COLLEGE STUDENTS ETHICAL PERCEPTIONS ON BUYING COUNTERFEIT PRODUCTS

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COLLEGE STUDENTS ETHICAL PERCEPTIONS ON BUYING COUNTERFEIT PRODUCTS

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A candidate for the degree of Textile and Apparel Masters of Art Degree, and hereby certify that, in their opinion, it is worthy of acceptance.

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LIST OF ABBREVIATION

IACC International Anti-Counterfeiting Coalition

G.A.T.T General Agreement on Tariffs and Trade

GSP Generalized System of Preferences

TRA Theory of Reasoned Action

TAM Textile and Apparel Management

CHAPTER 1: INTRODUCTION

1.1 Background and significance of the study

According to Grossman and Sharpiro (1998a) counterfeiting is defined as illegally copying authentic goods with a brand name. Non-deceptive counterfeiting is when consumers know (or strongly suspect) that they are purchasing a counterfeit product after close inspection or by inferring it from the channel of distribution. Consumers from developing countries often purchase counterfeit goods knowingly. Those consumers, who are aware, often feel as if they are doing no harm and getting a product they want at a cheaper price.

The International Anti-Counterfeiting Coalition (IACC) is a Washington D.C. based non-profit organization formed in 1979. According to their website, the mission of the IACC is to combat counterfeiting and piracy by promoting laws, regulations and directives designed to render the theft of intellectual property undesirable and unprofitable. The IACC is comprised of several industries such as, autos, apparel, luxury goods, pharmaceutical, food, software and entertainment. Organizations such as the IACC are working to train law enforcement and work with government officials worldwide to stop the abuse of infringement against its members.

The International Anti-Counterfeit Code (2008) website identifies several harmful effects of the counterfeit industry. The Counterfeit industry cost U.S. businesses anywhere from $200 to $250 billion dollars a year, while also taking away more than 750,000 American jobs. Not only does the counterfeit industries affect the economy but also poses a threat to the global health and safety of Americans. The Food and Drug

Administration estimates counterfeit drugs make up 10% of the drugs sold in the United States. The I.A.C.C. website also shows the Federal Aviation Administration estimates of 2% of airline parts being installed each year to be counterfeit; this equals almost 520,000 parts each year.

Throughout the years there have been several measures taken to control the spread of counterfeit sales (See appendix A for a detailed description). The first that will be discussed is the 1883 Paris Union. The Paris convention for the protection of industrial property is known as one of the leading international agreements protecting patents and trademarks. The Paris Convention was first signed in 1883 and has since been revised seven times. The last amendment took place in 1979. The Paris Union serves as a major international document; it contains three articles controlling commercial counterfeiting. The first is Article 6, which prohibits the use and registration of confusing trademarks, the second Article 9, which provides for the seizure of imported goods bearing unlawful trademarks and the third Article 10, which protects against unfair competition.

The second major agreement was the 1891 Madrid Agreement. The Madrid Agreement attempted to establish a uniform international filing system. The agreement was enacted to stop the flow of goods bearing false indications of origin through seizure or the denial of entry. The agreement provided general measures for the effective control of transnational commercial counterfeiting. This agreement failed because neither the United States nor the Republic of China is a contracting party to the agreements. An additional issue is the Madrid Agreement does not contain a means by which to detect or prosecute commercial trademark violations. This has caused the agreement to rely solely

on domestic legal systems to enforce counterfeit violations. Unfortunately this lacks the ability to have a significant deterring effect on illegal trade.

The third international attempt to stop counterfeiting was The International Anti-counterfeiting Code (IACC). The IACC was developed by a group of private companies who banded together to try and stop counterfeiting. In the spring of 1978, the Coalition decided to pursue a formal international agreement, which would create stronger sanctions overseas in the counterfeit goods market (Prebluda, 1986). Due to the General Agreement on Tariffs and Trades (G.A.T.T.) well known ability to be a negotiating forum for problems arising in international trade, the code felt they would serve as the best agency to represent them. The Code was considered one of the most effective solutions in combating the counterfeiting problem on an international level. The backbone of the code is the forfeiture provision, which sanctions the forfeiture of any counterfeit seeking custom clearance (Silk, 1986). Even though this seems to be a very beneficial part to combating counterfeit trade, it overlooks the fact that not all counterfeits will be detected and seized at the point of entry. In addition, the code fails because only developed nations are signatories. This ultimately leads to lesser-developed nations resisting the code.

International laws pertaining to counterfeit goods have been in place for several years. It was not until recently that the United States has tried to combat counterfeit through legislation. Prior to 1982, three sources of federal law governed the control of commercial counterfeiting. They are (1) Lanham Act, (2) Patent Act of 1952 and (3) the Copyright Act of 1976. From 1977 until 1984, counterfeit merchandise caused U.S. businesses to lose approximately $100 billion dollars (Amendolara, 2004-2005). The

American economy stood to lose much more in revenues and taxes without stronger legislation. In a November newsletter by The International Anti-Counterfeiting Coalition it was stated that 1984 would be remembered as perhaps the most productive congressional year in our nation's history for intellectual property legislation. Due to the growing push by United States industrial leaders, Congress passed the Trademark Counterfeiting Act of 1984. Up to this point, penalties for counterfeiting were minimal and did not deter counterfeiters from trafficking goods into the United States. Under the Trademark Counterfeiting Act, any corporation or individual who is found guilty of intentionally trafficking counterfeit goods risks a maximum penalty of one million dollars and/or five years imprisonment. The Trademark Counterfeiting Act of 1984 is a giant leap towards the protection of trademarks. However, without bilateral action from countries that value trade relationships with us, it will not be truly successful. It is important to note that counterfeiting differs from patents and copyright infringements in regards to the ranking of qualities and market channels (Yao, 2005). Products, which violate patent infringement, may be of higher quality since they may possess stolen technology from other firms. With respect to copying, oftentimes the quality is produced through do it yourself methods, and is very similar to the original product. In contrast to patents and copyright infringements, the construction of counterfeit products is generally inferior to authentic goods (Yao, 2005).

In spite of legislation intended to reduce the sale of counterfeit merchandise, industry leaders and designers all over the world have identified this as a growing problem, and are working with groups such as the International Anti-Counterfeiting Coalition (IACC) to protect their designs from being copied. According to the IACC, counterfeiting is an

estimated $600 billion problem and over the past two decades has grown over 10,000

percent. Part of this is believed to be due to increased consumer demand. Studies have

shown that if there is little or no demand for a product, supply will decrease as well.

In recent years, with the growth in trafficking of counterfeit goods, there is also a

growing need to understand consumer behavior with regard to purchasing counterfeit

goods.

1.2 Purpose of the Study

Consumer ethics has been a rather neglected and limited discipline, although a

growing number of studies are being pursued at this time. In the past, consumers have

been surveyed about their opinions regarding the ethics of business, but what about the

ethics of the consumers themselves? The demand side of the counterfeit problem is

clearly an issue of consumer behavior, or perhaps more appropriately termed, consumer

misbehavior.

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. The International Anti-Counterfeiting Coalition (IACC) views the fact that counterfeiters have shifted from luxury products to pharmaceuticals, brake pads, and other items as "a frontal attack on consumer safety and economic stability" (Amendolara, 2004-2005). The highest profile counterfeit investigations and prosecutions deal with luxury goods. Often times these products are sold by street merchants and vendors at mall kiosks. Counterfeit handbags, the most widely copied product, are so easy to buy that the general public frequently sees them as being perfectly legal. Executives at Kate Spade believe that the sales ratio of real bags to knockoffs is one-to-one (Amendolara, 2004-2005). Counterfeiters are driven by the constant demand by the public for these products. Counterfeit luxury items have become a multi-million dollar business for traffickers because of the commonplace acceptance of counterfeit purses in our society and the sophisticated strategies for evading state or federal agents (Amendolara, 2004-2005).

Prior research has shown that consumer's attitudes can affect the likelihood of purchasing counterfeit goods. In addition, sensitivity to the issue may also affect behavior (Singhapakdi, 2004). With this in mind, the purpose of this study is to examine the ethical behavior of college students with respect to purchasing counterfeit products. This study is being conducted to gain a better understanding of differences in the ethical attitudes of consumers who purchase counterfeit goods and those who don't. Such information may provide insight into how the consumers demand for counterfeit goods could be decreased. As a first step, the group of consumers to be examined will be college students. Educating students on the negative effects of counterfeiting may initially be more cost effective than trying to reach a large heterogeneous population of consumers.

1.3 Objectives of the Study

The major objectives of this study are: 1) to determine if students who have previously purchased counterfeit goods hold different attitudes towards counterfeit products, compared to non-purchasers; and 2) to determine if students who have been sensitized to the negative impacts of counterfeiting will to hold different attitudes towards purchasing counterfeit goods compared to students who have not been sensitized to the issue.

CHAPTER 2: LITERATURE REVIEW

2.1 Ethics and Consumers

The term "ethics" has generally been used to refer to the rules and principles of right and wrong conduct (Gbadamosi, 2004). Ethical issues are prevalent in society today in every aspect of human life. Ethics makes up the moral fiber of who we are and the decisions we will make in everyday life. To assess a person's unethical behavior can often times be difficult. Most people's unethical behavior is done in private. Chen and Tang (2006) state that people are more willing to provide accurate information answering an anonymous survey than in a face-to-face interview. Several studies have been done to determine the ethical behavior of consumers. Research shows that unethical marketing behavior impacts consumers' behavior in the marketplace (Ingram, Skinner and Taylor, 2005).

Consumer ethics can be defined as the moral rules, principles and standards guiding the behavior of an individual (or group) in the selection, purchase, use or selling of a good or service (Muncy & Vitell, 1992). To study the ethical beliefs of consumers, Muncy & Vitell (1992) developed a consumer ethics scale. This scale consists of questions about consumer practices, which have ethical implications. These consumer practices can be divided into four categories. The first category, "actively benefiting from an illegal activity", consists of actions that are initiated by the consumer and are almost universally perceived as being illegal. The second category is labeled, "passively benefiting at the expense of others. This takes place when the consumer takes advantage of a mistake made by the seller. The third, "actively benefiting from a questionable action or behavior" consists of a consumer doing an action that may not be perceived as

universally illegal. The last category, consumers believe their action is "doing little or no harm" and is not perceived as being a big deal.

Based on their sample of 1900 head of households with in the United States, respondents tended to believe that it was more ethical to passively benefit in some way than to actively try to benefit from an illegal activity (Muncy & Vitell, 1992). According to the study, the "no harm no foul" activities where considered to not be unethical. Many of these activities included intellectual property rights such as the copying of software, tapes, or movies (Muncy & Vitell, 1992).

A study conducted by Chen and Tang (2006) examined business and psychology student's attitudes toward unethical behavior and the likelihood of them engaging in unethical behavior. The theory of reasoned action states that behavior is determined by intentions, which is a function of attitude towards the behavior and subjective norms (Chen & Tang, 2006). To test the propensity to engage in unethical behavior, business students enrolled in a principle of management courses and psychology students enrolled in a basic statistics course were surveyed. The students completed a six-page survey at Time 1. Four weeks later, at Time 2, a four-page survey was completed. A 32-item unethical behavior scale was used along with the data collection of demographic variables. Out of the 198 students, 116 were male, 68 were female and fourteen were non-responses. Out of the 101 psychology students, with 33 male, 56 were female and there were 12 non-responses. Between the two groups no overall differences were found when assessing demographic variables. The study did show male students tended to feel theft, corruption and deception were more ethical than their female counterparts. Singhapakadi (2004) also concluded that female students tend to be more ethical in their

intentions than male students. However, in a study done by Singhapakadi and Vitell (1990), their results indicated no significant differences in the perception of male and female marketers regarding ethical problems, and reasonable alternatives to resolving ethical problems. Hegarty and Sims (1978) found gender to be unrelated to ethical behavior (Singhapakdi, 2004). Future studies may want to further investigate gender differences given the mixed results from previous studies. This study by Cheng and Tang (2006), with its focus on college students, brings up another important issue with regards to ethics. If one engages in unethical behavior during young adulthood, will they continue to engage in unethical behavior at a later age? Although not answered by Cheng and Tang (2006), it is possible that ethical behavior in early adulthood may be an indicator of ethical behavior later in life.

A similar study conducted by Cole and Smith (1996) was used to determine the perception of business students and business practitioners regarding ethics in business. Five hundred thirty-seven business students and 158 business professionals completed a survey. Subjects in each group were asked to answer all survey questions twice. First, the students were asked to respond the way they believed the typical business person would respond to the question. Second, they were asked to respond the way they believed the ethical response should be. Each group was advised that the term ethical response referred to behavior that is not only legal but also honest, honorable, fair, responsible and socially acceptable (Cole & Smith, 1996). Each statement was assessed with a value of 1 through 6 ranging from strongly agree to strongly disagree. Similar to Singhapakdi's (2004) findings, male students were more unethical than female students, and more accepting of questionable ethical responses. In relation to male and female business

professionals, they tended to think alike in regards to both sets of questions. When comparing the ethical responses of students to business professional, students were significantly more accepting than business people of questionable ethical responses (Cole & Smith, 1996). Cole and Smith (1996) felt that by asking subjects what the standard ethical response should be instead of what ethical decision the subjects would make themselves, it was believed that more honest responses were given. One result from the study, which Cole and Smith (1996) felt was an encouraging outcome, was that both business people and college students demonstrated a high level of ethics when responding to the statements the subjects believed to be the correct ethical responses. With this in mind, business should focus on the ethical intentions of its younger employees. Efforts should be made to identify and publicize examples of good ethical behavior in business and to make a practice of seeking out and rewarding employees' ethical behavior (Cole & Smith, 1996).

A study of students in marketing classes from two major universities revealed that perceived ethical problems and perceived importance of ethics have a positive impact on the ethical intentions of students (Singhapakdi, 2004). The results of this study concluded that a marketing student's perceived importance of ethics is a significant predictor of one's ethical intentions. Hunt and Vitell (1986) argued that perception of an ethical issue or problem is an important prerequisite for the ethical decision-making process. Furthermore, supporting the research from Singhapakdi (2004), a person who perceives an ethical problem more readily would tend to behave more ethically than an individual who does not. Many researchers feel in order to prevent unethical behavior from becoming dominant in future marketers it is essential to educate students about the

importance of ethics. Singhapakdi (2004) concluded in his study that perceived importance of ethics is generally a positive predictor of a marketing student's ethical intention.

Significant amounts of research have been done to investigate managerial ethical judgments. A limited amount has been done to focus on the consumer judgments of unethical corporate behavior and its impact on the marketplace (Ingram, Skinner and Taylor, 2005). Marketing works to bring balance between consumers and companies. Customer commitment has been defined as an emotional or psychological attachment to a company (Kelly & Davis, 1994). A study conducted by Ingram, Skinner and Taylor (2005) examined the impact of customer commitment to a company on ethical judgments and, in turn, its effect on satisfaction with the firm and behavioral intentions. One aspect of consumer behavior that marketers are particularly interested in is the importance of how likely customers are to be repeat customers. If a customer is happy with the relationship they have, with a product or brand, it is understood that they will continue to value their relationship with that brand. In an ethical judgment, consumers' expectations will frame their interpretation of the questionable behavior (Ingram, Skinner, and Taylor, 2005). Ingram, Skinner and Taylor (2005) using a sample of 334 consumers, found that the consumer's level of commitment increases with the level of perceived fairness. Respondents were asked to think about an incident where they were exposed to questionable marketing behavior and to document their experience. The respondents were then given a multi-item scale measuring attitudes and opinions pertaining to the story they described (Ingram, Skinner and Taylor, 2005). Customer commitment does play a large role in ethical verses unethical marketing behavior, however, it is yet to be

determined how significant. Muncy and Vitell (1992) found that consumers were least accepting of unethical behavior when they felt one party was benefiting over the other. Consumer's ethical expectations are positively related to how satisfied they are with a company; this in return can have a positive or negative impact on future intentions (Ingram, Skinner and Taylor, 2005). Findings suggest that highly committed consumers forgive companies for behaviors when perceived harm is low. The results also indicate that highly committed consumers become progressively dissatisfied as the level of perceived harm increases (Ingram, Skinner and Taylor, 2005). If a consumer feels they are being treated fairly they will continue to hold, and value, a relationship with a company and a brand. Consumer commitment has been shown to influence the consumer's evaluation process, generating strategic advantages such as continuous patronage, greater word-of-mouth, and loyalty. The Ingram, Skinner and Taylor (2005) study shows that consumer commitment moderates a relationship between magnitude of harm and perceived fairness, and influences ethical expectations. Consumers' ethical expectations are positively related to a consumer's level of satisfaction, which positively correlates with future relationships with that company.

As discussed earlier, several studies have emphasized ethical intentions of students. What has not been well researched or documented are the ethical responses of college students based on cultural environment. Spain, Brewer, Brewer and Garner (2002) conducted an exploratory study to determine if there are differences in ethical decisions by business students based upon cultural backgrounds. Webster's definition of culture is "the customary beliefs, social forms, and material traits of a racial, religious, or social group" (Webster, 1996). Each state is made up of its own culture, or orientation of

beliefs, as well as social and material traits (Spain, Brewer, Brewer and Garner, 2005). If this is to be true, does a student who lives in a more grounded culture become more ethically responsible than a student who does not? Vitell and Ho (1997) find there to be no scales attempting to measure intentions and ethical behavior in terms of the cultural environment. Culture within the United States varies a great deal. Does this mean students placed in different geographical locations for schooling will hold different ethical beliefs, or will a student choose a school that best fits ones ethical beliefs? If so, does this hypothesis coincide with the belief that an individuals' ethical orientation can change later in life as a result of exposure to ethics, instructions, maturity or work experience (Spain, Brewer, Brewer and Garner, 2002)? To assess these questions, a survey was conducted by Spain, Brewer, Brewer and Garner (2002) of undergraduate students in three states to assess each group's personal ethical response to product placement of cigars by a marketing agency. At the time of this study there were no legal regulations on the placement of cigars in media forms. Three states were chosen for the study based on a report from the center for disease control (1998) on the rate of current cigarette and cigar smokers. Kentucky, Utah and Virginia placed the highest for cigarette smoking, yet cigar smoking was lowest in Utah and Kentucky while Virginia placed in the median. Within each of these three states, a regional, comprehensive university of like size was identified (Spain, Brewer, Brewer and Garner, 2002). The surveys not only asked demographic information but also inquired to where the students would place the cigar product in the various media forms presented to them. Consistent with the Spain, Brewer, Brewer and Garner (2002) hypothesis, they discovered that the region of the school subjects attended was a determining factor in a student's decision making process.

In most cases, the students originally lived in that area for the last 10 years, or were born in that area. The inference could be made that the culture of a particular region was a significant variable in shaping a student's values and ethics (Spain, Brewer, Brewer and Garner, 2002). Findings recorded by Schlegelmilch and Robertson (1995) stated that an individual's culture and the industry of his/her occupation have the strongest influences on perceptions of ethical issues. Past studies have shown a strong relationship between ones culture and ones ethics. A study conducted by Husted, Dozier and Mcmahon (1996) of MBA students across three countries showed, that even if ethical decisions are similar, culture may affect ethical reasoning.

2.2 Consumer Purchase Patterns

The previous discussion has focused on the ethical aspects of consumer behavior. This was done with the expectation of laying the foundation for explaining why consumers feel purchasing counterfeit goods is acceptable. The following will discuss studies in relation to why consumers purchase counterfeit goods, and address some ways to successfully combating counterfeiting on a consumer level. By knowingly purchasing a fake with status appeal, the consumer diminishes the quality and prestige attributes of the genuine product (Cordell, Wongtada and Kieschnick, 1996).

Past research has shown that direct economic consequences, such as paying a lower price influence the tolerance of questionable behavior by consumers (Dodge, Edwards and Fullerton, 1996). A study conducted by Bloch, Bush and Campbell (1993) found that consumers would select a counterfeit item over a genuine product when there is a price advantage. Even though counterfeit products compromise the quality, consumers are willing to over look this due to the cost saving prices. This is not to say that all

consumers buy counterfeit goods, and among those who do buy counterfeit goods, there are most likely differences in the frequency of purchases and differences in the importance and/or satisfaction of product attributes by product category (Gail, Garibaldi, Zeng and Pilcher, 1998). The consumer plays a crucial role in counterfeit trade, and the consumers' willingness to participate is evident worldwide, from the shopping stalls in Bangkok to the sidewalks of New York (Cordell, Wongtada and Kieschnick, 1996). Both consumers, who have reported knowingly, purchased counterfeits, and those who have not, agreed that counterfeit products hurt manufacturing of legitimate products (Gail, Garibaldi, Zeng and Pilcher, 1998). Price plays a huge role in the sale of counterfeit products. In all purchases, consumers balance monetary outlays against perceived benefits (O'Shaughnessy, 1987).

A study conducted by Albers-Miller (1999) was designed to access consumer's misbehavior and what causes one to buy illicit goods. The Albers-Miller (1999) study used the following three variables to predict consumer behavior. (1) The selling price; (2) the situation under which the purchases take place; and (3) the risk associated with the purchase. Subjects consisted of evening graduate students enrolled in core MBA classes. One hundred fifty-three students agreed to take the survey, yet only 92 surveys were returned. One survey was not used giving a total response rate of 91. The respondents were given a Likert-type scale to answer all survey questions. The study showed that all respondents were more likely to engage in illicit behavior if there was peer pressure to do so (Albers-Miller, 1999). Respondents were less likely to purchase counterfeit goods if they were alone or with someone who was not engaging in illegal behavior. A person with friends exhibiting deviant behavior is more likely to exhibit the same behavior

(Conger, 1980). Peer pressure to conform has been reported as a factor leading to inappropriate consuming behavior (Albers-Miller, 1999). The extent to which consumers are influenced by social pressure in their attitude is dependent on their susceptibility to such pressure (Ang, Cheng, Lim and Tambyah, 2001). Consumer susceptibility is defined as "the need to identify with or enhance ones image in the opinion of significant others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions, and the tendency to learn about products by observing others or seeking information from others" (Bearden, Netemeyer and Teel, 1989). Social controls may be an even better deterrent to crime than physical controls (Hollinger & Clark, 1983). While it has been shown peer support of an illegal behavior encourages deviant behavior, peer rejection may also serve as a deterrent (Albers-Miller, 1999). Due to illicit trade being harmful, legitimate business managers, should consider lobbying for the strict enforcement of criminal sanctions against consumers, as well as merchants of illicit goods (Albers-Miller, 1999).

In a study conducted by Bloch, Bush and Campbell (1993), a sample of 100 adult consumers was surveyed to determine a consumer's willingness to knowingly buy counterfeit apparel. Consumers were stopped at a local mall and asked to participate in the study. Each respondent was given the option of buying three knit shirts. The first knit shirt was a designer brand, priced at $45; the second knit shirt was listed as a counterfeit good priced at $18 and labeled as a brand name. The third was also priced at $18, yet was not labeled with any particular brand name. Of the 100 respondents, 29 percent chose the designer label shirt, while 37.5 percent selected the counterfeit shirt and only 33.5 percent chose the non brand name shirt. This study does cause some reason for concern since all

respondents were aware that at least one item was counterfeit, and that counterfeit products are illegal.

With the high volume of counterfeit sales that pour out of flea markets Bloch, Bush and Campbell (1993) conducted the same survey as mentioned above at a local flea market. It was assumed that respondents surveyed at the flea market would be more likely to choose the counterfeit shirt than would those respondents contacted at a shopping mall. This was not the case in their study. Identical choice patterns were observed between the flea market and the local mall. Bloch, Bush and Campbell (1993) concluded that government and businesses must push to eliminate the demand-side of counterfeit. Without more research to determine how to target these consumers and which appeal to use, dollars spent on reducing the demand-side of counterfeit will likely be wasted (Bloch, Bush & Campbell, 1993). The key to winning the counterfeit battle is to slow or weaken the demand side. Research indicates that when a retailer believes that a consumer is knowingly buying a counterfeit, the dealer feels less responsibility (Olsen & Granzin, 1992). This is important due to the current emphasis on channel members as keys to reducing counterfeiting (Bloch, Bush and Campbell, 1993).

Several studies have focused on American consumers and how they feel towards counterfeiting, while little is known about Asian consumers. According to Ang, Cheng, Lim and Tambyah (2001), conducting a study of Asian consumers is critical; since more than one-third of the losses arising from counterfeiting can be linked to Asia. So prevalent is counterfeiting that in urban areas of China, up to 90 percent of daily use products found in street markets are counterfeit (Business Times, 1999). The movie and apparel industry are big targets of counterfeits in China, yet the software industry are the

hardest hit. In 1998, the software industry lost U.S. $4.6 billion to piracy (The Asian Wall Street Journal, 1999a). Differences between Western culture perspectives on counterfeit and Eastern cultures stem from the attitudes held by Asian cultures. Asian cultures, especially Chinese have traditionally emphasized that the individual developers or creators are obliged to share their developments with society (Ang, Cheng, Lim and Tambyah, 2001). In Western cultures we are taught that plagiarism is not accepted. In Chinese tradition, the highest form of flattery is when the student is able to faithfully reproduce the work of the teacher (Ang, Cheng, Lim and Tambyah, 2001).

Ang, Cheng, Lim and Tambyah (2001) surveyed a total 3,621 Singaporeans, aged 15 and above who had purchased CDs in the past. Music CDs were used in the study due to the appeal to all age levels and their high tendency to be marketed by counterfeiters. For the purpose of the study, Singapore was chosen due to its tight anti-piracy enforcements. The survey was divided into five parts. Part 1 measured respondents' attitude towards piracy. Part 2 measured their purchase intentions. Part 3 measured social influences, specifically informative susceptibility and normative susceptibility, while part 4 measured personal characteristics of value consciousness, integrity and personal gratification. The final part measured respondents' demographic characteristics (Ang, Cheng, Lim and Tambyah, 2001). Respondents did agree that counterfeit CDs were not good for the artist, yet did not feel it was unethical to purchase them. Respondents were somewhat ambivalent regarding the benefits that counterfeits conveyed on society (Ang, Cheng, Lim and Tambyah, 2001). Surprisingly, the study did not find consumers to purchase counterfeit products for personal gratification. Consumers with a sense of accomplishment, who sought pleasure, comfort and social recognition, did not vary from

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those who valued these less in their attitude towards piracy (Ang, Cheng, Lim and Tambyah, 2001). Consumers who favored counterfeits were most likely to buy them and recommend them to friends. The results concluded that one's attitude towards piracy was a significant predictor of one's purchase intentions (Ang, Cheng, Lim and Tambyah, 2001). Consumers who have bought pirated CDs before had more favorable views about counterfeit goods than those who have never bought counterfeit products. Buyers and non-buyers alike did not consider anything wrong with purchasing counterfeit goods.

A second study was conducted on Asian consumers with regards to counterfeit purchases. With China being the leader in counterfeit goods Kwong, Yau, Lee and Tse (2003) conducted a survey to determine the impact and attitude towards piracy and intentions to buy pirated CDs. Though the Hong Kong government is making a concerted effort to clamp down on copyright piracy at both the production and retail levels, pirated CDs are still widely sold in the market (Kwong, Yau, Lee and Tse, 2003). Many believe the root of all this is in the demand side. Without consumer demand there would be no reason for supply. Kwong, Yau and Tse (2003) used eight business students to conduct face-to-face interviews with respondents. The respondents were instructed to interview every fifth Chinese person passing by in four selected districts, with a high number of stalls selling pirated CDs. In a study conducted by Kwong, Tau, Lee, and Tse (2003) samples of 306 respondents aged 15 and above were interviewed. The study found that customers who had bought pirated CDs before tended to be less ethical than those without past buying experiences. Fishbein and Ajzen (1975) showed that once customers adopt a particular buying behavior, they would be likely to stick with it in that intentions tend to influence behavior. Demographic variables were also taken into account. Kwong,

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Tau, Lee and Tse (2003) found gender and age were significantly related to the intention to buy pirated CDs. It was found that male respondents were more likely to purchase counterfeit CDs than female. Income and education had no relevance to ones intention to purchase pirated CDs. Findings also showed that customers tend to view piracy favorably when they see piracy as having a high social benefit of dissemination and also as a way of attacking big business (Kwong, Yau, Lee and Tse, 2003).

With this in mind, research must be done to determine the most effective ways to stop the growth of counterfeit sales. Laws will need to become stricter not only towards the seller side but the demand side. In order to make a consumer less likely to purchase counterfeits, brand loyalty towards legitimate brands must be developed. The objective of investing in brand development is to create an identity around which customer loyalty is built (Cordell, Wongtada and Kieschnick, 1996). In most purchase situations, brand loyalty, or purchase of a famous-maker brand, was found to be the most helpful strategy in preventing money loss from product purchase (Roselius, 1971). Cordell, Wongtada and Kieschnick (1996) found that performance expectations are the most important determinant in willingness to buy a counterfeit product. Products perceived investment-at-risk are more likely to find consumers willing to purchase counterfeit goods. Brand, retailer and price were found to be determinants of counterfeit purchase as moderated by level of product investment-at-risk (Cordell, Wongtada and Kieschnick, 1996).

Often times the consumer does not feel they are committing a crime by purchasing counterfeit goods, yet they do believe the sellers of these goods should be punished. According to the Messick and Brewer (1983) typology, strategies to discourage counterfeit purchases could be either structural or behavioral. The structural model could

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be used to reduce counterfeit purchases through instilling fear of punishment. In return this would then be linked to a change in behavior towards the purchase of counterfeit goods. Messick and Brewer (1983) suggest that consumers must be convinced that benefits will accrue to a group with which the consumer identifies with most. As most counterfeits in the United States are imported, anti-counterfeiting appeals need to focus on the negative impact that buying fakes has on American jobs, tax revenues, and balance of payments, as well as crime (Cordell, Wongtada and Kieschnick, 1996). Americans may not be aware that their contribution to purchasing counterfeit may be used to fund organized crime and illicit activities such as prostitution (Gail, Garibaldi, Zeng and Pilcher, 1998).

2.3 Materialism

An understanding of consumer behavior from an ethical and materialistic stand point is crucial for the implementation of consumer education regarding the negative effects of counterfeiting. According to Muncy and Eastman (1998), materialism may increase a society's economic wealth and material possessions; on the other hand it may lead to a negative overall effect on quality of life. Several studies have been done to pin point the cause in consumers to purchase illegitimate goods. The Webster's Collegiate Dictionary (1996) defines materialism as material needs and desires, to the neglect of spiritual matters; a way of life, opinion, or tendency based entirely upon material interest. Materialists place possessions and their acquisitions at the center of their lives (Richins & Dawson, 1992). The possessions one desires can be the focus of one's life becoming more important than religion, family and friends. A materialistic consumer feels a greater pressure to have possessions to be happy with one's life. This can lead to a consumer

acting on unethical behavior in order to obtain the possessions they feel they cannot live without. According to Bredemeier and Jackson (1960), materialists worship things, and the pursuit of possessions takes the place of religion in structuring their lives and orienting their behaviors. Several scales have been used to score materialism. Richins and Dawson (1992) found that those who scored higher on their materialism scale were less willing to share possessions and money with family and friends. Although it is often useful to treat materialism as a cultural or structural variable for purposes of comparing cultures or examining institutions within culture consumption, much is to be gained by examining individual differences in materialism (Richins and Dawson, 1992). Materialism is associated with a greater drive to acquire the goods that marketers provide for consumers. Due to this, it is evident that a relationship must exist between ethical standards and materialism. If consumers move away from their focus on material acquisitions and towards non-material quality of life concerns, then they will consume less from the economic systems, leaving the marketers with fewer consumers and less demands for their goods (Muncy & Eastman, 1998).

   Richins and Dawson (1992) developed a value-oriented materialism scale, which consists of three components. The first is acquisition centrality, which states materialists place possessions and their acquisitions is the center of their lives. The second component, acquisition as the pursuit of happiness, states people in this component view possessions and their acquisition essential to their satisfaction and well being in life. The last component, possession-defined success, show materialists tend to judge success of themselves and others by the number and quality of possessions accumulated. Richins & Dawson's study showed that respondents higher in materialism were more likely to hold

a higher value on financial stability than on warm relationships with others. This did not hold true for respondents low in materialism. Richins and Dawson (1992) scale has been used in several other studies to determine a relationship between materialism and ethics.

Many religious and social critics have condemned materialism as inherently bad (Richins & Dawson, 1992); however, Rochberg-Halton (1986) believes not all possessions are bad. Possessions can be a positive aspect of one's life. Rochberg-Halton (1986) proposed two forms of materialism based on consumptions purpose. The first is labeled instrumental materialism and is defined as a sense of directionality, in which a person's goals themselves may be cultivated through transactions with the objects. Its purpose is the fuller unfolding of human life, and it is context-related (Richins & Dawson, 1992). The second level is known as terminal materialism. There is no sense of reciprocal interaction in the relationship between the object and the goal (Richins & Dawson, 1992). In instrumental materialism, owning an object in order to better family and friendship bonds or to gain self-actualization is looked upon as acceptable. Owning a flashy car or several houses in order to show off to friends and family is looked upon as terminal materialism.

Approaches to measuring materialism can be divided into two types: these that infer materialism from measures of related constructs and those that purport to measure materialism more directly through the use of attitude scales (Richins & Dawson, 1992). Despite all of this postulating and theorizing there is little empirical evidence that answers the following question: do people who are more materialistic have different ethical standards than those who are less materialistic (Muncy & Eastman, 1998)? Muncy and Eastman (1998) felt there was no empirical study to be found to specifically address

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this question. Thus, Muncy and Eastman (1998) used the materialism scale of Richins and Dawson (1992) and the Muncy and Vitell (1992) consumer ethics scale to conduct a study on consumer materialism and the possible link to ethics. The study consisted of students enrolled in various introductory marketing classes at two universities in the United States. Surveys were given to 122 students at one university and 92 students enrolled at the second university. When compared to Richins and Dawson (1992) study, students were slightly below the mean on the centrality component and fell above the mean on happiness and success. Muncy and Eastman (1998) felt this was appropriate since all of their subjects were business students sacrificing material possessions at this time in hopes to acquire them in the future. Muncy and Eastman (1998) concluded that the study was consistent and showed substantial evidence for a link between materialism and consumer ethics. With this in mind, the same reason a person may hold materialism with high regard in their life may also be the reason they hold low ethical standards. If encouraging materialism also encourages lower ethical standards, then it could certainly be argued that it is not in society's best interest to encourage such materialism (Muncy & Eastman. 1998). Unfortunately, it is still unclear what causes a materialistic consumer to be an unethical consumer. Muncy & Eastman (1998) when comparing all correlations showed there to be a high significance between respondents with high levels of materialism and lower ethical standards.

Previous studies have been used to measure the infer materialism from related constructs. Dickins and Ferguson (1957) used children aged 7-8 and 11-12 in a study of content analysis of responses to five open-ended questions. Burdsale (1975) used college students and military personnel to test materialistic motivations inferred from factor

scores on Cattell's motivational analysis test. Belk (1984) conducted a study of college students and adult's personality traits of envy, non-generosity and possessiveness on a 24 point Likert scale. Several studies have also been done in the field of attitude measures of materialism. Campbell (1969) conducted a study of college students and adults with regards to materialism on an eight item forced-choice format. Heslin, Johnson and Blake (1989) studied students using materialism subscale of the Spender scale using a six-item Likert scale format. Materialism has been measured by using personality traits, social goals and by assessing attitudes (Richins & Dawson, 1992). According to Richins and Dawson (1992) all of the previous studies suffer from one or two important limitations. First, many of the measures do not give an accurate level of reliability for use in anything except for exploratory research. Secondly, the construct validity of many of the measures has not yet been fully established (Richins & Dawson, 1992). For a materialist, their whole life revolves around the possessions they own. They believe that these possessions are the true key to total happiness. Richins and Dawson (1992) stated that the conception of materialism is a value that guides people's choices and conduct in a variety of situations. With respect to the matter of consumption, materialism will influence the type and quantity of goods purchased (Richins & Dawson, 1992).

CHAPTER 3: THEORETICAL FRAMEWORK

3.1 Theory of Reasoned Action

The purpose of this research is to gain a better understanding of the relationship between ethical attitudes and the purchase of counterfeit products among college students. Ajzen and Fishbein's (1975) Reasoned Action Theory will provide a context for examining attitudes and behavior towards purchasing counterfeit products. The genesis of Reasoned Action Theory comes from the field of social psychology. Social psychologists work to determine and explain the reasons for attitudes affecting behavior patterns. The study of attitudinal influences on behavior originated as far back as 1872, with Charles Darwin. Darwin defined attitudes as the physical expression of an emotion (Taylor, 2001). Fishbein & Ajzen (1975) published Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research in 1975. The Theory of Reasoned Action was created with the intent of improving the ability to predict human behavior.

The Theory of Reasoned Action (TRA) (See Figure 1) suggests that a person's behavior is determined by his/her intentions to perform a behavior, and that this intention is, in turn, a function of his/her attitude toward the behavior and his/her subjective norm (Taylor, 2001). The best predictor of behavior is intention. Intention is the representation of a person's readiness to perform a given behavior. Three things determine intention: their attitude toward the specific behavior, subjective norm and their perceived behavioral control. Intention determines whether he/she will perform a behavior and is formed by the attitudes and subjective norms.

The theory of planned behavior holds that only specific attitudes towards the behavior in question can be expected to predict the behavior. Attitudes can be made up of the

beliefs that a person accumulates over one's lifetime. These beliefs may be generated by direct or outside experiences one gathers over time. These experiences can also be described as an individual's positive and negative feelings about performing a behavior. Ones attitude towards laws or rules prohibiting a behavior may also impact ones behavior. Not all of these beliefs influence attitude. Salient beliefs are beliefs that actually work towards influencing ones attitude. Ajzen & Fishbein (1975) considers these to be "immediate determinants of a person's attitude". A person's attitude is ones salient belief about whether his/her actions will be positive or negative. In addition, not only must we examine attitudes towards the behavior but also measure peoples subjective norms.

The subjective norm is made up of a persons' beliefs about how people they care about will view the behavior in question. In predicting one's intentions, knowing their beliefs and attitudes are equally important in determining their intentions. Perceived behavioral control influences ones intentions. This perceived control refers to people's perceptions of their ability to perform a given behavior. This consists of the perceptions of family and friends and how ones behavior will reflect on their relationship. The Theory of Reasoned Action states that if a person intends to do a behavior then it is likely that a person will engage in that behavior.

When examining the Theory of Reasoned Action, the limitations of this theory must be addressed as well. Three main limitations of the theory are: Self-reporting, conscious control, and correspondence. By using this theory no direct observations will be made, only self reported information would be used. This can be very subjective and is not necessarily always accurate. The data collected can also vary with ones attitude at the

time of the data collection. A subject with a more positive attitude may report more positive attitudes then they actually poses and vice versa with respect to negative attitudes at the time the data was collected.

Second, the Theory of Reasoned Action stems from the assumption that behavior is under volitional control. This only applies to behaviors one consciously elects to participate in, not actions done under continual conscious processing. Irrational decisions, habitual actions or any behavior that is not consciously considered cannot be explained by this theory (Taylor, 2001).

Third, it has been recognized by Ajzen and Fishbein that the theory is also limited by what they consider to be correspondence. In order for the theory to predict behavior, attitude and intention must agree on action, target, context and time or it is unable to predict specific behaviors.

In this study, the relationship between attitudes, behaviors are of specific interest. Thus, a complete analysis of the Ajzen and Fishbein model is beyond the scope of this study. However their model does provide a context for examining attitudes and behavior. Based on the theoretical model, and prior research, two hypotheses will be tested. The first hypothesis was based on previous research done by Gail, Garibaldi, Zeng and Pilcher (1998). Based on findings by Singhapakdi (2004) regarding perceptions of an ethical problem, the second hypothesis was designed to determine if students who have been sensitized to the issues of counterfeiting will be less likely to purchase counterfeit goods than students who had not been sensitized to the issue of counterfeiting. The hypotheses are:

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

H2: Students who are sensitized to the issue of counterfeit goods will be less likely to purchase counterfeit goods than students who are not as aware of the issue.
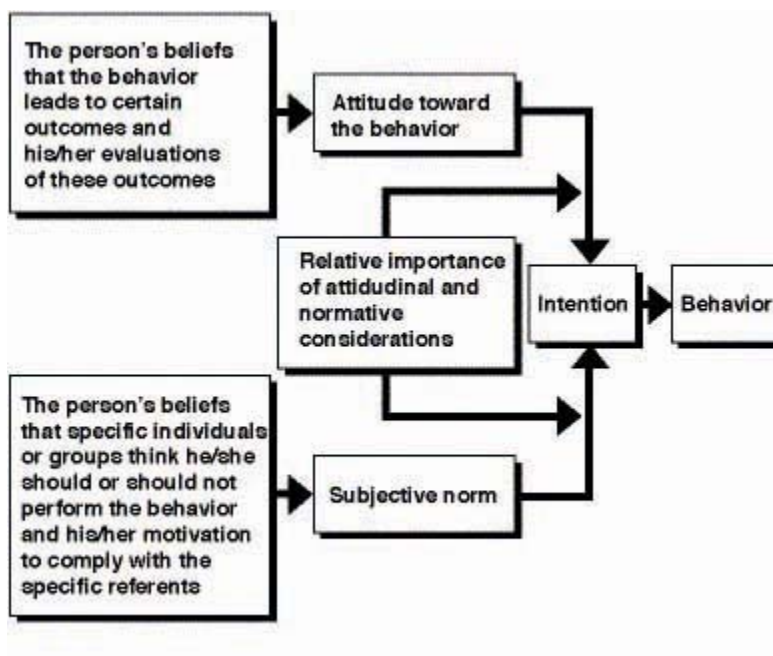
FIGURE 1

Theory of Reasoned Action Theory

Figure 1. Source: Ajzen, I & Fishbein, M. (1975) Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research, Reading, Mass: Addison-Wesley.

CHAPTER 4: RESEARCH METHODOLOGY

This chapter will discuss the data collection and empirical analysis used to conduct this study. Specifically, the sampling, survey instruments and statistical methods will be discussed.

4.1 Sampling

This descriptive research was conducted through a process of collecting surveys in November 2007. The survey instrument consisted of twenty-seven questions, and was administered to eight classes at the University of Missouri; Columbia campus. It was not possible to conduct a random sample of all MU undergraduate students. Thus, convenience sampling was used with the intent of trying to have wide representation of students across campus. Students were advised before taking the survey that their answers would be kept confidential and all students were able to opt out of the survey at anytime without penalty. The respondents were given approximately ten minutes to complete the survey during the first part of their class period. Four classes from the Department of Textile and Apparel Management (TAM) were chosen based on the assumption that TAM students were more likely to have been exposed to the negative aspect of purchasing counterfeit goods, compared to non-TAM students. Students informed about counterfeit goods were important to include for testing hypothesis 2. The selection of each of these classes will be discussed in turn.

Introduction to the Textile and Apparel Industry, and Retail Finance & Merchandise Control, taught by Dr. Norum in the Department of Textile and Apparel Management were the first classes to be surveyed. These classes were selected because of their large

number of TAM students, some who had just begun the program and others who had been enrolled in the program for some time.

Dr. Boorady's Principles of Apparel Manufacturing class was surveyed since it is an upper level class in the Textile and Apparel field. During one sessions of this class, counterfeiting was discussed in great detail. Dr. Norum and I were asked to come to the class and discuss the problems associated with counterfeiting and the legislation that is trying to be passed to help crack down on counterfeiters. This class was selected with the expectation that the students would be able to answerer the survey questions based on a knowledge they had learned throughout their classes taken prior to, and during Dr. Booradys', class in regards to counterfeiting.

Dr. Wilson's class Social Appearance in Time and Space was surveyed because of its diversity of students. The class has such a diverse group of students since it is a writing intensive class, and draws students from all over campus. This class was also chosen based on its large number of students and lower course level with students who may or may not have been exposed to information regarding counterfeiting.

In order to ensure a diverse sample of students, the surveys were also administered to two very large classes in outside departments and one smaller class. The two larger classes surveyed were the Principles of Microeconomics taught by Dr. Pantal and Introduction to Sociology taught by Dr. Brent. The smaller class surveyed was Introduction to Astronomy taught by Dr. Chandrasekhar. When determining classes to survey in outside departments, these classes were chosen based on their class sizes, different educational levels, and/or representation of students from many different

departments throughout campus. Each faculty member was contacted, and his or her help solicited.

4.2 Survey Instrument

A self-administered survey was developed (see Appendix B). It consisted of three sections: 1) attitudes towards counterfeit goods; 2) buying behavior for counterfeit goods; and 3) demographic information.

Table 1 presents the variable names and definitions related to student's attitudes towards counterfeit goods. In section one, fourteen attitudinal questions were asked, and were rated on a 5-point scale with 1 being strongly agree to a 5 being strongly disagree. These questions were the same as those used by Tom, Garibaldi, Zeng and Pilcher (1998) in their study on consumer ethics and counterfeit goods. The first section also contained four additional questions. Two of these questions were 1) I would not purchase counterfeit goods if I thought my family would be disappointed in me; and 2) I would purchases counterfeit goods just because my friends wanted me to. The last two questions were regarding education about counterfeits, and whether or not the student had often traveled outside of Missouri.

The second section of the survey consisted of six questions, regarding buying behavior (See Table 2). In order to determine a student's revealed preference, the first question in this section asked students to state whether they believed most people would buy counterfeit goods when given the chance. They were asked to rate this question from "1" being strongly agree to "5" being strongly disagree. Next students were asked to rate how likely it would be for them to purchase counterfeit goods, within the next six months. The third question asked students whether or not they purchased counterfeit goods in the past

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year. This variable was coded as a one if they said yes, as a two if they said no, and as a three if they didn't know.

The last three questions in Section 2 assessed how many times a student had purchased counterfeit goods, the types of goods they had purchased and the reasons for purchasing counterfeit goods. Students were asked how many times they knowingly purchased counterfeit goods in the past year. Five categories were provided (0, 1-3, 4-4, 7-9, and 10 or more). Those students who had purchased counterfeit goods were then asked what type of counterfeit goods they had previously purchased. Overall, ten major categories were identified. They consisted of handbags/purses, clothes, CD'S, Sporting goods, jewelry/accessories, trading cards, medicine, car parts, toiletries/food and DVD's/software. Table 2, shows the variable names for each of the open ended questions regarding the counterfeit items purchased. The final question of Section 2 asked students to describe the main reasons they have bought counterfeit goods. Seven categories were found: 1) Price; 2) Style; 3) Availability; 4) Free Music; 5) Unaware; 6) Don't Know Why; 7) Just wanted item. The variable REASON was coded from one to seven.

TABLE 1

VARIABLES NAMES AND DEFINITIONS: STUDENT'S

ATTITUDES TOWARDS COUNTERFEIT GOODS.

Variable Name	Definitions
*DEMONST	I like counterfeit goods because they demonstrate initiative and ingenuity on the part of the counterfeiters
*GETBACK	Buying counterfeit products is away to get back at uncaring and unfair big businesses
*PRICES	I buy counterfeit products because the prices of designer's products are unfair and gouge
*LITTLE	I buy counterfeit products because counterfeiters are little guys who fight big business
*WHOBUY	People who buy counterfeit products are committing a crime
*EASILY	I would buy counterfeit products even if I could easily afford to buy genuine designer products

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DISAPP	I would not purchase counterfeit goods if I thought my family would be disappointed in me
*SELL	People who sell counterfeit products are committing a crime
*WISE	Buying counterfeit products demonstrates that I am a wise shopper
*ECONOMY	Counterfeit products do not hurt the U.S. economy
*FRIENDS	I would purchase counterfeit goods just because my friends wanted me to
*LEGIT	Counterfeit products hurt the companies that manufacture the legitimate product
*JOKE	I like buying counterfeit products its like playing a practical joke on the manufacture of the non-counterfeit product
DISCUSS	Counterfeit products have been discussed in my classes
TRAVEL	I often travel outside of Missouri

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* Were used as independent variables to test Hypothesis one.

TABLE 2

VARIABLE NAMES AND DEFINITIONS FOR BUYING BEHAVIOR

FOR COUNTERFEIT GOODS

Variable Name	Definition
*PEOPLE	When given the chance, most people buy counterfeit
MONTHS	Within the next six months, how likely is it that you will buy a counterfeit product
* PASTYEAR	I have bought counterfeit goods in the past year
KNOWING	In the past year, how many times have you knowingly bought counterfeit goods
BUYHAND	Bought handbags/purses
BUYCLOTH	Bought clothes
BUYMUSIC	Bought CD's/Music/Music Equipment
BUYSPORT	Bought Sporting goods
BUYJEWL	Bought jewelry/accessories
BUYCARD	Bought Trading Cards
BUYMED	Bought Medicine

BUYCAR	Bought Car parts
BUYTOIL	Bought Toiletries/Food
BUYSOFT	Bought DVD's/Software
REASON	What are the main reasons you have bought counterfeit goods

*Was used as the dependent variable in hypotheses 1 and 2. Used on the dependent variable in hypothesis 2.

TABLE 3

VARIABLE NAMES AND DEFINITIONS FOR

PERSONAL CHARACTERISTICS

Variable	Definitions
GENDER	What is your gender?
AGE	What is your current Age?
EDUCATION	What is your current level of Education?
MAJOR	What is your current major?
INCOME	What is Your Parents annual Income?

Table 3 consists of the variable names and definitions in regards to the students'
personal characteristics. This section consists of five questions. The first question asked
was in regards to the gender of the student taking the survey. The second and third
questions asked the student to list their age and current highest level of education,
respectively. These questions were asked for descriptive purposes, and possible inclusion
in later analyses. Question four of Section 3 asked the students to list their current major.
The last question in this section asked students to circle an approximate amount of their
parent's annual income. This was done on a range from: 1) Less than $25,000; 2)
$25,000-$49,999; 3) $50,000-$74,999; 4) $75,000-$99,999; 5) $100,000-$149,999; 6)
$150,000 or more; 7) Not Sure.

4.3 Dependent Variable

In order to measure the dependent variable in this study, the variable "PASTYEAR"
was used. This variable measured whether the student had purchased a counterfeit
product in the past year.

A second dependent variable was also used to test the second hypothesis. Respondents
in the study were asked if they agree that if given the chance, most people buy
counterfeit. This variable was an attempt to measure the student's revealed preference
rather than actual behavior.

4.4 Independent Variable

For the first hypothesis, the independent variable used by Tom, Garibaldi, Zeng and
Pilcher (1998) were used in this study. These variables were presented in Table1. For the
second hypothesis, two different independent variables were used. Singhapakdi (2004)
states that a person who perceives an ethical problem more readily would tend to behave

more ethically than an individual who does not. Thus, one measure was to ask students whether or not counterfeiting had been discussed in any of their classes, or not. Second, TAM students were hypothesized to be more sensitized to the issue of counterfeiting based on their background. Thus, whether or not a student was a TAM major or not was used as a second independent variable.

4.5 Empirical Analysis

To test hypothesis the first hypothesis, t-tests were used. This was done in order to compare data from this study with the results from Tom, Garibaldi, Zeng and Pilcher (1998). Twelve of the attitudinal statements used in this study were taken directly from their study "Consumer Demand for Counterfeit Goods". T-tests were ran to determine if students who had previously purchased counterfeit goods hold different attitudes towards counterfeit products, compared to non-purchasers. Tom, Garibaldi, Zeng and Pilcher (1998) found that consumers who had previously purchased counterfeit goods held more positive attitudes towards counterfeiting, and were more likely to purchase goods in the future.

In order to test the second hypothesis, chi-square analyses were used. The first was used to determine if students who had previously discussed counterfeit goods in their classes had purchased counterfeit goods in the past year. The second was used in order to determine if TAM majors had purchased counterfeit goods in the past year compared to non-TAM majors.

TABLE 4

MEANS

	Mean
AGE	19.69
Buying behavior variables	
DISCUSS	3.62
TRAVEL	2.15
PEOPLE	2.77
MONTHS	2.06
PASTYEAR	1.85
KNOWING	0.85

TABLE 5

FREQUENCIES

Variable	Frequency	Percentages
Gender		
Male	152	30.04
Female	354	69.96
Education		
Freshman	240	47.52
Sophomore	108	21.39
Junior	72	14.26
Senior	78	15.45
Graduate	7	1.39
Income		
25,000 or less	9	1.81
25,000-49,999	36	7.23
50,000-74.999	74	14.86
75,000-99,999	78	15.66
100,000-149,999	101	20.28
150,000- Plus	109	21.89
Not Sure	91	18.27

TAM verses Non-TAM

TAM	121	26.08
Non-TAM	343	73.92

Purchased counterfeit items

Yes	111	35.02
No	206	64.98

Counterfeit Items Purchased

Handbags	112	21.58
Music	65	12.52
Clothing	44	8.48
Jewelry	30	5.78
Sport	11	2.12
Cards	7	1.35
Toiletries	2	0.39
Medicine	1	0.19
Car Parts	1	0.19

CHAPTER 5: RESULTS

This chapter will include a description of the sample including the mean values and frequencies for buying behavior and demographic characteristics that are relevant to this study. In addition the results of t-tests and Chi-square analyses will be presented. 519 participants responded to the survey.

The mean age of the respondents was 19.69 years (see table 4) Almost seventy percent (69.9%) of the respondents were female and thirty percent male (see table 5). The freshman class made up the largest group of the sample, 47.52%. Sophomores accounted for the second largest group (21.39%). Seniors and juniors accounted for 15.45% and 14.26% of the sample, respectively. Graduate students accounted for a little over one percent (1.39%) of the sample. Over forty percent (42.17%) of the sample came from households with parental income of $100,000 or more. Slightly more than thirty percent of the sample had household incomes ranging from $50,000 to $99,999. The remaining students came from households where parents earned less than $50,000 or they didn't know their parents income. TAM students accounted for 26.08% of the sample, while non-Tam students accounted for 73.92% of the overall sample. Slightly more than one-third (35.02%) of the sample had purchased counterfeit goods while almost two-thirds (64.98%) had not.

Ten categories of counterfeit goods were determined to be items that had been previously purchased by respondents (see Table 5). The most predominate counterfeit item to be purchased was handbags, 112 (21.58%) of respondents had purchased this item. The second highest was purchasing illegal music (12.52%). The two categories with

the fewest purchased counterfeit items were car parts and medicine with only one person each.

Twelve attitudinal questions regarding counterfeit goods mirror questions from the study conducted by Tom, Garibaldi, Zeng and Pilchers (1998). Table 6 presents the t-tests showing whether or not a significant difference exists between buyers and non-buyers of counterfeit goods with respect to these twelve attitudes. The results indicate significant differences between buyers of counterfeit goods and non-buyers on eleven of the attitudinal questions. Only one question out of the twelve attitudinal questions did not show a significant difference between buyers and non-buyers. For the statements "I like buying counterfeit products because it's like playing a practical joke on the manufacture of the non-counterfeit product," no significant difference was found.

In order to analyze the second hypothesis, three two chi-square analyses were run. These chi-square analyses compared 1) purchases of counterfeit goods and whether counterfeit goods had been discussed in their classes 2) purchases of counterfeit goods and whether students were TAM majors or not, and 3) purchases of counterfeit goods (using a revealed preference measure) and whether students were a TAM majors or not. For the first chi-square analysis, one hundred and eleven (35.02%) respondents had bought counterfeit goods. Seventy-two (35.29%) of the respondents who had purchased counterfeit goods had discussed counterfeit products in their classes. Thirty-nine (34.51%) of the respondents who had purchased counterfeit goods had not discussed it in their classes.

Two hundred and six respondents (64.98%) had not purchased counterfeit goods. Out of the respondents who had not purchased counterfeit goods, 132 (64.71%) had discussed

counterfeit goods in their class while 74 (65.49%) had not. Overall there was no significant difference (X^2=0.0195, p=0.8890) between students had or had not, discussed counterfeiting in their classes' and whether they had bought counterfeit goods.

To further test hypothesis two, two different dependent variables were used in the chi-square analysis. The first measure was: "I have bought counterfeit goods in the past year". Students were asked to either answer yes, no or don't know. The analysis was done to determine if TAM majors were more likely to have purchased counterfeit goods within the last year than Non-TAM majors. Only thirty-three TAM majors (30.56%) reported purchasing counterfeit goods while 103 Non-TAM majors (36.40%) also reported purchasing counterfeit goods. Seventy-five TAM majors (69.44%) reported not purchasing counterfeit goods and one hundred and eighty Non-TAM majors (63.60%) also reported not purchasing counterfeit goods in the past year. Three hundred and ninety-one student's responses were analyzed. Overall, no significant differences were found (X^2 =1.1753, p=.2783). TAM majors appear to have purchased less counterfeit goods in the past year than Non-TAM majors, but not significantly.

A third chi-square analysis was run to determine if using a different measure of the students revealed preference would make a difference. Respondents were asked the extent to which they agreed with the statement, "If given the chance, most people buy counterfeit". Both TAM and Non-TAM students agree that when given the chance most consumers would purchase counterfeit goods. Two hundred and one (67.22%) students agreed that given the chance most people would buy counterfeit goods, Ninety-eight students (32.78%) did not agree. Based on the chi-square results (X^2 =2.4382, p=0.1184), this hypothesis was not supported

TABLE 6. T-TEST OF COLLEGE STUDENT'S ATTITUDES

TOWARD COUNTERFEIT MERCHANDISE.

Attitude Statements	t	Group Means	
		Buyers	Non-buyers
Counterfeit products are just as good as designer products	-6.10	3.3077	3.8989
I like counterfeit goods because they Demonstrate initiative and ingenuity On the part of the counterfeiters	-5.23	3.5871	4.058
Buying counterfeit products is away to Get back at uncaring and unfair "big business"	-4.00	3.2464	3.7023
I buy counterfeit products because the prices of designers products are unfair and gouge	-8.85	2.359	3.3309
I buy counterfeit products because counterfeiters Are "little guys" who fight big business	-3.33	3.7742	4.0652
People who buy counterfeit products are Committing a crime	5.03	3.7355	3.1986
I would buy counterfeit products even if I could Easily afford to buy genuine designer products	-5.70	3.5256	4.1127
People who sell counterfeit products are Committing a crime	5.00	3.2387	2.6823
Buying counterfeit products demonstrates That I am a wise shopper	-7.61	3	3.7256
Counterfeit products do not hurt the U.S. economy	-4.28	3.0385	3.4477
Counterfeit products hurt the companies that	2.08	2.4359	2.2319

Manufacture the legitimate product

| I like buying counterfeit products because it's like playing a practical joke on the manufacture of the non-counterfeit product | -1.68 | 4.0387 | 4.1775 |

TABLE 7: COUNTERFEIT PRODUCTS HAVE BEEN DISCUSSED

IN MY CLASSES

Purchased in Past year	Discussed	Not Discussed	Totals
Bought	35.29% 72	34.51% 39	35.02% 111
Didn't Buy	64.71% 132	65.49% 74	64.98% 206
Totals	204	113	317

$X^2 = 0.0195$ p= 0.8890

TABLE 8: TAM VERSES NON-TAM STUDENTS WHO HAVE

PURCHASED COUNTERFEIT GOODS IN THE PAST YEAR.

Purchased in Past year	Non-TAM	TAM	Totals
Yes	36.4% 103	30.56% 33	34.78% 136
No	63.6% 180	69.44% 75	65.22% 255
	283	108	391

$X^2 = 1.1753$ P= 0.2783

TABLE 9

TAM VERSES NON-TAM STUDENT'S REVEALED PREFERENCE

Most people buy	Non-Tam	TAM	Totals
Strongly Agree/Agree	64.71% 143	74.36% 58	67.22% 201
Disagree/Strongly Disagree	35.29% 78	25.64% 20	32.78% 98
	221	78	299

$X^2 = 2.4382$ p=0.1184

CHAPTER 6: SUMMARY AND RECOMMENDATIONS

6.1 Summary

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. A review of literature was discussed to help acquire a better understanding of the ethical beliefs of consumers. Research by Tom, Garibaldi, Zeng, and Pilcher (1998) entitled "Consumer Demand for Counterfeit Goods", served as a basis for this research.

The Ajzen and Fishbein reasoned action theory provided the theoretical framework for underlying student's ethical beliefs towards purchasing counterfeit goods. The theory of planned behavior holds that only specific attitudes towards the behavior in question can be expected to predict the behavior. Attitudes can be made up of the beliefs that a person accumulates over one's lifetime. These beliefs may be generated by direct or outside experiences one gathers over time. 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 purchases 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 and analyzed through SAS.

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 verses 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.

6.2 Recommendations for Further Study

This study examined the ethical perceptions college students' hold towards purchasing counterfeit goods. The first limitation of this study was that the study was limited to students at the University of Missouri. Classes were determined by availability, class size and diversity of students. Each survey was given at random times that worked with each professor's schedule. Several of the classes had a very low turnout of students on the day

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the surveys were distributed. To increase the number and diversity of respondents a larger population of classes should be surveyed throughout campus and the nation. The current survey had a total of twenty-seven questions. In order to obtain a more comprehensive study, a larger group of questions may need to be devised. The current survey was sufficient for addressing the purpose of this study but further statistical tests may need to be run in future studies to truly determine the ethical perceptions of college students with regards to purchasing counterfeit goods.

Ethical issues are not only complicated, but also difficult to study. It cannot be determined if respondents are giving socially desirable responses. This causes the problem of determining if respondents are giving true and sincere responses to questions pertaining to their actual ethical beliefs on purchasing counterfeit goods.

Many purchasers of counterfeit goods do not feel they are doing any harm by purchasing these goods. Often times these crimes are considered victimless crimes. Working to educate students on the negative aspects of counterfeiting, not only to the owners and workers of the legitimate goods but the economical impact on society may help to reduce the sell of future counterfeit products. Messick and Brewer (1983) feel that a respondent must be convinced that purchasing counterfeit goods has a negative impact on a group with which the consumer identifies with. By addressing the negative impact of allowing counterfeit goods to be imported into the country causing loss of American jobs, tax revenues, and the support of terrorist funding, may be able to deter consumers from purchasing counterfeit goods. If the demand for consumer goods stops then the need to produce these goods will also stop.

In order to further educate TAM students, classes should be geared more towards the negative aspects on all levels of counterfeit merchandise. Several TAM students can relate to the negative aspects of counterfeiting of designer brands, but do not fully understand the harm counterfeit plays on the economy, with items such as counterfeit plane, car parts and medicine. Many students feel that designers are overpaid so they feel counterfeit products are not hurting anyone but rich designers. Educating students to the possibility that money from one handbag they purchase is going to fund terrorist action could lead to stronger moral responsibility among students.

If it is to be true that there are no significant differences in students who are enrolled in TAM classes and who had been sensitized to the issues of counterfeiting than those who have not, leaves us to the conclusion that further education may need to be addressed throughout campus departments. The study does leave us optimistic in the fact that out of 391 respondents only 136 (34.78%) students had purchased counterfeit goods and 255 (65.22%) students had not. With one-third of all students surveyed purchasing counterfeit goods, it does suggest that educational programs should be extended campus wide to help educate all students about the negative aspects of purchasing counterfeit goods.

6.3 Conclusion

The key to winning the counterfeit battle is to slow or weaken the demand side. Research indicates that when a retailer believes that a consumer is knowingly buying a counterfeit, the dealer feels less responsibility (Olsen & Granzin, 1992). This is important due to the current emphasis on channel members as keys to reducing counterfeit (Bloch, Bush and Campbell, 1993).

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 manufactures of counterfeit goods but the consumers as well.

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Appendix A.

Counterfeit Background

The Paris convention is an international convention for promoting trade among the member countries, devised to facilitate protection of industrial property simultaneously in member countries without any loss in the priority date. The Paris Convention applies to the protection of industrial property which includes: patents, utility models, industrial designs, trademarks, service marks and trade names, indications of source of appellations of origin and repression of unfair competition. Industrial property applies to industry and commerce, agricultural and extractive industries and all manufactured and natural products. The Paris Union was enacted due to the growing need for international protection for new inventions being displayed at world expositions. Membership into the union started at 11 members, and has grown to 171. Since 1967, the Paris Convention has been administered by the World Intellectual Property Organization (WIPO); the WIPO organization is a specialized agency of the United Nations.

The Paris Union has two distinct flaws leading to its ineffectiveness in successfully combating counterfeiting. The Paris Union fails to define concrete legal standards, leading to no real protection against counterfeiting. The second flaw is the lack of binding offers. These issues are attributed to seven revisions to the Paris Union over its existence. Without binding contracts from countries such as China, this convention has failed to bring a lasting peace to the counterfeit war.

The IACC text declares owners of trademark rights shall be afforded "the judicial or administrative means necessary to initiate procedures to protect their rights against imported counterfeit goods before they are released from the jurisdiction of the custom authorities" (Prebluda, 1986).   Further the code also has the downfall of controlling the

situation once the illegal goods pass through customs. Even though the Code is an improvement of the Paris convention none of the provisions are self-executing.

In order to strengthen the Lanham Act, ex parte seizure of counterfeit goods were put in place. The primary purpose for enacting the ex parte seizure remedy was to prevent the counterfeiter from secretly disposing of counterfeit activity before they can be seized (Guaragna, 1998). Congress felt the need to enact this provision due to the above-mentioned common practices of counterfeiters to avoid detection and prosecution. Well aware of the potential for abuse in permitting a registered trademark to proceed with an ex parte, congress considered the ex parte seizure order to be a last resort. Under certain limited circumstances a trademark holder can apply for an ex parte seizure order. The following is a brief summary of the requirements of a trademark holder in obtaining an ex parte order. First, the order must include a particular description of the matter to be seized, and a description of each place at which such matter is to be seized. Therefore, some type of comprehensive, clandestine fact gathering must take place before the application is filed (Guaragna, 1998). Second, a notice must be provided to the United States Attorney for the district in which the order is being sought for. The court system will not accept any applications until this process has been done. Third, the applicant must post a bond for the amount of damages to the person from whom the goods are to be seized, to protect against a wrongful seizure. Fourth, the applicant must also present facts to support specific requirements set forth in the Lanham Act. At each phase the applicant is responsible for gathering facts to satisfy all requirements. Under the right circumstances, a trademark holder should file an ex parte but one must keep in mind the courts can often be reluctant to issue an ex parte order.

The patent Act of 1952 is the main federal statue dealing directly with patent

protection. It provides for four civil remedies in the case of patent infringement. These

include (1) injunction relief; (2) damages; (3) attorneys fees; and (4) cost (Silk, 1986).

The copyright Act of 1976 is considered the main statue on copyright protection. This

Act provides both civil and criminal penalties in cases of copyright infringement. The

following remedies can apply: (1) injunctive relief; (2) damages and profit; (3)

impoundment and destruction; (4) criminal penalties; and (5) attorneys fees and costs

(Silk, 1986). The 1976 Act goes a step further than the Lanham Act in working to protect

the intellectual property rights. With this in mind, it still lacks the capabilities of finding a

definitive solution to the counterfeit problem. The Act lacks the proper ability to perform

as a real deterrent. The fines assessed under the Act do not make up for the damages to

the copyright holder and are often looked at as the cost of doing business by the

counterfeiters.   In addition, the criminal penalties are mere misdemeanors. Due to the

minor fines and or penalties called for under this act, this provides for little deterrent for

the counterfeiter.

In 1983, the United States started to focus more on the problem of international

counterfeiting. In February of 1983, the International Trade Commission (ITC) instituted

an investigation into the effects of foreign product counterfeiting on United States

industry (Prebluda, 1986). Members of this coalition called on Congress to increase

counterfeiting laws in order to protect American corporations and consumers from the

horrendous effects of counterfeiting. A congressional report noted that the threat to U.S.

industry, which is the world leader in innovation, is very serious. In effect, counterfeiters

reap the benefit of research, development and marketing efforts of American firms.

Counterfeiters steal jobs from American workers and revenues from American companies. Without their just return on capital, American manufactures will not be able to develop new products and will become increasingly less competitive in world markets (Prebluda, 1986). Among the cited deficiencies in the United States statutory trademarks was the fact that the mandatory seizure of counterfeit goods afforded by the 1978 amendments to the Tariff Act extended only to imports under customs' jurisdiction upon entering the United States (Prebluda, 1986). Unfortunately, this brings up the obvious problem of customs only being able to check approximately five percent of all goods entering into the United States.

The explanatory congressional joint statement suggests that when a defendant has trafficked in counterfeits which "pose a grave danger to the public health and safety; the maximum penalties may be fully warranted" (Prebluda, 1986). Similar to the Lanham Act, Congress was careful to ensure the rights of the defendant were also protected. A plaintiff must make a security payment to the court in case of a wrongful seizure; the defendant is also protected from publicity. Further, all goods confiscated will be held until the defendant has had an opportunity to protest the seizure. In addition to its punitive function, treble damages are also intended to provide an economic incentive for private enforcement of the act. The Trademark Counterfeiting Act significantly improves trademark owners' ability to enforce their statutory rights under federal law (Prebluda, 1986). With the passage of the Trade and Tariff Act of 1984, the United States has taken a positive step in the direction of seeking bilateral remedies to the problem of international counterfeiting through trade linkage (Prebluda, 1986). As a result, the United States System of Preference (GSP), a program that provides duty-free tariff

treatment on specified goods from approximately 140 developing countries was able to

add language to the Act regarding intellectual property protection (Prebluda, 1986). The

impetus for such change was provided by congressional hearings, where it was observed

that, ironically, the countries deriving the most benefit from their GSP status are among

the leading sources of counterfeit goods (Prebluda, 1986). Two key points of the Act fall

under section 503 and 505. These sections require, in deciding whether to grant or revoke

a nation's GSP status, the President should consider: "the extent to which such country

provides adequate and effective means under its law for foreign nationals to secure,

exercise, and enforce exclusive rights in intellectual property, including patent, trademark

and copyrights" (Prebluda, 1986). This Act alone has helped to bring a tremendous

amount of possibilities for change in the international counterfeit economy with countries

that value their trade agreements with the United States. Among such nations are Taiwan,

Korea, Hong Kong, all primary sources of counterfeits which, accounted for $5.6 billion

worth of GSP imports in 1983 (Prebluda, 1986).   Several other branches of government

have also chosen to take a bigger role in the downfall of counterfeiting. In 1984, the

Commerce Department created a program seeking to identify specific intellectual

property problems in other nations, consult with those nations in an effort to increase

international protection of United States rights, and conduct training programs to help

developing countries strengthen their administration of existing intellectual property laws

(Prebluda, 1986). A main goal of the group is to encourage other countries to enforce

stiffer penalties for trademark violations within their country.

Appendix B.

Questionnaire Cover Letter

Students Perceptions on Purchasing Counterfeit Goods Survey

November 2007

Thank you for choosing to participate in our survey. Angela Cuno and Dr. Pamela Norum from the University of Missouri are conducting research to learn more about student's perceptions of purchasing counterfeit goods. Your answers are very important because they will help us in developing educational programs regarding this issue.

Your participation in this survey is strictly voluntary and you may refuse to participate or discontinue participation at any time. You may also skip any questions that you do not wish to answer. Your decision to participate will not affect your present or future relations with your college or the University of Missouri.

All of your survey responses will be kept strictly confidential. Your responses will be seen only by authorized researchers working on this project. Data gathered for this project will be analyzed as a whole, excluding references to any individual student. Only the results of our analysis will be shared with researchers and organizations interested in studying the ethical perception of students with regards to purchasing counterfeit goods.

By completing this survey, you acknowledge that you are 18 years or older. The survey will take you about 5-10 minutes to compete. Questions or concerns about the survey may be directed to Angela Cuno (573.619.9994; asc88b@mizzou.edu) or Dr. Norum at 573.882.7317; NorumP@missouri.edu). For information about your rights as a research subjects, please contact the MU IRB (573.882.9585; irb.Missouri.edu).

Appendix C.

Questionnaire

QUESTIONNAIRE

We want to learn more about your perceptions of **Counterfeit** or **fake goods. Counterfeit or fake goods** are items that imitate other products with the intent to deceive. Examples of these items include fake designer handbags, Rolex watches, Callaway golf clubs and pirated CD's.

Section I- This section asks about your attitude towards counterfeit goods. Please indicate the extent to which you agree or disagree with each statement by circling the appropriate number.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Q-1 Counterfeit products are just as good as designer products.	1	2	3	4	5
Q-2 I like counterfeit goods because they demonstrate initiative and ingenuity on the part of the counterfeiters.	1	2	3	4	5
Q-3 Buying counterfeit products is away to get back at uncaring and unfair "big business".	1	2	3	4	5
Q-4 I buy counterfeit products because the prices of designer products are unfair and gouge.	1	2	3	4	5
Q-5 I buy counterfeit products because counterfeiters are "little guys" who fight big business.	1	2	3	4	5
Q-6 People who buy counterfeit products are committing a crime.	1	2	3	4	5
Q-7 I would buy counterfeit products even if I could easily afford to buy genuine designer products.	1	2	3	4	5
Q-8 I would not purchase counterfeit goods if I thought my family would be disappointed in me.	1	2	3	4	5
Q-9 People who sell counterfeit products are committing a crime.	1	2	3	4	5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	1	2	3	4	5
Q-10 Buying counterfeit products demonstrates that I am a wise shopper.					
Q-11 Counterfeit products do not hurt the U.S. economy.	1	2	3	4	5
Q-12 I would purchase counterfeit goods just because my friends wanted me to.	1	2	3	4	5
Q-13 Counterfeit products hurt the companies that manufacture the legitimate product.	1	2	3	4	5
Q-14 I like buying counterfeit products because it's like playing a practical joke on the manufacture of the non-counterfeit product.	1	2	3	4	5
Q-15 Counterfeit products have been discussed in my classes.	1	2	3	4	5
Q-16 I often travel outside of Missouri.	1	2	3	4	5
Section II- This section asks about buying behavior for counterfeit goods.					
Q-17 When given the chance, most people buy counterfeit goods.	1	2	3	4	5
Q-18 Within the next six months, how likely is it that you will buy a counterfeit product?	1 Unlikely	2 Likely	3 Very Likely	4 Don't Know	
Q-19 I have bought counterfeit goods in the past year. (If yes proceed to Q-20 if no please skip to Q-23)	1 Yes		2 No	3 Don't Know	

Q-20 In the past year, how many times have you knowingly bought counterfeit goods?
(Please circle the numbers that most closely represent your buying behavior)

        0   If 0, skip to Q-23
        1-3
        4-6
        7-9
    10 or more (If at least **once**, continue with **Q-23**)

Q-21 What types of counterfeit goods did you buy? (Please circle the numbers of all that apply)
1 HANDBAGS/PURSES
2 CLOTHES
3 CD'S
4 SPORTING GOODS
5 OTHER_____

Q-22 What are the main reasons you have bought counterfeit goods?

_____
_____
_____
_____

Section III- This section asks about your personal characteristics.
Q-23 What is your gender?
1 MALE
2 FEMALE
Q-24 What is your age? _____
Q-25 What is your current highest level of education? (Circle number of your answer)
1 FRESHMAN
2 SOPHOMORE
3 JUNIOR
4 SENIOR
5 GRADUATE STUDENT

Q-26 What is your current major?

_____
_____

Q-27 What is Your Parents annual income? (Give an approximate amount)
1 Less than $25,000
2 $25, 000- $49,999
3 $50,000- $74,999
4 $75,000-$99,999
5 $100,000-$149,999
6 $150,000 or more
7 NOT SURE