

Public Abstract

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Graduation Term:SS 2008

Department:Textile & Apparel Management

Degree:MS

Title:College students ethical perceptions on buying counterfeit products

Trade in counterfeit goods is significant on a global scale. For the industries hardest hit, the impact can be devastating. Pirating activities globally have increased world trade by 5-7%, accounting for approximately \$200 billion to \$300 billion in lost revenue, according to recent estimates from the European Union (Yao, 2005). No product or industry is safe from the producers of counterfeit goods. Despite international efforts to slow the production and trade of counterfeit goods, this individual industry has increased in sophistication at an alarming rate worldwide. The counterfeit market has invaded automobiles, medical devices, chemicals, computers, aircraft parts, and many personal care items used by people daily. Due to this, counterfeiting has become an international problem threatening the health and safety of millions of innocent consumers across the globe.

This study was designed to investigate the ethical purchasing behavior of college students with regards to purchasing counterfeit merchandise. Students from several different majors were surveyed and compared. TAM majors and non-TAM majors were surveyed to determine if TAM majors who had been sensitized to the issue of counterfeiting would be less likely to purchase counterfeit goods than students from non-TAM majors.

The following two hypotheses were tested during this study.

H1: Consumers who have purchased counterfeit products hold attitudes more supportive of counterfeiting than consumers who have not purchased counterfeit goods.

H2: Textile and Apparel students will be less likely to purchase counterfeit goods than non-Textile and Apparel majors.

A self-administered questionnaire was developed. The survey instrument consisted of twenty-seven questions, and was administered to eight classes at the University of Missouri, Columbia campus. The survey was designed to learn more about the perceptions students hold towards purchasing counterfeit goods. The survey consisted of three sections: 1) attitudes towards counterfeit goods; 2) buying behavior for counterfeit goods; and 3) demographic information. Overall, a total of 519 surveys were collected.

T-test results indicated significant differences between buyers of counterfeit goods and non-buyers on eleven of the twelve attitudinal questions asked. Consumers who have previously purchased counterfeit goods hold attitudes more supportive than consumers who have not. These consumers feel that purchasing a counterfeit product is just as good as purchasing the real brand and by doing so they are not hurting the U.S. Economy. These results do support hypothesis one of the research.

In testing hypothesis 2, the results indicated that there was not a significant difference between students who had, or had not, discussed counterfeiting in their classes and the purchase of counterfeit goods. There were also no significant differences with respect to TAM versus non-TAM majors. Thus, although previous researchers (Singhapakdi, 2004) suggested that people who are aware of an unethical behavior will be less likely to perform that behavior, which was not found to be true in this study.

This study's results do leave room for further research to be done to expand and work towards developing strategies to help deter consumers from purchasing counterfeit goods. It may be, further education needs to take place among consumers to the negative effects counterfeit goods hold within society or that stricter penalties need to be set in place to deter not only the manufacturers of counterfeit goods but the consumers as well.