter this market, extend product lines or re-launch products. However, International AntiCounterfeiting Coalition (IACC) estimates the cost of counterfeiting to be up to $600 billion US dollars. In the past two decades the problem has increased with almost 10 000 percent due to consumers demand (IACC, 2012). According to Jacobs et al. (2001), almost 500 companies spend, an average, between $2 and $4 million US dollars per year to fight counterfeiting. For some companies, they spend up to $10 million US dollars annually, just to stop counterfeits of products which have resulted as a threat to the market. This has also become a growing problem for many luxury brand producers and policy makers. Producers become unmotivated to be innovative and to invest in new product lines.
2.2 Piracy

In contrast to counterfeiting, piracy is mainly related to intangible/virtual/digital products for instance, movies, music and computer software due to that they can be downloaded virtually (Chaudhry et al., 2011). Piracy concerns the unauthorized use and distribution of copyrighted and/or patented goods by copying, downloading, sharing, selling or installing multiple copies into personal or work computers (Jacobs et al., 2001; Phau and Teah 2009; Suki et al., 2011).

Today piracy is a big threat against the music, movie and software industries worldwide. A couple of years ago consumers could only download and share movies, music and software through special programs, for instance, Napster and Bit-Torrent (Bonner and O’Higgins, 2010). Additionally, the spread of pirated products can also take place in so called black markets. Pirated music, movies and computer software are sold publicly and noticeably, especially in developing countries (Charoensukmongkol et al., 2011).

According to Kwong et al. (2003), the downloading of pirated goods has resulted in hypothetical social cost of piracy which is divided into four areas. Firstly, the macro level, which affects the economy in different ways for instance, reduction of jobs, corrodes to the tax base and economic stagnation. Secondly, copyright holders are affected negatively by for instance loss of sales and decline of profits. Thirdly, as mentioned earlier, companies lose their incitement to invest in innovative products and to build up their brands. Finally, piracy encourages the growth of illicit activity by supply criminals with fast and easy money.

Business Software Alliance (BSA) states that in 2010 software piracy was globally estimated to be nearly $59 billion US dollars (BSA, 2011). Furthermore, the result of downloading illegal music has been estimated to be up to $ 12.5 billion US dollars in losses to the American economy according to Recording Industry Association of America (RIAA). Music downloading has resulted in almost 70 000 Americans who have lost their jobs and up to $ 2 billion US dollars loss in wages (RIAA, 2012). According to Motion Picture Association of America (MPAA), in 2005 the cost of movie piracy resulted in 141, 000 job losses and the employees in motion picture lost almost 1,900 billion US dollars in earnings (Cohen, 2010).
Today, websites are available for consumers to stream (watch the latest movies/listen to the latest song for free online) any movie they desire to watch or listen to any song they like. Consequently, consumers do not need to download movies or music they want to see or hear. In fact during 2002 the world of recorded music fell down by seven per cent in values and by eight per cent in units (Chiou et al., 2005). It appears that the decline to the mass download from unauthorized online-sharing on the Internet and the mass proliferation of CD burning. While music downloading became one of the fastest growing activities on the Internet there are becoming over millions of available copyrighted work on the web (Chiou et al., 2005). In 2001 it was estimated that of all the CDs and cassettes sold around the world, 40 per cent were pirated copies (Kwong, 2003). In comparison to low prices of counterfeits, consumers of movies and music deny their actions by downloading and/or distributing music as harmful, moreover, they blame the music industry for charging high prices. However, iTunes and other legal file-sharing websites have become successful. Furthermore, even if people prefer to download illegal, a portion of music consumers are willing to pay the much lower amount to download music legally (Sinha et al., 2008). Next chapter will cover the theoretical framework of this thesis.
3. Theoretical review

In this part of the thesis prior literature will be presented including theories such as the Consumer Theory, Theory of Reasoned Action and Theory of Moral Action. Different types of attitudes towards piracy and counterfeiting are also embraced.

3.1 Drivers towards purchasing counterfeits and piracy

People in different race, gender and age in general are affected by different things in their everyday life. According to prior literature there are some different drivers which influence consumers’ attitudes towards piracy and counterfeits. Kozar et al. (2011), claim attributes such as price, brand name (logo), demographics (age, gender, cultural background, religion etc.) and ethical and moral standards are important characters that impact consumers’ attitudes towards counterfeit and piracy. Demographics, social, economic, motivational and individual attribute affect consumers’ attitude towards piracy (Aleassa et al., 2011). Other literatures link consumers’ attitude to economic, quality, legal or ethical attributes that shape and influence consumers’ attitude towards counterfeited products (Ang et al., 2001; Wang et al., 2005; Phau and Teah, 2009).

The result of Phau et al. (2001), study showed that half of the respondents would knowingly purchase counterfeited goods if they are available. The study of Kwong et al. (2003) showed that consumers attitude towards piracy affect consumers intention to weather purchase pirated CDs or not. Tan (2002) explains that male consumers are more positive towards piracy than female consumers. Other studies such as Ang et al. (2001), and Kwong et al. (2003), confirm that men are more likely to purchase pirated CDs while, Cheung et al. (2006) study showed that women are more likely to purchase counterfeited clothing. Furnham et al. (2007) claim that younger consumers, in a collectivistic environment and with lower income, often behave unethically. Consequently, these attributes can be reasons to why consumers are involved in counterfeit and piracy activities. Consumers who view piracy as unethical and expensive for the society are less likely to purchase such products (Kwong et al., 2003).
Consumer theory is an interesting and important theory that should be included in a research of this kind. Compared to prior literature who exclude this theory, it is next presented.

3.1.1 Consumer Theory

Consumers play a central role in consumption of counterfeits and piracy (William et al., 2008). To examine and to understand consumers’ attitude towards counterfeits and piracy Consumer Theory will be used to understand consumers’ decision making and attitude towards purchase. According to Perloff (2009) the consumer theory is divided into the following three components:

- Consumers have constraints or are limited in their choice/-s to a budget or similar.
- Individual taste or preference determines the total pleasure consumers perceive from the goods they consume.
- With given preferences and limitations, consumers will maximize their pleasure of consumption by acquire as much as possible.

All consumers have a sort of limitation on their wealth that prevents them from purchasing anything they desire. Consumers, who are sensitive towards price and price change, prefer products with lower costs (Perloff, 2009). Since counterfeited and pirated products have a lower price than the genuine, they can be preferable for consumers with smaller budget. Consequently, low price for a luxury brand product is attractive for many people. These consumers will highly value products with low prices and high quality or well-known luxury brand name. So price and quality are two attributes that might influence consumers’ attitude towards piracy and counterfeits.

Consumer preference makes an important component of the Consumer Theory, since they prefer some goods over others, so consumers’ preference is influenced by their opinions and their budget (William et al., 2008; Perloff, 2009). So we can conclude that the attributes price and preference are correlated. Relatively low price of certain goods may increase the preference and consumption of these goods, for instance if you can download a movie for free, consumers will download more instead of rent movies. Purchasing or downloading movies make consumers substitute away renting movies to downloading free movies online. According to the Consumer Theory this creates “substitution effect” (William et al. 2008).
Counterfeited and pirated products are often the perfect substitute goods for the genuine product. Perfect substitute indicate a complementary goods, the typical example is Coca Cola and Pepsi. Thus, it is a similar product from different companies. If Coca Cola is not available consumer might purchase Pepsi. The supply of genuine luxury products is not great in Malmö or in other small markets in Sweden. Luxury brand companies are available in bigger cities such as Copenhagen, Stockholm and Gothenburg. For some consumers the only available luxury brand goods are counterfeited products which can be seen as the perfect substitute for the genuine. To understand consumers’ attitudes, different types of attitudes towards counterfeits and piracy are presented next.

3.1.2 Attitudes towards counterfeiting and piracy

Phau, Sequeria and Dix (2009), and Matos et al. (2007), define attitude as a person’s learned predisposition or tendency to respond to a situation in a negative or positive way. Attitude is correlated with one’s intentions and behaviours so called stimuli towards actions. Consumers of all kinds have different attitudes towards different goods and brands.

Consumer’s attitudes towards counterfeits and piracy can be influenced by two elements, firstly by social elements and secondly by personality influence elements (Phau and Teah, 2009; Ang, Peng, Lin and Tambyah 2001). The social element is social pressure which could influence consumers’ attitude by either “follower” or as well as “break rules” (Ang et al., 2001). This includes the normative and informational susceptibility towards social influence and collectivism

*Informational susceptibility* indicates a purchase decision which is based on the expert opinion of others. This is an important role for consumers who have little knowledge about products. Informational susceptibility is an element that influences consumers to be a “follower.” The person, who has expert knowledge on the differential advantage between forged and original, as well as in product quality, can influence consumers negatively towards counterfeits of luxury brands. Therefore, informational susceptibility could have a negative influence on consumers attitude towards counterfeit products (Phau and Teah, 2009; Ang et al., 2001).
Normative susceptibility indicates that purchase decision is based on impressing others. This concerns the self-image due to that it plays an important role to compound and arise good impression on the surrounding people. Hence, it is not favourable to buy counterfeit products if they do not look good or make a good impression (Ang et al., 2001). Furthermore, in a collectivistic community, where peoples’ opinions are important, is more oriented towards expense rather than quality. For collectivistic people brand name is important rather than pleasure (Riquelme et al., 2012). Today brand name and expense are more important than ethical consciousness; hence, it has a positive influence on consumers’ attitudes towards forged products (Riquelme et al., 2012; Phau and Teah, 2009). Moreover, consumers who are novelty susceptible “break rules” by purchasing counterfeits or download piracy.

Personal influence elements include value consciousness, integrity and personal gratification (Phau and Teah, 2009; Ang, Peng, Lin and Tambyah 2001). Novelty seeking and status consumption are additionally other mentioned elements in personal influence (Phau, Sequeria and Dix, 2009; Phau and Teah, 2009). Wang et al. (2005), mention collectivism as an attribute in personal influence elements. Additionally, Matos et al. (2007), add that elements such as price, quality interference, integrity, risk awareness, personal gratification, subjective norm and previous experiences could influence consumers’ attitude toward counterfeits goods. Attributes to differences between counterfeit and original products are prices, guarantees, and quality could be important elements related to consumers’ attitude towards counterfeit products (Phau and Teah, 2009; Matos et al., 2007).

Value consciousness implies that consumers are price sensitive/conscious, therefore, it is assumed that consumers are prone to purchase counterfeit products due to their low price compared to genuine products. Counterfeit products are cost saving (has a price advantage) to consumers despite the fact that the quality is lower than the genuine; it can have a positive influence on the consumers’ attitude towards counterfeits of luxury products. Kozar et al. (2009), p. 394:

Consumers engage in illicit buying behavior, namely purchasing counterfeit products, for a variety of reasons […] consumers view counterfeit products favorably because of attractive price savings of purchasing fake.
In previous literature price is viewed as a main reason to why people purchase counterfeited or pirated products (Wang et al., 2005). According to Albers-Miller (1999), price pressures have resulted and also been associated with illegal behaviour. Some consumers are motivated to purchase products depending on the price. Counterfeited luxury products are priced relatively low thus attract price conscious consumers. These consumers will select a forged product over a genuine due to price advantage. Result of some studies showed that price is an important determinant in consumers’ decision making for utilize and purchase pirated product (Tan, 2010).

**Integrity** entails that individual are conscious and determined by ethical standards and they are more lawful-minded. Consumers that have lower ethical standards are willing to purchase counterfeit products whereas individuals who have higher ethical standards are less likely to purchase forged products (Ang et al., 2001; Phau et al., 2009b). Phau and Teah (2009), refer that integrity has a negative influence on consumers’ attitudes towards counterfeit of products due to the high ethical consciousness.

**Personal gratification** concerns consumers who have the need for sense of accomplishment, social recognition and the desire to enjoy the finer things in life (Phau and Teah, 2009; Matos, Ituassu and Rossi, 2007). Consumers who value personal gratification are more appearance and fashion conscious and they are less likely to purchase forged luxury goods with inferior quality than the genuine version. A lot of counterfeit goods do not attain the similar quality to the genuine goods for instance; the quality of a counterfeited luxury item is not as favourable and desirable as the genuine version. Consumers of counterfeits have low sense of personal gratification. They do not get pleasure of owning a better quality product as how a consumer of genuine labels would get of buying a genuine product. According to Phau and Teah (2009), and Ang, Peng, Lin and Tambyah (2001), a high sense of personal gratification has a negative influence on consumers’ attitudes towards counterfeits of luxury.

**Novelty seeking** defines consumers who seek variety and differences due to that they are curious. These are consumers who are motivated to try new products with low purchase risk. Often the attitudes of novelty seeking consumers have a positive attitude towards
counterfeits of luxury products due to that they have low purchase risk (Phau and Teah, 2009). Phau et al. (2009), assume that novelty seeking as an element should have a positive influence on consumer.

*Status consumption* indicates consumers’ consumption of a product and/or a brand to demonstrate a superior status (Phau and Teah, 2009; Phau, Sequeria and Dix, 2009b). For some consumers it is important to have superior status for the symbolic value or to belong to a higher social class, hence, some consumers do not have the income to support it. These consumers want to achieve respect and envy from others and counterfeit luxury products may help them achieve the respect they want (Phau, et al., 2009). The status consumption consumer will, regardless of ethical standing, purchase counterfeit luxury products. Moreover, status consumption has a positive influence on consumers’ attitudes towards counterfeits.

In the research of Phau and Teah (2009), it was found that normative susceptibility influence consumers attitude towards counterfeit activity due to that some consumers have the desire to own luxury brand products to impress others. Additionally, informative susceptibility showed significance towards influencing consumers’ attitude towards counterfeit. Some consumers confide on the expertise of others to purchase counterfeited luxury products. In addition status consumption, integrity, value consciousness appeared to have a significant connection towards attention to purchase counterfeited luxury products. In some previous researches, the result revealed that consumers with high integrity have negative attitude towards purchasing counterfeited luxury products (Phau et al., 2009b). Nevertheless, consumers who have a strong desire to own luxury products will ignore personal moral values and purchase counterfeit products. In Phau, Sequeria and Dix (2009), research they found that status consumption did not have a significant influence on consumers’ attitude towards counterfeits. Furthermore, status consumption showed insignificance due to that luxury products are expensive and scarce. Hence, status consumers who want to purchase counterfeit luxury branded products want to own products that are perceived as scarce. Counterfeit luxury products are well known to be widely available, consequently, the status of the luxury products drops which makes the counterfeited luxury product less desirable (Phau et al., 2009; Phau and Teah, 2009). Additionally, another reason to why status consumption is an insignificant attribute is that
consumers might fear to be rejected by their social sphere if they find out that the product is forged. In contrast to the research of Phau and Teah (2009), status consumption showed

Due to that counterfeiting and piracy concern both tangible/physical and intangible/virtual/digital products, previous literatures mention Materialism as an attribute to influence consumers’ attitude towards counterfeits and pirated products. Materialism will be presented next.

Materialism is associated with acquiring material goods and consumers’ attachment towards worldly possessions (Phau, Sequeria and Dix, 2009; Furnham and Valgeirsson, 2007; Kozar and Marcketti, 2011). Materialism is a way to evaluating consumers’ characteristics regarding acquisition and possession and it consists of three components, centrality, happiness and success. These components measure the centrality of possessions in ones’ life, and the belief of that possessions and their acquisition lead to happiness and life satisfaction. They also measure the use of possessions to judge the success of oneself and others. Firstly, Centrality (acquisition centrality) is a scale that describes how much possessions and acquisitions are placed centrally of consumers’ life. Matter of fact it describes the preference to own genuine products (Furnham et al., 2007). Secondly, Happiness (acquisition of the pursuit of happiness) is a scale that describes whether if possessions and acquisitions are necessary to consumers’ satisfaction and well-being in life. Finally, Success (possession-defined success) describes how people tend to judge themselves and others by the number and quality of possessions accumulated (Furnham et al., 2007; Kozar et al., 2011). What impact on consumers’ willingness and unwillingness to buy counterfeited products is how they place the value of it in the materialism (Furnham et al., 2007).

According to Phau, Sequeria and Dix (2009), highly materialistic consumers are more likely to consume more than regular consumers. In addition, materialistic consumers that are not financially able to purchase genuine products are more likely to purchase counterfeit luxury brands. A relationship between materialism and ethics is also discussed in the literature. Kozak and Marcketti (2011), claim that materialistic consumers have lower ethical standards and they are more susceptible to purchase counterfeit products than non-materialistic consumers. Purchasing counterfeit products is related to luxury brand
image and superior status consequently, there is a link between consumers’ materialistic values and ethical attitude towards counterfeited products.

Furnham and Valgeirsson (2007) found that centrality was the only one of the three components of materialism which resulted in willingness to purchase counterfeit products. The result showed that higher centrality leads to lower willingness to purchase counterfeit products due to consumers with high centrality want to possess genuine, desirable and exclusive items rather than counterfeits. According to Phau, et al. (2009b), materialism showed insignificance as an influential attribute for consumers attitude towards purchasing luxury counterfeits products due to lack of consensus in finding and understanding the inconsistency of their study. Furthermore, Phau et al. (2009b) assume the reason to why materialism is an insignificant is similarly to status consumption. Consumers’ of counterfeit goods might fear to be rejected by their social sphere if they find out that the product is forged.

3.1.3 Theory of Reasoned Action

Purchasing counterfeited or pirated products is unethical behaviour due to that these products are illegal. Prior literature highlights and uses the Theory of Reasoned Action (TRA) and its extension the Theory of Planned Behaviour to explain consumers’ unethical attitudes towards both counterfeits and piracy. TRA was first described by Ajzen and Fishbein and explains the relationship between attitude and behaviour. According to Suki, Ramayah and Suki (2011), behavioural intention, attitude, and subjective normative are three antecedents in TRA. Ha (1998), mention only two antecedents, attitude and subjective norm. TRA explains that consumers’ behavioural intention depends on consumers’ attitude toward targeted behaviour and subjective norms (Aleassa, Pearson, and McClurg, 2011). Behavioural intention determines whether consumers have the strength and intention to perform certain behaviour, in this case purchasing counterfeit products or share illegal movies, music etc. Behavioural intention is derived in two functions; firstly, Attitude is the response/action of performing the behaviour. Secondly, Subjective norm, which measures combination of consumers’ perceived expectation and if they have the intention to fulfil the perceived expectations they get from people (Suki et al., 2011, Chang, 1998). Moreover, this means the less collectivistic consumers are the less they will
concern about what others think in result the subjective norm will have a low impact in predicting behaviour.

Phau et al. (2009b) mention that previous studies have shown that attitudes are more useful or have a stronger effect on behavioural intention than subjective norms. This has resulted in Theory of Planned Behaviour (TPB). The differences between Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB) is that TPB has added perceived behavioural control as a descendent (Chang, 1998).

3.1.4 Theory of Moral Reasoning

Another theory which can be found in prior literature is Theory of Moral Reasoning (TMR). TMR is a theory that describes when consumers determine an ethical dilemma, a scenario of judgment about right or wrong, by assessing whether if the consequences are rewarding or punishing (Phau, Sequeria and Dix, 2009b; Kuther, 2006). TMR is about to find a balance between what is morally acceptable for a consumer to fit to the social environment, in other words, it is about moral judgements and decisions. If counterfeit and piracy is acceptable in the social environment then consumer act un-ethically and purchase counterfeited and pirated products.

TMR is divided into three stages the individual perspective, the social perspective and prior to society perspective (Kuther, 2006). The individual perspective and the social perspective are suitable for this thesis and will therefore be used. According to Kuther (2006), the first stage, the individual perspective concerns young individuals who do not identify with rules but instead view rules and social norms as enforced upon them. The punishment for breaking rules is tangible consequences. For instance, in societies where they view downloading/sharing illegal products as harmful. The society will punish the person by either fines or jail. The second stage concerns the social perspective which infers the social perspective of the society. Individuals should conform to the social norms and laws and maintain social order in order to be approved by others. In this stage, individuals want social acceptance. Hence, to keep the society in function and to maintain the social order, laws and rules should not be broken. In this case, for individuals who want to be socially accepted in a society who perceives piracy and counterfeiting as illegal actions, they must act morally and not purchase illicit items.
3.2 Summary of theoretical review

This thesis will be using Consumer theory, Theory of Reasoned Action, Theory of Moral Reasoning and different type of attitudes to analyse the empirical presentation.

Consumer theory claims that individuals make their purchase decisions based on preference, budget and maximization. Elements such as preference and budget will be used as they can influence consumers’ attitudes towards acceptance and rejection of the two actions. Prices and preferences are correlated elements since some consumers are price sensitive, they prefer low-priced products. As counterfeited luxury products have lower prices than the genuine products consumers may prefer to purchase these over genuine luxury products. This thesis will exclude maximization since maximization implies consumers pleasures of consumption by acquire as much as possible. However, this thesis focuses on consumers accepting and rejecting attitudes towards counterfeits and piracy and not about acquiring products, maximization will therefore be left out.

Consumer Theory explains that individuals with lower budget prefer to purchase lower priced products since they are price sensitive. This means that individuals with greater budget will prefer to purchase products of higher price. Even if individuals prefer lower price products we cannot generalise that everyone is price sensitive. Some individuals are willing to purchase products on reasonable prices. An individual with a high income may not want to spend his money on luxury brands. According to Perloff, (2009), the higher an individual’s income is the more he spends, vice versa. The theory generalises the consumer and claims that the income decides how much consumer spends. This accusation may not be accurate since there might be individuals with a great budget but want to spend as little as possible. However, this could mean that consumers of counterfeited and pirated products could be individuals with both low and high budget.

Consumers of all kinds have different types of attitudes which shape their decisions every day. Their attitudes can be influenced by social and personal elements. Social influence is element influenced by social pressure; however, personal influence elements are influenced by the personality. The social influence covers normative and informational susceptibility that indicate consumers purchase decision. This indicates that consumers’ attitudes are
influenced by knowledgeable peers or by impressing on the social environment. Nevertheless, personal influence element covers value consciousness, integrity, personal gratification, novelty seeking, status consumption and materialism. When consumers are price sensitive, they have a value conscious attitude towards items. If consumers are value conscious, they often prefer to purchase low priced items, they are more likely to purchase counterfeits and or download pirated items. Integrity refers to consumers’ ethical standards. If consumers have high ethical standard, high integrity, they will less likely purchase or download illicit items.

Personal gratification however, infer to consumers who enjoy the finer things in life, and the genuineness of items. Consumers with a high sense of personal gratification consider purchasing genuine luxury products over counterfeits. Novelty seeking consumers are motivated to try new products with low purchase risk. Consumers who are novelty seeking have a positive attitude towards counterfeits since they have low purchase risk. Status consumption imply when consumer purchase certain products to attain a superior status. Some consumers who cannot afford genuine luxury products may purchase counterfeits to attain a superior social status.

Both social influence and personal gratification are two elements that could be individualised. For instance, some could be novelty seeking and not motivated to purchase counterfeits or piracy while others would like to try something new and that could be pirated or counterfeited product. Some status oriented individuals would not be willing to purchase counterfeited or pirated products while other status oriented individuals would be willing to purchase fake products to fit in.

Theory of Reasoned Action (TRA) describes the relationship between attitude and behaviour. TRA explains that consumers’ behavioural. The three antecedents in TRA are behavioural intention, attitude and subjective normative. Behavioural intention is derived in two functions; firstly, Attitude is the response/action of performing the behaviour. Secondly, Subjective norm, which measures combination of consumers’ perceived expectation and if they have the intention to fulfil the perceived expectations they get from people. Moreover, this means the less collectivistic consumers are the less they will
concern about what others think in result the subjective norm will have a low impact in predicting behaviour.

Theory of Moral Reasoning (TMR) describes when consumers determine an ethical dilemma, a scenario of judgment about right or wrong, by assessing whether the consequences are rewarding or punishing. TMR finds the balance between what is morally acceptable for a consumer to fit to the social environment. If counterfeit and piracy is acceptable in the social environment then consumer act un-ethically and purchase counterfeited and pirated products. TMR is divided into three stages, the individual perspective, the social perspective and prior to society perspective. The result of consumers’ actions depends on where in the stages they are. The last stage, prior to society perspective, will not be used since it is rare that individuals are found to be on it according to Kutcher, 2006.
4. Method

This chapter reviews the method chosen for this thesis. The research technique is presented followed by the form of interview and interview process. In the sample selection, a description of how the empirical data was collected is presented.

4.1 Methodological consideration

The research philosophy is important since we have to be aware of the philosophical commitments we make through our choice of research strategy. It has a significant impact not only on what we do but also on understanding what we are investigating (Denzin et al., 2005; Alvesson, 2008; Saunders et al., 2009). Depending on our research questions we need to choose an appropriate research philosophy.

Since this thesis does not aim to present the “true” (realistic picture), interpretivism also known as antipositivism, is used as the research philosophy. Interpretivism focuses on understanding the social actors in a social environment (Saunders et al., 2009). It helps us to understand the differences between humans in our role as social actors. An interpretivist philosophy can be convenient when investigating consumers’ attitudes. The world and societies are different and complex and individuals differ from one to another. Consequently, interpretivism helps us to get a broader and deeper understanding about the consumers’ attitudes towards counterfeits and piracy. The collected empirical data should, therefore, be understood and interpreted (Kvale, 1997; Silverman, 2005). Since we are examining consumers’ attitudes through interviews we cannot generalise their answers to the Swedish population. Instead, we will have to interpret their answers to get a broad view of their attitudes. This is necessary since we need to understand the differences between humans in the role as social actors (Saunders et al., 2009; Kvale, 2009).

4.2 Research philosophy

There are three different research philosophies deductive, inductive and abductive approach. The deductive approach is based on the logical way of thinking and the conclusion is drawn from available theories. Meanwhile, an inductive approach is based on firstly to collect empirical data and later on relate it to the theoretical literature (Kvale, 1997; Silverman, 2005). The abductive approach is the approach between inductive and
deductive, it is an approach to describe and explain scientific innovation. Since we are not collecting empirical data before collecting theories or just rely on the available theories we are using an abductive research method. Abductive is an approach that is based on finding new truths, to interpret and to explain relevant evidence (Paavola, 2004). An abductive approach is often used by interpretivism as to focus on understanding the social actors in a social environment. The differences between abductive and deductive conclusions is that abductive gives new but not certain knowledge, i.e. a deductive conclusion may be false with an abductive method even if the statement is accurate. The outcome from a deductive approach is often the veracity. Nevertheless, with an abductive approach the results can be interpreted.

Before choosing a research approach, one should consider elements such as knowledge about the field and access to data collection. Since prior literature within this field (consumers’ attitude towards piracy, consumers’ attitude towards counterfeits) use a deductive approach this thesis will conclude an abductive research approach. An abductive approach will be appropriate to examine consumers’ attitude towards counterfeits and piracy since this thesis research approach is interpretivism. Given that our research question is to find what elements that affects consumers’ attitude, it is appropriate to have qualitative method and also keep on working with existing theories.

4.3 Research technique

A study is conducted in either a qualitative or a quantitative way. This thesis will be based on a qualitative method. Alvesson et al. (2008), explain that qualitative research is of interpretative and materialistic practise. This means that a qualitative research is an interpretative research with a neutral view of the world. Qualitative researches study things in their natural environment to understand or to interpret, what people give them. Hence, the data need to be condensed (summarised), grouped (categorised) or restructured to support meaningful analysis (Saunders et al., 2009). To conduct a qualitative research we used interviews as a tool to collect our empirical data.
4.4 Form of interview

As mentioned before, this thesis is qualitative and interviewing people is an appropriate way to collect primary data for a qualitative research. An applicable way of interviewing is through semi-structured interviews. These types of interviews are open-ended questions, to give the respondents chance to develop their answers to same questions. However, the aim to have open-ended questions is to be able to analyse respondents’ answers of their opinion about counterfeits and piracy. According to Silverman (2005 p. 154), “The most popular approach is to treat respondents’ answers as describing some external reality (e.g. facts, events) or internal experience (e.g. feelings, meanings).

The interview questions are based on the theories that are covered in this study. With the data from the interview questions we are able to analyse and understand consumers’ attitude towards counterfeiting and piracy. The interviews were audio recorded to ease for analysis and re-analysis. The questions that were asked are empirical questions. An empirical question is "Do you consider downloading as an ethical issue?" or “What kind of differences and similarities are there between counterfeiting and piracy?” In this way our questions gives us more potential answers of what actually influence consumers to download or purchase counterfeited products. Demographic data such as: gender, age and occupation of the interviewees were collected to see if they are influential elements towards their attitudes.

4.4.1 Interview process

To conduct a qualitative interview an interview process should firstly be framed (Kvale, 1997). Kvale (2009), marks that there is no standardised procedures or rules on how to conduct an interview, therefore he has constructed a model called InterView. The InterView divides the interview process in seven stages, thematisation, planning, interview, print, analyse, verification and reporting.

The first stage of the InterView is thematisation, which infers that the study should be formulated and has a specific theme. The theme should be focused on the theoretical analysis that is being studied, in this matter counterfeiting and piracy. Also in this stage, the researcher should focus on the research purpose and the outcome of the interviews (Kale, 1997; Trost 2010). The keywords for thematisation is why and what and they should be
established before the question *how* (the method) is initiated (Kvale, 2009). The first keyword *why* should explain the purpose of the thesis in this case, “What attitudes do consumers have towards counterfeited and pirated products? What distinguishes consumers’ attitudes towards counterfeited and pirated products?” Secondly, the keyword *what* is to assemble knowledge of the subject, which is consumers’ attitude towards counterfeiting and piracy. The last keyword, *how*, is to acquire knowledge of how to conduct interviews and interview techniques and to determine what is suitable for the thesis (Kvale, 2009). As mentioned before, a suitable interview form for this thesis is semi-structured interviews.

Second stage of the InterView is *planning* that implies that the researcher should be the study/interview in detail and always checking the purpose and perspective of the study. A part of this stage is to choose a method. In this part, we chose to concentrate on consumers’ attitude towards counterfeited luxury products and pirated products. We chose to have interviews throughout this study to conduct as much information about consumers’ attitudes as possible.

*Interviewing* is the third part of Kvale’s InterView. Kvale asserts that the interviews are performed as planned. In an interview, the interviewee represents his knowledge and opinions of different matters, therefore it is important in this study to know what affect consumers to download pirated products or purchase counterfeits, and to examine their attitudes.

In InterView, Kvale assert that *print* is the fourth part of the stage and is related to that the interviews should be adapted from spoken language to written language. The researcher has to prepare for the analysis which is the next stage of InterView.

*Analyse* is the fifth stage of Kvale’s InterView where the theoretical literature is a central part. Here, the interviews are processed and analysed together with the theories that are included in the study. The analysis is determined by the research purpose and the subject of the study. All the accumulated and recorded interviews are analysed. The purpose of this is to analyse consumers’ opinions and attitudes towards piracy and counterfeiting.
Subsequently, their answers are analysed with different theories such as the *Consumer Theory*, the *Theory of Reasoned Action* and the *Theory of Moral Reasoning*.

*Verification* is the sixth stage of the interview process and the validity, reliability and generalisability of the interviews should be established (Kvale, 2009). Reliability concerns the consistence of the results. According to Kvale (1997), reliability is the consistency of the research findings. Validity concerns the relevancy of the interviews. The research findings are relevant since the responses from the interviews are personal opinions. Generalisability concern when the results can be generalised, so that the researcher can draw conclusions from the results and connect it to the rest of the population (Kvale, 2009). In this study, we have to rely on the answers of the interviewees since their opinions are the reality for them. The reliability for this thesis is established on the interviewees. The validity of this research can be of course questioned because of the amount of interviewed. However, since 12 individuals were interviewed it is insufficient to draw a conclusion and generalise the results to the whole population.

In the final stage, *reporting*, the research findings should be reported and used correspondently to scientific criterion. The material should observe the ethical aspects of the research and then lead to a readable product (Kvale, 2009; Trost, 2010).

### 4.4.2 Sample selection

This research is focused on consumers of either counterfeit and pirated products or both. The main aim for this study is to see what affect consumers’ attitude towards counterfeits and piracy. Nevertheless, this study did not have a specific or certain target group. The respondents that were chosen were chosen after two specific criterions, age and gender. Moreover, the interviewees have to be consumers of either or both counterfeits and/or piracy. The criterion age was limited between the ages of 20 and 50. We chose to start from the age of 20 since we assume that individuals in this age are more serious and willing to honestly answer the interview questions. Due to the fact that when asking individuals over the age of 50, about counterfeits and piracy, they were doubtful and did not have any interest or knowledge about the subject. Consequently, we chose not to interview individuals over 50. Subsequently, some of the interviewees were friends and family, others were acquaintance of us. The vision was to collect respondents in different ages to analyse if age/generation had different or similar attitudes towards counterfeits and or
piracy. We wanted to collect as much information as we can get till we reach a saturation limit, when the interviewees respond same or similarly.

All interviews were conducted during the year of 2012 between the 5th of May and 18th of May with 12 consumers. Five of the interviewees were men and seven were women between the ages of 20 – 50. We chose to have interviews with these people to examine the differences and similarities between gender and age. Furthermore, to see if age and gender are influential elements towards counterfeits and piracy the interviews were conducted in different cities in Skåne (Scania), Sweden mainly Malmö, Kristianstad and Perstorp. They were audio recorded then they were written down verbatim. According to Kvale (2009), audio recording interviews are more common today and give the interviewer the freedom to concentrate on the subject and the dynamic of the interview. All the sounds are recorded, the words, the pitches and the pauses. This has made it easier to cover what the interviewees have responded to the questions, their reaction in their voices. Subsequently, we collected the results and analysed the interviews.

The interviews were summarised and compared with each other. We compared the same questions with different answers to see the similarities and differences between the interviewees’ answers. By writing down every recorded interview we could easily compare the answers. Firstly, we started by dividing the female interviewees and the male interviewees and compare their answers. Secondly, we divided it in to piracy and counterfeited to see how the answers separated from each other or connected to each other. Finally, we used the same method to focus on the age, to see the differences and similarity in the answers. By dividing the answers into these three categories, it eased for analyse, comparison and discussion. As a result we could connect different theories or attitudes to the answers.
5. Empirical presentation and analysis

This chapter covers the results and analysis from the interviews conducted for this research. In this part of the thesis you can find the answers to the interviews followed by analysis. Consumers’ perception of counterfeiting and piracy is presented in the beginning followed by a comparison of piracy and counterfeiting.

5.1 Results and analysis

To understand consumers’ attitude towards counterfeits and piracy an empirical presentation is presented followed by an analysis.

5.1.1 Perception of counterfeits and piracy

To examine consumers’ perception of the differences and similarities between counterfeits and piracy we started our interview by asking them; “What differences and similarities are there between counterfeiting and piracy?” We wanted to know if the interviewees had knowledge of counterfeiting and piracy and if they believed there were any differences or similarities between these two terms.

“For me piracy is a more common thing you do in the everyday life. However, I do not think of counterfeiting, because it is not that common in Sweden. Therefore, for me, the differences between piracy and counterfeiting are that piracy is always around you. The similarity is that they are both illegal” (Johan, 24)

“Honestly, I cannot think of any differences (thinking). I think counterfeiting is a copy of a physical product meanwhile piracy concerns copy of illegal movies on the internet which is virtual imitation.” (Marcus, 49)

“The differences are that it is much easier to download pirated digital product than it is to purchase a physical counterfeited product. Piracy is digital and is therefore easier to access than purchasing counterfeited products.” (Alma, 25)

As we can see, some of the interviewees are unsure about the differences between piracy and counterfeiting. After some thought, however, they began to perceive the differences. Other interviewees had a clear knowledge of the differences and between piracy and
counterfeiting. Many of them believed that the differences between counterfeiting and piracy were physical and digital/virtual. However, only one of the interviewees mentioned that the similarity between piracy and counterfeiting is that they are illegal. Several of the interviewees pointed out that piracy is more common and it is available worldwide. Consequently, counterfeiting is more common when one is on vacation abroad. We can interpret these results to mean that the interviewees have clear knowledge about piracy and counterfeiting. However, piracy seems to be more common since they pointed out that it is available in their everyday life.

In the following part, piracy and counterfeiting are divided into two parts, so one can get a view of the interviewees’ attitudes towards both actions. We shall examine piracy first.

5.1.2 Download of pirated products

All of the interviewees were asked if they download/stream/purchase pirated products or not and what their motives behind their actions were. A majority of the interviewees download or stream movies every day. For some of the interviewees, it is common to download computer software. All of the younger interviewees had similar opinion, they all download or stream movies, music and computer software. However, the older interviewees had different answers.

“I find it easy to download or stream movies. You can also get the movie in better quality than the cinema offers, of course if you have a multi-technological TV. It is easier to download than it is to rent a movie in a rental store. The rental store does not always have the movies I want to see, but I can always find it on the internet which is convenient.” (Sonja, 21)

“As I am a student I need to download computer software to use for my school work. I think it is convenient to download products from the Internet, since it is for free and directly available in my computer.” (Johan, 24)

“Why purchase a movie or go to the cinema when the internet offers free movies. Of course I download movies, sometimes I stream which makes it easier for me to watch the movie directly. When you rent a movie you have to return it eventually, which takes time. If you
download or stream a movie you can always delete it. You cannot throw the rented movie, and also if you are late you will have to charge a fee for the belated time. I must admit, I blame my friends who taught me how to download and stream.” (Amina, 20)

“I do not download, as a matter of fact my children download for me. The problem is that I have never learned how to download. When I want to see a famous Arabic movie, I tell my children to try to download it for me. When Microsoft introduces a new Windows it is always expensive. Sometimes I purchase pirated version of it since it is cheaper.” (Jacob, 48)

After analysing the responses for this question, we could see that gender does not matter when it comes to downloading pirated products. Age is the main element for downloading illicit products. The interviewees who are in the age of 40 had their children downloading pirated products since the interviewee did not have the knowledge of downloading. Nevertheless, the interviewees in their early twenties knew of or had friends who taught them how to download. When analysing the interviews we found that many of the interviewees shared similar opinion, that they download or stream digital products, since it is available and for free. According to Kwong et al. (2003), it is confirmed that men are more likely to purchase pirated products. Our results from the interviews showed that both men and women purchase/download/stream pirated products. The internet is available in almost every household in Sweden. Since downloading is made through the internet we can interpret it as that the younger interviewees have been raised with the internet and maybe with the habit to download as well. It seems that many of the interviewees think it is comfortable and timesaving to download or stream products.

Consumer Theory claims that consumers who are price sensitive are sensitive towards price and price change. Price sensitive consumers often prefer products with lower prices. In this case, downloading and streaming movies are free. However, some interviewees claim that they do not download because they are price sensitive. One interviewee pointed out that he purchases pirated versions of Microsoft software programmes because it is cheaper than the original (does not this make him price sensitive because he wants to save money with the cheaper prices?). Many of the interviewees prefer downloading pirated items over purchasing originals as they have been become accustomed to since learning
how to download. They claim that they do it because it is free, easy and available at all hours. Many of the interviewees pointed out that it is easier to download the product than it is to purchase the original product. William et al. (2008) claim that purchasing/downloading pirated products makes consumers substitute away to renting movies with downloading free movies. This creates a “substitution effect.” In this case all of the interviewees substitute away renting movies or watching movies in the cinema because it is more comfortable and flexible to download it at home on their own computer. They also substitute away the ability to purchase music, movies and computer software in stores. The Consumer Theory infers that individual taste of preference determines the total pleasure consumers perceive from the goods they consume. We can interpret that the answers as consumers prefer to download or stream products since they perceive a certain pleasure when their products are available in their computers. To investigate whether it is a matter of price sensitivity or a habit we asked them about purchasing products legally in an e-store.

5.1.3 Attitudes towards legal e-store

When asking the interviewees if they would purchase cheap legal digital products from an e-store, almost every one of them had similar rejecting attitude towards it. During the interviews they pointed out similar arguments of why not purchasing from e-stores.

“I usually buy music in a music store or over the Internet websites like Amazon1 and CDON2, but I never tried iTunes. If it is cheaper I would consider taking a look at it.” (Lena, 47)

“I do not think an e-store would have foreign music and movies. After all, it is easier to download the latest foreign movies, music for free.” (Marcus, 49)

“Since I was little I have always downloaded products from the Internet. I have never considered purchasing products from stores or e-stores since I can download for free. I think it is easier and flexible to do it for free and it is also safe. I think it is unsafe to use a VISA number online.” (Lejla, 22)

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1 http://amazon.com
2 http://cdon.se
The majority of the interviewees had the same attitude towards a legal e-store. The majority did not want to pay for a product since the product is available for free. They also emphasised that no one in their social surroundings have ever been caught downloading. This may motivate the interviewees to continue downloading pirated products. One woman in her forties considered to purchase items online if it was cheap since she usually purchased music, movies and computer software in stores or in online stores. Since she heard that iTunes is cheaper than a regular store she considered looking into it. We can see that she is affected by the integrity attitude. Individuals who are conscious and determined by ethical standards are more lawful-minded which means they would not purchase counterfeits and pirated product since it is illegal and supportive for the innovator. However, the majority of the interviewees seemed to act unethically and have a lower sense of integrity. One of the interviewees mentioned a reason to not purchase from legal e-store is because of the unreliability of the Internet to expose personal banking numbers. Many interviewees emphasised that they will continue downloading as long as it is for free. Majority of them did not consider purchasing legal computer products. It seems that they are price sensitive. Consumer Theory and the attitude value consciousness point out that consumers who are price sensitive will purchase low-prices items. Another interpretation is that they could be affected by a comfortable habit. In the next question we wanted to examine if the interviewees had ethical and moral standards towards piracy.

5.1.4 Ethical and moral attitudes towards piracy

To know if the consumers were ethically conscious towards piracy we asked the interviewees if it is morally acceptable to download movie/music/software. The majority of the answers had similar response to this question.

“Of course I feel sorry for the producers of the products because they lose money for what they have innovated. But in another way, they have to blame themselves because the industry they work in involves the Internet and today the Internet is open and free for everyone. Anyone should be able to download and share things on the Internet. Piracy has been a worldwide issue for years now, but we have to consider that there are more important issues in the world.” (Samir, 22)
“I do not see it as a harmful activity because my children download music, movies and computer games daily. Thanks to the joy I see in my children’s eyes I do not see it as an ethical problem.” (Lena, 47)

“I do not know. I know it is illegal to download. It is similar as to steal from a store. Stealing from a store is viewed as a felony while downloading is viewed as a milder crime. As long as the Internet is free and open it should be legal to download. The consequences should not be as serious as they are today. Today it is a norm to download movies, music and software; it is a part of the everyday life for many young people.” (Sonja, 21)

Several of the interviewees mentioned that they do not perceive downloading as an ethical issue. They are all aware of the fact that it is an illegal activity; however, they are not concerned about it. One of the interviewee pointed out that the Internet is an open and free place for everyone and downloading should be legal. Several of the interviewees pointed out that their families and friends encourage them to download products. In this case, the Theory of Reasoned Action (TRA) can be implied. The subjective norm in this matter is the encouragement from the social environment to download. This leads to the behavioural intention to actually download products from the internet. People know it is illegal but they still download because of encouragement and the positivistic attitudes towards downloading. This results to a more accepting attitude towards piracy. Some of the interviewees stated that they cannot download so they ask their children do it for them instead. It seems that age is an important element since the younger interviewees had knowledge of downloading while the older interviewees needed help when downloading. It seems that the younger generation has more knowledge of downloading since they might have been downloading at an early age. Because of the environment around them they all are more open to the idea of piracy. Consumers, who are affected by the integrity attitude, are often conscious and determined by ethical standards and they are more lawful-minded. However, the interviewees were not affected by integrity. They were aware of the consequences that companies face when consumer download/stream pirated products. Nevertheless, the interviewees continue to download. It seems that the interviewees have lower ethical standards since they continue to download pirated products. Next we asked about the interviewees’ knowledge of consequences of downloading pirated products.
5.1.5 Perceived consequences of downloading pirated products

To know if the consumers who purchase pirated products were concerned about the consequences, we asked them if they perceive any. The answers reflected little differences between the interviewees. Some of them are afraid of getting caught while some of them say that the chances of getting caught is minimal because of the high amount of downloaders all around the world.

“I think of the consequences when I download and I am afraid of getting caught. Unfortunately, I still download.” (Lejla, 22)

“I do not think about the consequences because I am not the only one downloading. There are more than a million downloaders in Sweden and I think it is less likely that I will be caught. No one of my friends or anyone they know has been caught.” (Sara, 23)

“The only consequence I think of is viruses I can get on my computer. I know that companies lose money when people share and download virtual products but that is nothing I think of.” (Sonja, 21)

Integrity is an attitude that describes individuals’ ethical consciousness. Consumers that have lower ethical standards are willing to purchase pirated products. We can see that some of the interviewee think of the consequences but still download and buy these type of products, meanwhile, the other half does not seem to care about the consequences. The gender, age or occupation did not matter here. Even if some of them think of the consequences they still download. This behaviour can be described with the first stage of TMR called individual perspective. In this stage, TMR relates to young individuals who view rules and social norms as enforced on them. Although the interviewee knows of the consequences of piracy they still continue to download. The interviewees also claim that since no one has been caught for downloading, they will still continue doing it. We can connect TMR and the integrity attitude to the interviewees’ responses. It seems that the interviewee knows about the consequences but acts in the opposite direction. They still download illicit products although they know the consequences and that companies are affected negatively by their actions.
To distinguish between piracy and counterfeiting we will now present the interviewees attitude towards counterfeits.

5.1.6 Purchase of counterfeited products

We wanted to know if the interviewees purchase counterfeited luxury products and the reasons they provided for purchasing these products. This question gives a lot of different answers. Many of those interviewed said that they only bought counterfeited products when they were on vacation. The others who did not buy counterfeited luxury products said that they used to purchase them when they were younger. Some of the interviewed had an accepting attitude towards counterfeits:

“When I am on vacation for instance, in Thailand, I purchase counterfeited products, such as shoes, t-shirts and sunglasses. I do it because the products are of good quality for the low price.” (Niklas, 20)

“I often purchase counterfeited luxury products while I am on vacation in another country. The products are clothes and accessories such as sunglasses. I buy counterfeits since the products are of good quality, cheap and they look good. I never buy clothes because they are of a certain brand, I only buy it because it looks good and it suits me.” (Samir, 22)

As we analysed the answers, we could see that all male respondents purchased counterfeited products. The majority of them pointed out that the brand name did not matter when they purchase counterfeited items. The reason why they provided for purchasing these products is that the products were cheap and they looked good. *Consumer Theory* implies that individual who are price sensitive prefer products with lower price. It seems that consumers have a preference for low-priced luxury items. One can interpret that these interviewees are value conscious since they are aware of the price differences between genuine and counterfeits. Several of the respondents points out that the qualities of counterfeited products are not preferable. Other interviewees thought that the prices of counterfeited products are convenient for the quality of the products. It is clearl that counterfeited luxury products have a price advantage compared to the genuine products.
When analysing all the interviewee accounts we found that all of the interviewees who purchased counterfeited products, purchased the products when they were on vacation abroad. Consequently, it may be socially acceptable to purchase counterfeited products when an individual is on a vacation. One can interpret these responses thusly; these consumers are *novelty seeking* individuals which infers that they are motivated to try new products with low purchase risk. Novelty seeking consumers have an accepting attitude towards counterfeiting. It seems that some of the interviewees who are novelty seeking have an accepting attitude towards counterfeiting.

Meanwhile, others interviewed had a rejecting attitude towards counterfeits:

“When I was younger I used to purchase forged luxury products but not anymore. Today I would never purchase counterfeited products because it is embarrassing to wear fake products. If you cannot afford a genuine luxury product, then you should not buy a fake version even if it is cheaper. It is better to buy other products than fake products.” (Amina, 20)

“I do not understand people who wear forged luxury clothes and have the courage to walk down the street wearing them. It is embarrassing! I would never wear forged products because people who know me know that I do not spend money on genuine luxury products therefore if I wear something fake they will know it is fake.” (Alma, 25)

When analysing interviewee accounts, we found that many of the interviewees who do not purchase counterfeited products shared the opinion that it is unenviable to purchase counterfeits. According to the *Theory of Moral Reasoning* (TMR) consumers find a balance between what is morally acceptable to fit in the social environment. Some of the female interviewees perceived counterfeited products as undesirable for the social environment. Several of the interviewees pointed out their negative attitude towards counterfeited luxury products by the word “embarrassing”. They emphasised that wearing counterfeited luxury products is not socially acceptable. The social perspective stage of the TMR entails that individuals should conform to the social norms in order to be approved by others. We can see clearly that this is the reason some consumers do not purchase counterfeited products. When analysing this, it appeared that the interviewees who do not
purchase counterfeited products are affected by the need for the approval of society. We can connect this attitude to personal gratification, which infers that individuals desire to enjoy finer things in life. These consumers value the quality of genuine luxury products compared to the low quality of counterfeited luxury products.

A study made by Kwong et al. (2003) showed that females are more likely to purchase counterfeited products. Our study shows the opposite, male interviewees had a more accepting attitude towards counterfeited products compared to the female interviewees. This can be interpreted that females are concerned more about genuineness than men are. In addition, informational susceptibility is an attitude that influences consumers to be “followers” this infers that consumers who are knowledgeable about counterfeits have negative influence on consumers of counterfeits. Since they know a product is forged they will have a negative attitude towards the individual. However, normative susceptibility implies that individuals’ purchase decision based on impressing the social environment. We can interpret that the interviewees have a normative attitude since they want to impress their environment by rejecting to purchase and wearing counterfeits.

Theory of Reasoned Action (TRA) asserts about the consumers behavioural intention depends on the consumer attitude towards targeted behaviour and subjective norm. The behavioural intention in this case is having the intention and attitude to purchase counterfeited products. The subjective norm is not to purchase counterfeited products. The less collectivistic an individual is, the less they will be concern with what others think. After analysing the interviewees’ answers we could see that they have a split view of purchasing counterfeits compared to piracy. It seems that the interviewees who purchase counterfeited goods purchase these items for their own matter. To understand the interviewees’ attitudes towards counterfeits, we wanted to examine if they are affected by their social surroundings

5.1.7 Influence from the social environment

We wanted to see if consumers’ attitude towards counterfeited is affected by peer pressure. We asked the interviewees if they are affected by their peer’s knowledge of counterfeiting and when it comes to purchasing forged luxury products.
“My friends advise me not to purchase counterfeited products since the quality is bad and it represents something fake.” (Alma, 25)

“No, since my friends and I do not buy counterfeited products. We do not encourage each other to buy fake products.” (Lena, 47)

After analysing the answers for this question, we could see that interviewees who do not purchase counterfeited products are affected by the surrounding. Some of the interviewees were clearly affected by their social surroundings since their friends discourage them to purchase counterfeited products. Some of the interviewees emphasised during the interviews that it is embarrassing to purchase and to wear counterfeited products. We can interpret this as consumers are affected by an attitude called informational susceptibility. Informational susceptibility infers to individuals whose purchase decision is based on others opinion. They want to fit in to what is socially acceptable since they do not want to be repulsed from the social society. Hence, this result in some of the interviewees wants to satisfy their social environment by not purchasing counterfeits.

Another interviewee had a different point of view for this question, and answered:

“Yes, for instance when my friends buy counterfeited products they tell me where I can find these. If I like it and it is worth the price I might try to buy the products in another colour or design.” (Niklas, 20)

After analysing, we can clearly see that the social environment plays a big role in an individual’s life. What is accepted by individuals social environment affect their purchase decision. Theory of Moral Reasoning (TMR) edifies that if counterfeits are acceptable in the social environment, then consumers act unethically and purchase forged products. We can see that in some social groups in society might accept counterfeits while other groups reject counterfeits. Theory of Reasoned Action (TRA) can be implied in this case. The subjective norm in this case is the encouragement from the social environment to purchase counterfeited products. This leads to the behavioural intention to actually purchase counterfeited luxury products. People know it is illegal but they buy illicit forged products because of encouragement and the positivistic attitude towards counterfeits. This results into a social environment that encourages the individuals to purchasing illicit forged items.
To investigate if the interviewees think that consumers of counterfeits purchase items to attain a superior social status, we examined their thinking of status consumption of counterfeits.

5.1.8 Status consumption of counterfeits

Since consumers of genuine luxury branded products have a superior social status because of the premium prices of the items, we wanted to know if consumers of counterfeited products purchase these items to attain this status. We assumed that individuals who cannot afford expensive luxury branded products may turn to counterfeited luxury products. To examine if consumers think they or others who purchase counterfeited luxury products attain a superior social status we asked them if this consumers of counterfeits want to attain a superior social status.

“Yes, I see it as attaining superior status. When I am on vacation I know that my children always want clothes and they always lecture me what kind of brands they want and that these brands are more expensive in Sweden. They want the counterfeited luxury clothes so they can impress their friends.” (Jacob, 48)

“Absolutely, I think when you are younger you want to fit in. Status becomes something important and therefore having cheaper version of exclusive luxury branded products lifts your “social status”. However, when you grow up superior status from counterfeited products does not matter anymore like they did when you were younger. Here in Sweden it is a little bit different. If people know that you have counterfeited clothes, they will tell each other (in a negative way).” (Sara, 23)

When analysing the interviewee accounts, we found that many of the interviewees shared similar opinion about consumers of counterfeits. Some of the interviewees say that consumers of counterfeits purchase counterfeited products to attain a superior status. In this case, age is an important element. The older interviewees pointed out that they do not buy forged products to gain superior status. They only purchase counterfeits since it looks good. However; the younger interviewees in their twenties admit that they did buy counterfeited luxury products when they were younger so they could gain social status. Some of the interviewees add that they do not buy counterfeited products anymore. One
can interpret this as they value the luxurious brands for their quality and eradiation. We interpret that the interviewees who do not purchase counterfeited products, are controlled by personal gratification, since they have a need for sense of accomplishment, social recognition and the desire to enjoy the finer things in life. Consumers who value personal gratification are more appearance and fashion conscious and they are less likely to purchase forged luxury goods with inferior quality than the genuine version. Next we wanted to understand if genuine products are substituted away for counterfeits.

5.1.9 Counterfeits luxury product as a substitute for the genuine product

Since counterfeited luxury products are low-priced and identical with the genuine products it is hard for some consumers to see the differences. Consumers who cannot afford genuine luxury product may see counterfeited product as a substitute good for the genuine. We wanted to examine if that is the case, so we asked the interviewees if the view counterfeited luxury products as substitute for the genuine products. The interviewees had a split view for this question.

“It depends of what type of product it is and the type of quality it has. If I see two identical jackets but one is fake the other is genuine. I would prefer to purchase the cheap counterfeited jacket.” (Niklas, 20)

“As I mentioned before it is about your budget and the price of the product. If you cannot afford to buy a genuine product why not buy a cheaper identical product?” (Lena, 47)

As we analysed the interviews, some of the interviewees seemed to be value conscious consumer. As we can see from the quotes above, some pointed out that the reason why they purchase counterfeits is a matter of price. If one cannot purchase expensive genuine product then they purchase counterfeits. We can connect this to the Consumer Theory that infers the relative low prices of counterfeited luxury products may substitute away the genuine luxury products. We can see that price is an important element to why few consumers might purchase counterfeited products. They prefer to purchase exclusive brand products and since they cannot afford it they purchase counterfeits. It seems that counterfeited products are a substitute for some interviewees with a limited budget.
Another interviewee had a rejecting attitude towards counterfeits and answered:

“No I really do not see it as a substitute. For me it is more like; if you cannot afford to buy the original version, then you better not buy the counterfeited version to feel better.”

(Alma, 25)

The interviewee above seems to have a personal gratification attitude. It seems that some of the interviewees value the genuineness of exclusive luxury brand products and therefore have a rejecting attitude towards counterfeits. We can interpret that the definition of substitute differs from one to another. One of the interviewees claimed that counterfeits are not a substitute for the genuine products since forged items always have something different from the genuine. She compared it with Coca Cola and Pepsi, and said that they are not substitute goods for each other since they have a different taste. To end the interview, we wanted to examine what the interviewees accepted and rejected, counterfeits or piracy.

5.1.10 Acceptance of counterfeits or piracy

All the interviewees had something in common; they all know that counterfeiting and piracy are illegal. Hence, how do they perceive the legality of these actions? Since all they had different attitudes towards counterfeited and piracy we wanted to see what they perceived as accepting and rejecting, counterfeits or piracy. The answers were very interesting since the results were divergent.

“I think that counterfeited products should be legal because of the high prices that the companies charge for the genuine products. Luxury brand companies can compete against counterfeits companies; however; music/movie/computer software companies cannot compete against piracy. It is different since their products are available for free. If you have noticed, many celebrities are trying to enter new industries such as, perfume industry and clothing industries to even up the losses.” (Johan, 24)

"I think it should be accepted to buy counterfeited products. The bigger companies will not lose that much money. Because they have their own regular costumers that would never buy counterfeited products. For the piracy it should be illegal because the only way of
getting consumers is cinema or rental shops. So legalise counterfeiting and keep piracy illegal.” (Sonja, 21)

After analysing our interviews we could see which interviewees think counterfeits should be legal. They claim that luxury companies have their own segment niche and their own regular customers. Some of them also assume that the big luxury companies produce their products for lower prices. They claim that the reason why their products are exclusive is because of the brand. Some of them mentioned that luxury brand companies charge ten times as much as the products actually cost to produce. Some interviewees emphasised that piracy should be illegal. This because inventors and artists spend months to develop and produce music albums, movies or computer software and they do not charge high prices compared to luxury branded companies. It seems that this is a question of price and not about ethical standards. As we summed up the results we saw exceptional attitudes. Even though majority of the interviewees download everyday some of them wanted piracy to be illegal. Some interviewees are being contradictory since they earlier mentioned they did not want to purchase from e-stores, although they download since it is for free.

Other interviewee pointed out that piracy should be legal and counterfeits should be illegal. Here we can see other answers for the same question:

“I think that counterfeited should be illegal because it is harming the companies. It is taking the fashion industry hard and many companies are losing lots of money. When it comes to piracy I think it should be legal since technology and the Internet has become a part of the everyday life. Movies and music are big parts of my life and therefore I need to download or stream movies and music every day.” (Amina, 20)

“We all know that it is illegal to download or to purchase counterfeited products, but we still do it. People are aware of that these actions are serious crimes but we still break the laws by purchasing and downloading. I do not think that downloaders or consumers of counterfeits would ever enter a store and steel a movie or a t-shirt. Downloading is also a “crime” but not as serious as stealing even if it is just the same thing. Since so many buy counterfeited and download movies it should be legal. I know it is contradictory but this is how it looks like today.” (Lena, 47)
When analysing the results, the interviewees who think counterfeiting should be illegal, claimed that piracy should be legal since it is a part of our everyday life. Some of the interviewees related downloading pirated products as something they do every day. However one of the interviewees claimed that people would still purchase counterfeited products and download piracy whether it is legal or illegal. This interviewee emphasised that purchasing counterfeited products or download piracy is not a crime. One of the interviewees emphasised something interesting. She highlighted the word “crime” of downloading or purchasing piracy and counterfeited products as something mild and not severe. We can interpret this as the respondent does not perceive downloading as something harmful moreover; it appears to be a common activity.

After analysing the answers from the interviewees’ we were able to see the balance of what is morally accepted. We noticed that the majority of the respondents who have an accepting attitude towards piracy, have a negative attitude towards counterfeited and the reverse. For an example one interviewee answered that she does not believe that big luxury companies lose a lot of profits because of counterfeits companies. However, the interviewee claims that producers of movies, music and software also charge high prices and therefore both piracy and counterfeiting should be legal. The interviewee perceives downloading and the purchase or download of pirated products as socially acceptable. According to Theory of Moral Reasoning (TMR) consumers want to be socially accepted for their actions. If individuals perceive purchasing counterfeits or pirated products as acceptable even if it illegal individuals act towards social acceptance so they download/purchase pirated products or purchase counterfeited products.
6. Conclusion

This last chapter will summarise the research, and try to establish answers to the research questions. Research limitation, critical review and further research are also presented here.

6.1 Conclusion

This thesis has examined consumers’ attitude towards counterfeited and pirated products. We wanted to examine if counterfeits and piracy were accepted or rejected by consumers, and their attitude towards the activities. We have divided piracy and counterfeiting into two parts for the reader to compare them with each other. Since previous researchers have focused on consumers attitudes towards either piracy or counterfeits we decided to focus on both subjects since it would be interesting to see the differences and similarities of consumers’ attitudes. The empirical research questions are:

- What attitudes do consumers have towards counterfeited and pirated products?
- What distinguishes consumers’ attitudes towards counterfeited and pirated products?

All the interviewees had one thing in common. They all knew the differences and similarities between counterfeiting and piracy. However, the study showed that there were differences between the interviewees’ attitudes towards counterfeits and piracy products. Interviewees had a more accepting attitude towards piracy than counterfeiting because of the fact that piracy has become a part of their everyday life. This was also the reason why a majority of the interviewees want piracy to be legal. Other interviewees had similar reason to why piracy should be illegal. The reason was that downloading pirated products is a part of the everyday life of many households/individuals. Even if some of the interviewees did not download/purchase/stream pirated products, they encouraged their family members to do it.

Elements that encouraged consumers to piracy were the availability, and the convenience of downloading these products compared to the traditional way of buying them. A majority of the interviewees perceived piracy as a milder crime than stealing a product from the store, even if it is actually the same crime. We could see that the interviewees are affected
by the social environment. This can be linked to the *Theory of Moral Reasoning* which edifies that individuals’ moral reasoning is determined by social acceptance. Consumers of piracy are encouraged by the social environment to download even if it is an illegal action. In conclusion, downloading is socially accepted therefore individuals still download even if it is illegal. A major element was that consumers preferred piracy since it was for free and you get the same quality of the items as the authentic version. Consumers of piracy emphasised the easy access and the efficiency of downloading products rather than purchasing them.

A majority of the interviewees had a rejecting attitude towards counterfeiting and they claimed that Sweden is a fashion oriented society that values the genuineness of luxury products. Consequently, it is not acceptable to wear counterfeited products. According to the social perspective stage of the Theory of Moral Reasoning, individuals should conform to the social norms to be approved by others. We can clearly see that this is the reason why some consumers do not purchase counterfeited products. It appeared that the interviewees who do not purchase counterfeited products are affected by the approval of the social surroundings.

Interviewees who did not purchase counterfeits blamed the rejection of counterfeited products in their social environment. Informational susceptibility was an element that influenced the interviewees since the majority of them emphasised that their peers are knowledgeable about counterfeits. However, some of them had a normative attitude since they were concerned about the rejection of counterfeits in their social environment. We interpreted that they wanted to impress their social environment by not purchasing counterfeits. We could also see that many of the interviewees who do not purchase counterfeits have a *personal gratification* attitude since they value the genuineness of luxury brand products. However, almost all of the interviewees who do not purchase counterfeits admit that they did it when they were younger. Subsequently, the younger male interviewees had a more positive attitude towards counterfeiting than the younger female interviewees. This can be a result of that males are less collectivistic than women.

All of the interviewees, who purchase counterfeits, purchase these items while they are on vacation abroad. They do it since the supply of counterfeits is not great in Sweden. The
older interviewees, both males and females, did not consider if counterfeited products should be legal or illegal. They stated that people will still purchase counterfeited products whether it is legal or illegal. We could also see that price was an important element when purchasing counterfeits since counterfeits are forged products of exclusive brands.

6.2 Research limitation

One of our research limitations is the size of this research. Since our research was limited to the 12 interviews we cannot say how reliable it is and we cannot generalise it. Another method could have been used to increase the results and the validity. We could also have increased our research by interviewing more people than we did in order to acquire broader results and answers.

6.3 Social and ethical aspects

The results of this thesis could not generalise on the Swedish economy or the population but one can interpret the results. Social and ethical may be elements that affect individuals to act unethically towards illegal actions by purchasing counterfeits or pirated products. In the social surroundings of the majority of the interviewees, it is acceptable to purchase or download pirated products. We can interpret that the social surroundings have an accepting attitude towards some illegal activities such as downloading or purchase pirated products. This could be since Sweden is a high technologically advanced country, with access to internet day and night. The same subject could differ in a country with an underdeveloped technology, with no access to internet. However, in our thesis, counterfeited products are less acceptable, in matter of fact they are rejected, by some of the interviewees and their peers.
6.4 Critical review

In this study, we had to rely on the answers of the interviewees since their opinions are their reality. However, the result is only based on limited to the 12 interviews conducted. We could not generalise the results to the Swedish population since we were limited to the interviewees’ answers. Due to the lack of time we could not immerse more in this field. In addition we could have used more questions in our interviews. If we focused on one subject, either piracy or counterfeits, we could have immersed in the separate fields. Another method could have been possible to increase the results and the validity. We could also have increased our research by interviewing more people than we did and thus acquire a broader results and answers. We could have used a quantitative method to be able to generalise the result. The positive thing with having a qualitative method is that the interviews were personal and we got a broader overview of the answers and the attitudes of the consumers.

6.5 Further research

For further research it would be interesting to do a research of consumers’ attitude towards free products like; how consumer act and why they act in a certain way towards free products. When writing this thesis, we that that another thing we could have done is to concentrate on how piracy and counterfeiting have affected the Swedish economy and interview affected companies. This is an interesting subject to examine. Another research that can be conducted is how the social environment affects individual purchasing decisions. One can also do a study of how counterfeiting and piracy have affected the Swedish economy and how it may affect it in the future. Prior literature focuses on why consumers purchase piracy or counterfeited products. Some literature emphasise how these products are affecting the global economy or how companies are fighting against these products. Other literature focuses on consumers’ attitude towards either counterfeiting or piracy.


APPENDIX

Interview questions

1) Age:
2) Gender:
3) Occupation:
4) What kind of differences and similarities are there between piracy and counterfeit?
5) Do you purchase counterfeit products?
6) Do you purchase/download pirated products?
7) Do you usually take advice from friend/peer when purchasing counterfeit or pirated products?
8) When you buy products do you want to impress others or is it for your own preference?
9) What do you think of buying/downloading low-priced legal digital products in e-stores (electronic stores) such as iTunes?
10) Do you think of the consequences when purchasing counterfeits or pirated products?
11) Do you see counterfeiting and piracy as an ethical issue?
12) Do you think it is morally acceptable to download movie/music/software?
13) Do you think you/people purchase counterfeited product to attain a certain superior social status because of the brand?
14) Do you see counterfeits luxury product as a substitute for the genuine product?
15) Do you see downloading/purchasing pirated products as a substitute for purchasing the products in the stores?
16) What do you think of counterfeiting should it be legal or illegal?
17) What do you think of piracy should it be legal or illegal?
18) What do you think is acceptable, counterfeiting or piracy, why?