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The Effects of Social-Adjustive and Value-Expressive Attitudes on Preferences Towards Counterfeit Luxury Goods and Logos

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**The Effects of Social-Adjustive and Value-Expressive Attitudes on
Preferences Towards Counterfeit Luxury Goods and Logos**

By

Sarah E. Reid

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Submitted in partial fulfillment
of the requirements for
Honors in the Department of Economics

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ABSTRACT

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The market for counterfeit luxury goods has been growing exponentially over the past several years, causing the luxury brand market to lose approximately \$12 billion per year (International Chamber of Commerce 2004). In the United States, over 750,000 jobs are lost annually due to counterfeiting (US Chamber of Commerce 2006).

This study hypothesizes that consumers with Social-Adjustive attitudes have a higher preference towards logos and will be generally indifferent towards authenticity, while Value-Expressive consumers prefer higher quality bags and are generally indifferent towards the presence of logos. Consumers' degree of preference towards their respective variable (quality or logo) is slightly different in each control situation (i.e. logo is more important to Social-Adjustive consumers when bags are counterfeit as opposed to authentic).

This paper examines the purchase intent for handbags varying by either logo or authenticity. The independent variables used to measure purchase intent (dependent variable) are consumers' attitudes towards counterfeits and luxury goods: Value-Expressive and Social-Adjustive.

Using survey data, 123 female Union College students are categorized by attitude. Responses from these categories determined the effects of attitudes on preferences. Purchase intent for four bag comparison questions (two per hypothesis) is measured using regression analysis. Attitude functions are regressed on purchase intent in different ways

to measure their pure and joint effects of each attitude on purchase intent. My research expands on previous research by examining the effect of consumers' attitudes on purchase intent when dealing with logo preference.

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CHAPTER ONE

INTRODUCTION

1.1 The Importance of Counterfeit Purchases

The market for counterfeits has been growing dramatically over the past several years, causing job loss and profit loss for luxury brand companies, so, research into why consumers purchase counterfeits is very important. The purpose of this study is to measure the effects of Social-Adjustive and Value-Expressive attitude functions (towards counterfeits and luxury goods) on consumers' counterfeit and logo preferences. Past research suggests many factors that lead consumers to purchase counterfeit goods. However, to measure their individual effects, comparative studies must be done, comparing "difference to difference," in terms of their relative effects (Eisend et al., 2006). Obviously, price is one of the largest motivators for consumers' counterfeit purchases, but attitudes towards counterfeits (versus higher quality authentic handbags) and preferences towards logos are interesting factors that effect counterfeit purchases, too.

The Social-Adjustive attitude function is based on the goal of fitting in or impressing others through consumption of goods (Bloch et al. 1993). People with these attitudes prefer visible branding and logos on their goods. In general, preferences of people with Social-Adjustive attitudes are image related. Alternatively, people with Value-Expressive attitudes prefer goods that will help them communicate beliefs, express themselves, and maintain relationships (Snyder and DeBono 1987; DeBono 1987).

1.2 Studies of Counterfeit Purchases

A previous study by Wilcox et al. (2008) measured purchase intent for consumers with Social-Adjustive and Value-Expressive attitudes. The study asks survey participants to rate their purchase intent of an authentic bag (in comparison to the counterfeit) when both bags either had a logo or did not have a logo; there were two control scenarios and participants were assigned to one. The study hypothesizes that consumers with Social-Adjustive attitudes will have higher preferences towards the counterfeit bags, because the counterfeit bags are more able to satisfy the Social-Adjustive participants' social goals (i.e. displaying status through their handbag and appearance). The study also hypothesizes that Value-Expressive participants will have a lower or more negative preference towards the counterfeit bags for several reasons. The first reason is that the counterfeit bags fulfill less of an important goal for Value-Expressive consumers, since counterfeit bags do not provide the consumers with a high quality item that they will be able to benefit from. The second reason is that moral beliefs towards counterfeiting likely have a stronger effect on Value-Expressive consumers because these consumers have less of a social-motivation to purchase counterfeit goods. Therefore, if they have a moral preference against counterfeits, they will not have any social influences pressuring them to purchase a counterfeit handbag.

1.3 My Contribution to the Study of Counterfeit Purchases

In addition to measuring purchase intent using handbag authenticity as an independent variable, like Wilcox et al. (2008), my thesis also investigates the purchase intent of the two attitude groups using presence of a logo as the independent variable. My

survey asks participants four different bag preference/comparison questions, while Wilcox's survey asks participants only one bag comparison question. Similar to Wilcox et al., participants' handbag preferences are compared on two dimensions: preferences towards bag authenticity and preferences towards logo presence. These two dimensions are compared using the four bag comparison questions. By comparing consumers' preferences over a number of variables and scenarios, the "difference-to-difference" in preference is measured, which can give more insight into the topic than a one-question response from a survey participant.

CHAPTER TWO

LITERATURE REVIEW

Many economic studies investigate the factors that lead to consumers' purchases of counterfeit luxury goods. Researchers define counterfeit goods as illegal replicas, generally of lower quality than authentic luxury goods (Lai and Zaichkowsky 1999). The framework used to fully explain why consumers purchase counterfeit goods is based on numerous variables and factors. So, the vast majority of studies in this subject area focus on comparing the effects of one or two of the many variables that affect counterfeit purchases. Past research on this the topic of counterfeits includes the effects of item price, knowledge of the black market, perceived item quality, past purchase experience and consumer attitudes towards counterfeit luxury goods among other things.

2.1 Black Market

Several studies analyze consumers purchase behavior for black market goods. Black market and counterfeit goods are similar, but not the same. While counterfeit goods are replicas of brand name goods and therefore are illegal (and fall under the umbrella of black market goods), black market goods also refer to stolen or banned goods or basically any type of good that must be sold/exchanged illegally or secretly.

Casola (2006) examines consumers' willingness to pay for black market goods over different scenarios and given different levels of knowledge about the industry and victims of the purchases. The study finds that participants were usually willing to purchase a good they knew was obtained illegally if it only cost about one-third the price

of the legally obtained good. Although this study looks at black market stolen goods as opposed to counterfeits, consumers' behaviors in both markets are similar because both markets involve selling illegal goods to the consumer. So, the purchase intent or relative willingness to pay could be similar to responses in my study.

Casola (2006) also determines the relative hypothetical prices people would pay for black market goods based on participants' given knowledge of the "victim" or rather the person/group/organization that would be negatively affected if the participant chose to purchase the good. Findings from this study suggest when participants are told that the victim was an individual, they would be less willing to buy the black market good than if the victim was perceived as an organization or large group. These results could translate to my study by changing the purchase intentions of the participants or possibly affecting participants with one type of attitude more than another.

Hsu, Shiue (2008) investigates willingness to pay for black market goods using pirated v. legally obtained software. The study investigates participants' attitudes towards intellectual property rights and perceived risk of purchasing the pirated software and how those attitudes affected willingness to pay. This paper represents another variable that influences consumers' counterfeit and black market purchases.

In addition to consumers' personal beliefs towards piracy and copyright infringement, this study also finds that software reliability was an important factor for consumers' purchase decisions. Though reliability is innately more important for software than handbags, reliability as it relates to quality/similarity to the genuine goods is an important purchase factor for counterfeit handbag purchases.

2.2 Purchase Environment

Several past studies find that purchase environment is an important influence on consumers' purchases of counterfeit goods. The location, type of store, and emotions of consumers before during and after purchasing items all influence counterfeit purchases. Eisend et al. (2006) uses focus groups and interviews to find various determinants of black market purchases. Eisend et al. (2006) finds that issues related to the person, situation and product all were influences of peoples' preferences towards counterfeit goods. Specific determinants include an increase in willingness to buy if consumers can see/feel the quality of the good before purchase. The findings from this study are accounted for in my thesis through the careful planning of the survey. Eisend et al. (2008) also finds that many people who have purchases counterfeit goods in the past have higher preferences for them now, which they attribute to the theory of cognitive dissonance.

Three studies by Tom et al. (2008) conducted in malls and flea markets have interesting findings about counterfeit purchases. Each study looks at factors that influence consumers' counterfeit purchases. The first study investigates pre-purchase factors, such as background demographics. The second study investigates the effect of factors during purchase and third looks at post purchase factors, such as satisfaction with the purchase. The three studies by Tom et al. (1998) focus on types of consumers (like Wilcox et al. 2008) like "sly shoppers" who purchase counterfeit items to demonstrate their "shrewdness" and "economically concerned" consumers who purchase counterfeit goods for their low price and value.

The first of these studies hypothesizes that people who have purchased counterfeit goods before are more likely to do so again. This relates to the cognitive dissonance

reasoning (Eisend et al. 2006) which suggests that people who have made choices, like making counterfeit purchases, will reason and convince themselves that the choices they made (buying the counterfeit) were good, which in turn, makes them more likely to repeat the action. Many opinion and belief based questions were asked using an agreement rating scale (like Wilcox et al) in a set-up very similar to the first section of my survey. The purchase phase study asks participants attitudes towards counterfeits as well as demographic information. The third study asks participants about the quality of their purchases and how satisfied they were with their purchases. The findings from the second two studies confirm those of the first study.

Lee, Repkin, et al. (2004) use a model that hypothesizes that if the willingness to pay for individual quality attributes of item is known, the overall willingness to pay for the item or the market price for the item can be determined. The model uses consumer demand estimates as one of the determinants. This relates to my research because the proposed model they are estimating could essentially guess the average purchase intent for any of the bags in my survey (most accurately/likely is the authentic designer logo bag) if they or I was able to determine the purchase intent or willingness to pay for a logo and overall quality of construction and design.

Furnham and Valgiersson (2007) use survey data to investigate personality traits and attitudes that affect consumers' willingness to buy counterfeit luxury items based on participants' level of materialism. The survey uses a scale that measures participants' level of materialism using a materialism scale developed by Richins and Dawson (1992) that uses possessiveness, non-generosity and envy to measure materialism. Furnham and

Valgiersson's (2007) hypothesize that consumers' levels of materialism is the main factor/motivator for willingness to buy various counterfeit items.

Furnham and Valgiersson (2007) also investigate the effects of various demographic factors. The study finds that education-level, income, gender and age are the most influential factors that lead to counterfeit purchases. By essentially keeping these influential factors constant in my study, the pure effects of consumers' attitudes can be measured.

2.3 Consumer Attitudes Towards Counterfeits

A number of past studies investigate how consumers various attitudes, opinions and beliefs towards counterfeit items and luxury goods affect their purchase behavior. Past research explains the methodology and findings of past studies and uses that information to help explain a general framework for counterfeit purchases (Eisend et al. 2006). The conclusions drawn in this paper suggest that numerous factors influence consumers' counterfeit purchases but the most effective way to investigate any of these factors is by comparing variable to variable, as opposed to trying to quantify all the variables into one large equation or model, which would be essentially impossible. This paper also explains that cultural differences are important when examining the variables that play a role in counterfeit purchases. Due to the fact that behaviors and opinions can vary greatly between various cultural groups, my study surveyed Union College students who assumingly belong to the same or very similar cultural groups. By surveying culturally similar consumers, the differences in beliefs and behaviors towards counterfeits will be controlled for and will keep responses consistent.

Previous research suggests that the two attitude functions that this study compares are important determinants in explaining consumers' purchase behavior for counterfeit and authentic luxury goods. Research suggests that these attitudes depend on product form and product function appeals, which are two ways in which products can satisfy salient social and personal goals (Snyder & DeBono 1985). Therefore, these two attitude functions can explain consumers' counterfeit purchases. Or rather, the purchase preference differences between these two attitude functions can reveal *part* of why consumers purchase counterfeit luxury goods.

Wilcox et al. (2008) uses survey data to divide participants into groups based on two separate attitude functions "Value-Expressive" and "Social-Adjustive." The survey in this study features several statements that ask participants for an agreement rating (i.e. 1=strongly disagree, 7=strongly agree). These statements are based on several psychology studies that looked at how each attitude function is formed (i.e. what beliefs or ideas are representative of each attitude function). The study uses the data on participants attitudes to compare to their initial preferences and opinions towards luxury brands and how those preferences changed when participants are asked to rate their preferences when they are given choices between various handbags and are asked for their purchase intent of one bag relative to the other. For a simplified example, participants are first asked how much they cared about luxury brands in general. Later they are asked, if you could have either this counterfeit bag or this authentic bag, how likely would you be to purchase the authentic bag (-3=much less likely, 0=neutral, 3=much more likely). The participants' initial preferences and preference changes (for

the authentic and counterfeit bags) are compared based on attitude functions of the participants.

Past research on consumer attitudes towards counterfeits, which is the focus of this paper, determines that two specific attitude functions, Social-Adjustive and Value-Expressive, play an important role in consumers' desire and preference towards counterfeit luxury brands (Wilcox, Kim, Sen 2008). Research conducted over three studies uses survey data of undergraduate students (ranging from x to y number of participants). The basic methodology of the study is to determine participants preferences towards authentic luxury brands, then to determine the attitude functions of each participant and then to ask them several comparison questions (comparing authentic to counterfeit luxury goods) to determine how their attitudes affect their preference change between the authentic luxury good and its counterfeit.

Wilcox et al.'s (2006) study hypothesizes that Social-Adjustive participants will have higher preferences and motivation to buy counterfeit luxury items because social goals motivate their behavior; they are buying the item to show others that they have a designer bag with logos, which is often equated with status and social acceptance or popularity. This Social-Adjustive attitude is the purchase motive for much of the counterfeit luxury goods market. The study also hypothesizes that moral beliefs influence the willingness to buy and preference for counterfeit goods more if the participant holds a Value-Expressive attitude, because less social influence counteracts their moral beliefs. The counterfeit bags also fulfill less of a salient goal for people with Value-Expressive attitudes, because counterfeit bags do not provide the consumers with a higher quality item that will be more useful to the consumers. Like my study, this study also looks at

how attitudes affect preference towards logos, concluding that Social-Adjustive participants are more willing to buy counterfeit items with logos than are the Value-Expressive participants.

CHAPTER THREE

ECONOMIC THEORY AND EXPLANATION OF SURVEY

My thesis examines how Social-Adjustive and Value-Expressive attitude functions influence consumers' counterfeit purchases. Therefore, it is important to understand the goals of the two attitude functions. The key goal of a Social-Adjustive attitude is to gain approval and acceptance in social situations (Wilcox et al. 2008). Social-Adjustive goals are more likely to be self-presentation related. People with Social-Adjustive attitudes prefer bags with logos because they care about "product form appeals," or the visual representation of the good. They are interested in how "cool" or "trendy" the bag looks. The 'product form' will help people with Social-Adjustive attitudes obtain the social goals they strive to achieve. Since others will not readily notice or care about the quality of the bag, this type of consumer will be indifferent to the authenticity of the bag.

The primary goal of Value-Expressive consumers is to communicate their central beliefs, attitudes and values (Katz 1960). Their choices and preferences are a form of self-expression (Snyder and DeBono 1985). Unlike consumers with Social-Adjustive attitudes, Value-Expressive consumers do not focus on achieving any social goals. Therefore they feel indifferent to the presence of a logo. They would rather have an authentic bag of better quality because that is something that they will benefit from. So, people with Value-Expressive attitudes should have negative preferences (if comparing to authentic handbags) towards counterfeit luxury brand handbags, because lesser quality counterfeits do not help them achieve their salient goals.

It is important to consider, however, the behavior of consumers who possess both Value-Expressive and Social-Adjustive attitudes. No previous research has been executed to investigate the combined effects of these attitudes, however the behavior of these consumers will probably be some sort of combination of the two sets of preferences (i.e. the consumers may always prefer the authentic bag with logos).

3.1 Statement of Hypotheses:

Hypothesis 1: Consumers with Social-Adjustive attitudes prefer bags with logos (when given the choice between a bag with a logo or a bag without a logo). Value-Expressive consumers are indifferent to the presence of a logo.

Hypothesis 2: Consumers with Value-Expressive attitudes prefer the bag of higher quality (i.e. the authentic bag) when given a choice between a counterfeit or authentic handbag. Social-Adjustive consumers are indifferent towards the authenticity and quality of the bag.

As mentioned earlier, a primary goal of a Social-Adjustive attitude is to satisfy a social goal. These participants attempt to display status and gain social acceptance through their image (and therefore clothing and accessories). So, since Social-Adjustive people want to satisfy these goals and are interested in “product form,” they will be more inclined to prefer luxury handbags with logos, since logos are a visual form of branding that others will readily notice. Likewise, since Value-Expressive consumers are not interested in how others perceive their image, they will be less inclined to prefer visible branding (logos) on their handbags.

Hypothesis 2 is based on the study by Wilcox et al. (2008). Wilcox et al.'s study hypothesized that Social-Adjustive participants will have higher preferences and motivation to buy counterfeit luxury items because social goals are the motivator for their behavior (Bearden and Etzel 1982); they are buying the item to show others that they have a designer bag with logos, which are often equated with high- status and social acceptance or popularity. This Social-Adjustive attitude is the purchase motive for much of the counterfeit luxury goods market.

Previous research explains why Social-Adjustive consumers consider counterfeits and authentic bags similarly (i.e. when they both have (or do not have) logos, they are indifferent towards either) while Value-Expressive consumers do not: "Because a counterfeit brand does not satisfy these important personal goals, it is unlikely that consumers will perceive counterfeit brands to be similar to luxury brands" (Wilcox et al. 2008).

Wilcox et al. (2008) also hypothesized that moral beliefs will be more influential on the willingness to buy and preferences for counterfeit goods if the participant holds a Value-Expressive attitude, because they will have less social influence counteracting their moral beliefs. The counterfeit bags also fulfill a less conspicuous goal for people with Value-Expressive attitudes, because they do not provide the consumer with a higher quality item that will be more useful to them. Like my study, this study also looked at how attitudes affect preference towards logos and found that Social-Adjustive participants were more willing to buy counterfeit items with logos than the Value-Expressive participants.

3.2 Survey Design

The data for my research was collected using survey data from 130 participants: 127 females, 3 males; 123 female undergraduate Union College students. In order to have a pure sample, I excluded all survey participants who were not female undergraduate students from Union College. The survey, seen in appendix 6 was made up of eighteen questions divided into three sections: demographic information, attitude questions, and purchase intent comparisons. Many of the attitude questions and the structure of the purchase intent comparison questions were adapted from the survey used by Wilcox et al. Previous research also helped determine the specific wording and format (i.e. how the pictures were used) for the survey.

Questions 1 through 6 asked demographic questions such as gender, age and major. There are also questions in the demographic section that are attempting to estimate how much luxury shopping the participant does overall (i.e. how much they spend, how often they shop in cities where luxury goods are very accessible), which could be an indicator of their preferences towards counterfeits and logos etc. in the later comparison section of the survey. Also, access to counterfeit luxury goods is also much higher in major cities, and past research concluded that availability of counterfeit goods influences consumers' preference for the real brand (Leisen and Nill 2001; Lai et al. 1999).

The second section of the survey, questions 7 through 13 asked participants to rate how much they agree with various statements that correspond to the two attitude functions. Three questions represented Value-Expressive attitudes and four questions represented Social-Adjustive attitudes. The questions were modified from past surveys (by Wilcox et al., 2008 and Grewal et al. 2004), which used four agreement statements

for each attitude function (I only used three for Value-Expressive because of the similarity/repetitiveness between some of the statements).

The third section of the survey asks participants four questions about purchase intent of a handbag when given the choice between two handbags. For this section, Louis Vuitton bags are used for comparison. Past research has suggested that Louis Vuitton is one of the most preferred and common favorite luxury brands among women. Also, the difference in preferences (for genuine v. counterfeit goods) between the two attitude categories are greater when there is greater brand conspicuousness for the luxury brand so the clearly visible and widely recognized Louis Vuitton logo makes the brand a meaningful example for determining participants' preferences (Wilcox et al. 2008). Shocker et al. (2004) suggests that if two pictures are identical, participants will consider whatever is shown in the two pictures to be similar. In my survey, the same picture of a handbag was used for all comparisons (with logos removed using picture editing software for the no-logo handbags). Using the same picture for all handbags will allow the survey taker to perceive them as being similar, but this will not necessarily cause all participants to be indifferent between all handbags. Ratneshwar et al. (2001) suggests that attitudes and personal goals influence how people perceive products in pictures. If two identical goods shown in pictures are not both able to satisfy a salient goal, the pictures are perceived as being less similar, even though they are identical. So, for Value-Expressive participants, the authentic and counterfeit bags will look less similar to one another than they will for the Social-Adjustive participants, because the two bags both satisfy the goals of the Social-Adjustive consumer but they do not satisfy the goals of the Value-Expressive consumers.

At the beginning of the attitude question section there is a question asking participants how likely they would be to purchase a counterfeit handbag with logos (not compared to anything else). This question was included to examine participants overall beliefs towards counterfeit goods, since past research suggests people's beliefs about counterfeiting influence their purchases for luxury and counterfeit goods. (Penz 2005; Gentry et al. 2006).

Responses to questions in the third section of the survey (questions 15-18) demonstrate how consumers with different attitudes preferences behave as certain variables (authenticity and logo) change. For the comparison questions there is a 7-point scale (1=much less likely to purchase, 4=neutral, 7=much more likely to purchase). The survey by Wilcox et al. also used a 7-point scale (-3=much less likely to purchase, 0=neutral, 3=much more likely to purchase. However I could not use the '-3 to 3' scale due to technical limitations), which produced statistically significant results after only 79 participants responded.

For my survey, I used Zarcia survey software. 400 people (majority were female students from Union College) were emailed from which 130 responded (after two weeks and after one reminder email). Data was collected through the software, which formatted responses for use in Excel. An example of the invitation to participate in the survey as well as the survey can be seen in Appendices 5 and 6.

3.3 Explanation of Attitude Classification

In order to determine whether or not each participant possesses Social-Adjustive attitudes or Value-Expressive attitudes (or both or neither), responses to each question (7

through 13, see Appendix 6) are summed for each participant based on the type of attitude they represent. For example, numeric responses to questions 7,10,11 and 13 are summed for each participant (for Social-Adjustive attitude) and questions 8, 9, and 12 are also summed for each participant (for Value-Expressive attitude). Next, each sum is divided by 7 (7=the total number of attitude questions for the survey) (see Table 10). The average (using all sum/7 data for each participant) is then calculated for both the Social-Adjustive values and the Value-Expressive values. If a participant's score for each respective attitude type is higher than the average, they are considered to possess that attitude type. If the participant's attitude score is less than the average, they are considered to not possess that attitude function. Participants are able to possess either, both or neither attitude type, based on their survey response scores.

Table 1 shows which letter: A, B, C or D is used to represent each specific handbag type. These letters are used throughout the paper as an easier and simpler way to identify which handbags are is being compared or discussed. A represents the authentic bag with logos; B, the authentic bag without logos; C, the counterfeit bag with logos and D, the counterfeit bag without logos.

Table 2 shows the theoretical predictions for preferences of participants based solely on conclusions from previous studies of counterfeits and consumers' attitudes. The findings displayed in this table demonstrate how the two hypotheses in my thesis are formed. Data in this table show what results will look like if all participants' preferences follow what past research suggests and support both of the hypotheses. For questions asking preferences towards logos, Social-Adjustive participants are predicted to prefer handbags with logos while Value-Expressive participants are predicted to be indifferent

to logo v. non-logo handbags. For the questions measuring participants' preferences towards quality/authenticity, Value-Expressive participants are predicted to prefer authentic handbags while Social-Adjustive participants are expected to be indifferent to authentic v. counterfeit handbags.

3.4 T-Tests for Bag Comparison Questions

Tables 3 through 6 show preliminary statistical data about the significance of the survey responses. The values give a basic idea of the significance and results that are found using regression analysis (seen in Chapter 4). The results from these t-tests are analyzed to determine whether either attitude function affects participant's preference for one of the bag comparison questions. Each t-test measures one attitude function for one survey comparison question by comparing the survey responses (for one of the bag comparison questions) of two groups: the group that possesses the respective attitude function and the group that does not.

Each t-test results in a p-value, a value that represents the likelihood that the next observation/survey response will support the null hypothesis. The null hypothesis is that the two groups being compared for that t-test have the same mean (i.e. average preference or survey response) for the question being tested. If the p-value or the probability of the null hypothesis being true is below 0.05, the 5% threshold, the null hypothesis is disproven and the original hypothesis is considered to be true and statistically significant. The original hypothesis is that the two groups (i.e. attitude and non-attitude) do not have the same mean (preferences) and the presence of the respective attitude function does have an effect on a consumer's preferences.

The t-tests for question 15 check whether Social-Adjustive or Value-Expressive attitudes affect participants' preference towards quality with the presence of a logo. Using a t-test, the responses of participants with Social-Adjustive attitudes and without Social-Adjustive attitudes are compared to see if their preferences are statistically different. This same procedure is repeated to compare preferences towards quality with the presence of a logo for Value-Expressive participants and non-Value-Expressive participants.

Table 3 shows two t-test results for the quality/authenticity preference comparison when both bags have logos, survey question 15. The results demonstrate that when comparing the preferences towards quality of Social-Adjustive and non-Social-Adjustive participants when both handbags have logos, the preferences between these two groups are not statistically different. Therefore, consumers with Social-Adjustive preferences do not have different preferences than do non-Social-Adjustive participants when given the choice between bags A and C- authentic with logo and counterfeit with logo. This test does not reveal the preferences of either of these two groups; it merely states that in relation to one another, the preferences are not significantly different from one another. Likewise, the same bag comparison of quality preference when both bags have logos did not display any statistically different preferences between Value-Expressive participants and the non-Value-Expressive participants.

Table 4 shows the two t-tests for question 18, which check whether Social-Adjustive or Value-Expressive attitudes affect participants' preference towards quality when neither of the handbags have logos. The results of these t-tests show that when comparing Social-Adjustive participants' and non-Social-Adjustive participants'

preferences towards quality when both handbags do not have logos, the preferences between these two groups are not statistically different. Consumers with Social-Adjustive preferences, therefore, do not express different preferences than non-Social-Adjustive participants when given the choice between bags B and D- authentic with no logo and counterfeit with no logo, respectively. The t-test does not show what the preferences of either of these two groups is, it merely states that in relation to one another, the preferences are not significantly different.

Furthermore, the same bag comparison of quality preference when both bags lack logos did not show any statistically different preferences between Value-Expressive participants and the non-Value-Expressive participants. The results from these two t-tests show that participants' attitudes do not determine whether they prefer higher quality/authenticity of their handbag in relation to the participants with different attitudes.

Table 5 shows the two t-tests for question 16, which examine whether Social-Adjustive or Value-Expressive attitudes affect participants' preference towards logos when both handbags are authentic/high quality. The results show that when comparing Social-Adjustive participants and non-Social-Adjustive participants in terms of their preferences towards logos when handbag quality is high (i.e. both bags are authentic) and constant, the preferences between these two groups are not statistically different. Therefore, consumers with Social-Adjustive preferences do not have different preferences than non-Social-Adjustive participants when given the choice between bags A and B, authentic with logo and authentic without logo, respectively.

Likewise, the same bag comparison of logo preference when both bags are authentic did not show any statistically different preferences between Value-Expressive

participants and the non-Value-Expressive participants. These two t-tests reveal participants' attitudes do not significantly impact how much they prefer a logo on their handbag in comparison to participants with different attitudes.

Table 6 shows the two t-tests for question 17, which tests whether Social-Adjustive or Value-Expressive attitudes affect participants' preference towards logos when both handbags are counterfeit/ low quality. According to these two t-tests, when comparing Social-Adjustive participants and non-Social-Adjustive participants in terms of their preferences towards logos when handbag quality is low (i.e. both bags are counterfeit) and constant, the preferences between these two groups *are* statistically different. This data suggests that consumers with Social-Adjustive preferences have significantly different preferences than non-Social-Adjustive participants when given the choice between bags C and D, authentic with logo and authentic without logo, respectively. Results from this t-test show that if consumers possess Social-Adjustive attitudes, the Social-Adjustive attitudes will have an effect on their logo preference for counterfeit handbags, causing them to prefer logo bags more than the non-Social-Adjustive participants.

Similarly, the same bag comparison of logo preference when both bags are counterfeit did show slight statistically different preferences between Value-Expressive participants and the non-Value-Expressive participants, suggesting Value-Expressive consumers prefer non-logo handbags more than non-Value-Expressive participants in the counterfeit comparison scenario. The results from these two t-tests show that participants' attitudes do considerably affect their preferences towards logos when handbags are low quality counterfeits. Possessing either of the attitude functions will affect the participant's

preferences and will cause them to be significantly different that the participants who do not have those respective attitude functions.

To display the difference in preferences between the respective groups, Figures 1 through 4 show the mean survey responses for each of the four groups (Social-Adjustive, non-Social-Adjustive, Value-Expressive and non-Value-Expressive) for each of the comparison scenarios.

CHAPTER FOUR

REGRESSION RESULTS

The equation used as the model to analyze the data is a simple regression equation that has purchase intent as the dependent variable and beta values for both Social-Adjustive and Value-Expressive attitudes, which were treated as dummy variables (1=participant possesses attitude, 0=participant does not). As mentioned in Chapter 3, only the female undergraduate students from Union College were included in the regressions used for the main analysis in this paper. However, when regressions were run using survey data from all 130 responses, which included some male participants and non-college aged women, similar results (and significant results) were found. These regression results can be seen in Appendices 1 and 2.

The basic model/equation used in this study regresses the two attitudes (either together or individually) on purchase intent. The equation is as follows:

$$\text{Purchase intent} = C + \beta_{SA} * SA + \beta_{VE} * VE + E$$

Where, C = constant

β_{SA} = effect of possessing Social-Adjustive attitudes

β_{VE} = effect of possessing Value-Expressive attitudes

This regression model was used for all purchase intent questions, 15-18: regression results for these questions are seen in Tables 7 and 8. All coefficients for β_{SA}

and β_{VE} supported the hypotheses, though only some were statistically significant. A summary of the regression data is seen in Tables 7 and 8.

4.1 Regression Results

Table 7 displays regression results for questions 15 and 18, which measure participants' preferences towards quality in two scenarios: when both handbags have logos and when neither handbags have logos, respectively. These comparisons correspond to Hypothesis 2, which was adapted from the study by Wilcox et al. (2006). Hypothesis 2 states that Value-Expressive consumers prefer higher quality/authentic bags in both scenarios. However, in the non-logo bag scenario, the Value-Expressive consumers' preferences towards authenticity/high quality will be stronger than in the logo comparison scenario.

In line with Hypothesis 2, Value-Expressive participants have a negative preference towards the counterfeit bag (in both logo scenarios), while Social-Adjustive participants show a preference towards the counterfeit bag in both scenarios (the hypothesis predicts they should be indifferent.) However, non-statistically significant results suggest that participants' attitudes do not affect their preferences towards quality in either of the two scenarios (logo and non-logo).

The effect of a Value-Expressive attitude on preference towards counterfeits is negative in both logo and non-logo comparison scenarios. However, like the Social-Adjustive attitude, the effect of the Value-Expressive attitude on negative preference towards the counterfeit bags is higher in the non-logo comparison. Though no beta coefficients from regression results for 15 or 18 were significant, the directions (i.e.

positive or negative) of the preferences are as predicted in Hypothesis 2. For both questions and both types of consumers, when the two attitude functions are regressed together, the effects of the attitudes on their respective purchase intents becomes slightly higher (in absolute value).

Table 8 displays regression results for questions 16 and 17. These two questions measure participants' preferences towards logos under two scenarios-- when both handbags are authentic/good quality and when both handbags are counterfeit/low quality. These two questions correspond to Hypothesis 1, which is my contribution to the study of attitudes and their effects on counterfeit purchases. These questions measure participants' preferences towards logos in two scenarios: when both handbags are authentic and when both handbags are counterfeit, respectively. Regression results for both Social-Adjustive and Value-Expressive preferences are significant in the counterfeit comparison scenario, question 17. In the authentic comparison scenario, question 16, Social-Adjustive preferences are significant. In line with Hypothesis 1, Social-Adjustive participants have a higher preference towards handbags with a logo, in both purchase scenarios (manifested in the question as a negative preference towards the non-logo bags). Results in Table 8 show that in counterfeit handbag scenarios (question 17), the effect of the Social-Adjustive attitude on logo preference is slightly higher than in the authentic scenario. Value-Expressive participants, however, showed slightly negative preferences towards logos only in the counterfeit handbag scenario. In the authentic comparison question, results for Value-Expressive participants are insignificant.

These questions are mainly used to determine the attitudes of Social-Adjustive participants, though some significant results for Value-Expressive participants are of

interest, such as the significant effect of the Value-Expressive attitude in question 17, the counterfeit comparison, demonstrating Value-Expressive consumers to prefer non-logo handbags. Comparing the results for question 16 and 17 for Social-Adjustive participants it appears that Social-Adjustive consumers are slightly less concerned about having a handbag with a logo when they are able to get an authentic handbag.

When both attitudes are regressed on purchase intent for question 17, the Value-Expressive preference is significant, showing that Value-Expressive participants have a preference towards a non-logo bag when both bags are counterfeit.

4.2 Summary of Findings

In line with Hypothesis 1, participants with Social-Adjustive attitudes have positive preferences towards logos. Table 8 displays logo preference, where Social-Adjustive participants should not have been neutral, and for both of these questions, regression data yields significant results. For the questions where Value-Expressive participants are hypothesized to be indifferent (16 and 17), significant results suggest Value-Expressive participants have a slight negative preference towards logos, when counterfeit bags are compared. The statistically significant preferences of the Value-Expressive participants in the counterfeit handbag comparison do not support Hypothesis 1, but Value-Expressive preferences in the authentic handbag scenario do support the Hypothesis. In order to fully support Hypothesis 1, Value-Expressive preferences would need to be not statistically significant for both of the logo preference questions (authentic and counterfeit scenarios).

In line with Hypothesis 2, participants with Value-Expressive attitudes have positive preferences towards the authentic (higher quality) bag. Though the beta values for questions 15 and 18 support Hypothesis 2, the regression does not yield significant results for those values, suggesting that consumers' attitudes do not affect their preferences towards quality for either a logo or a non-logo scenario. For questions measuring quality preferences in logo and non-logo scenarios, where Social-Adjustive participants should be neutral, results are insignificant, supporting the Hypothesis 2. Table 10 displays the predicted preferences of Social-Adjustive and Value-Expressive participants for the four comparison questions. The mean responses to the four survey questions support the predicted preferences, suggesting that even though not all regressions yield significant results, the average preferences of Social-Adjustive and Value-Expressive consumers are consistent with the preferences predicted using previous studies.

Considering the significant data, the results of the analysis of the survey data supports the hypothesis that Social-Adjustive consumers prefer bags with logos. However, due to the lack of significance, the regression results cannot definitively conclude that Value-Expressive participants prefer bag authenticity.

It is important to note that since participants can possess one attitude function, both attitude functions or neither attitude function, participants' preferences (specifically when they have both or neither attitudes) cannot be explained simply using either Hypothesis 1 or Hypothesis 2. Additionally, when participants possess both attitude functions, there is no way (using methodology of this study) to determine which, if either, attitude function dominates the other (in terms of determining the participant's

preferences). By including both attitude functions in each regression as dummy variables, the best estimation can be done (given the nature of the data) to determine how each attitude affects subjects' behaviors.

As a robustness check, additional regressions were conducted only using responses from participants who belonged exclusively to one attitude function (Pure Data, $n=41$, Appendix 2), to see if effects of the attitudes (when not combined in any way) are more supportive of the hypotheses (specifically Hypothesis 2).

The results of regressions conducted using only participants belonging to one attitude function are not any more significant than the regressions using all data. These regression results help confirm that results for questions 15 and 18 (a or C; b or D: authenticity comparisons when logo presence held constant) are not significant for reasons other than the fact that many participants possessed both attitude functions. Though this type of regression shows the pure effect of each attitude, results from the regressions are better used as theoretical examples rather than real examples of how people with various attitudes behave, because in real situations, consumers are able to possess both attitudes, and in most real cases, consumers probably have some combination of the two attitudes (even if they are very high for one function and very low for another, their behavior still will be somewhat affected to the degree they possess the second attitude).

The results are confirmed using both dummy variables at once (i.e. purchase intent $(P.I.) = C + \beta_{SA} * SA + \beta_{VE} * VE$) and each separately ($P.I. = C + \beta_{SA} * SA$ and $P.I. = C + \beta_{VE} * VE$). The separate regressions yield no statistically significant results. Additionally, the separate regressions, in some instances (i.e., question 16) return results that are not

significant when the regression using all data provides significant results (Separate regressions: $\beta_{SA} * SA = -.590$, $p = .1119$ and $\beta_{VE} = .354$, $p = .3409$. Combined regression: $\beta_{SA} * SA = -.837$, $p = .0358$; $\beta_{VE} = .663$, $p = .0943$). This example supports the conclusion that the combined effect (from some participants possessing both types of attitudes) is a significant issue that is important in analyzing the data and determining whether the hypotheses are supported. Also, though the survey sample is not necessarily representative of the population due to the selection process, 89/123 participants possessed a combination, either both, or neither, of the two attitude functions (Table 11, page 42), suggesting it is very possible that many consumers similarly do not exclusively possess only one attitude function.

CHAPTER FIVE

STUDY LIMITATIONS AND IMPLICATIONS OF RESULTS

Regression data for questions examining logo preferences in different environments found that consumers with Social-Adjustive attitudes prefer bags with logos in both the authentic and counterfeit comparison scenarios. However, in the counterfeit handbag scenario, Social-Adjustive participants have stronger preferences for logos than in the authentic handbag scenario. The only significant data for consumers with Value-Expressive attitudes suggest that in a counterfeit handbag comparison scenario, Value-Expressive consumers prefer handbags without logos.

These results suggest that it is reasonable to assume that people with Social-Adjustive attitudes will prefer bags with logos while people with Value-Expressive attitudes will be indifferent or have a slightly negative preference towards bags with logos, when keeping quality/brand authenticity constant.

The hypothesis that consumers' attitudes will affect preferences towards quality under different logo scenarios is not supported by the data in this study, suggesting that consumers' attitudes do not affect their preferences towards quality/authenticity in logo bag comparisons or non-logo bag comparisons. Regression data also generated Beta coefficients for both attitude functions that are in support of the hypothesis, showing that consumers prefer authentic handbags. However, the results show no significance (with P-value). The results of this study suggest that bag quality (authenticity) is not necessarily as important in determining consumers' preferences as hypothesized.

5.1 Issues with Survey and Sample Bias

One of the most significant limitations in this study stems from the use of survey data. Due to the fact that we cannot monitor peoples' responses to the survey, it is very possible that some survey participants answered the questions randomly and did not put any effort or thought into answering the questions conscientiously. As a result, random survey responses could skew the data or prevent the data from being significant.

Another limitation is with the number of participants. If the number of survey participants was to increase ten-fold, it is possible that more significant data would have been collected, possibly increasing significance of survey responses.

In the context of my thesis, the essentially self-selected sample should not cause any biases or problems for the data and analysis. My research compares the preferences of consumers with Social-Adjustive attitudes to the preferences of consumers with Value-Expressive attitudes. Since the model is comparing a variable to a variable, randomness of the survey sample is not relevant (nor a necessity), due to the nature of the comparison. There is no strong evidence to support that using data from a completely random sample would produce different results since the behavior of a consumer with Social-Adjustive (or Value-Expressive) attitudes should be the same whether the participant were chosen randomly or specifically selected. Research does suggest, however, that major cultural differences could affect the preferences of consumers with specific attitudes, causing them to have vastly different preferences (Wilcox et al. 2008). However, using only Union College students for the sample (random selection or not) eliminates the bias that might occur if I were to, for example, survey some people from Union College and some people living in North Korea. If my thesis were comparing sample to population, i.e.

what percentage of college students have Social-Adjustive attitudes, my essentially self-selected sample would result in biased data, since the percentage of students with Social-Adjustive attitudes in the sample would not be reflective of the percentage of students with Social-Adjustive attitudes in the general population. As long as the sample group is comprised of participants possessing each type of attitude, the method in which the participants were chosen is irrelevant. Additionally, the three studies by Wilcox et al., which are very similar to mine, use survey data from undergraduate females from one university, just as in my study.

The possibility of biased data due to the fact that participants were not actually purchasing handbags but rather hypothetically choosing their preferences is important to address. Extensive research has been done to determine how participants behave when they are asked hypothetical questions about how they would behave in various situations. Past research has found that the theory that people will act on planned behavior (or that their planned behavior is representative of how they *would* act) is well supported by empirical data and evidence (Fishbein and Ajzen 1975). Research suggests that peoples' behavior can be predicted quite accurately from their intentions. Additionally, since the model used in this study aims only to compare two attitudes, asking participants hypothetical purchase questions is the optimal method for collecting data, because it eliminates the variation within each attitude group (towards various purchase intentions) that is due to each participants' unique and personal opinions and values related to the other numerous factors that influence counterfeit purchases. For example, by asking participants hypothetical purchase questions (and giving them some background information: i.e. assume you have access and are able to afford the handbag) the effects

of the two attitude functions are isolated and the response biases (that are due to participants' personal incomes, proximity to high-end retail stores etc.) that would likely skew the data greatly were participants asked to actually purchase the items in the real world, are eliminated (or reduced). Additional research on hypothetical decision making concluded that hypothetical decisions “tend to offer large payoffs, and real decisions tend to offer only small payoffs” (Kühberger et al. 2000). Though this implies that participants' responses in this study will be overstated (compared to real-world behavior), making statistically significant results more likely given the small sample size in this study.

Survey participants' past knowledge of prices for the counterfeit versus authentic handbags could also cause biased data. In other survey situations, participants' prior knowledge could affect the data and results. However, we must assume that the average overall price knowledge is the same for both attitude groups. If this knowledge is the same for both groups, it will not have any effect on the difference-to-difference comparison as explained in part 3a. So, given the nature of the comparison and of the study, we can assume that if both groups have the same knowledge of prices, the data will measure the pure effects of the two attitudes.

5.2 Suggestions for Future Research

To expand on this research and past studies, it would be interesting to investigate how the two attitude functions, Social-Adjustive and Value-Expressive, influence consumers' purchases for other types of goods. Other counterfeit goods, such as DVDs and electronics, could be examined. Also, the purchase intent and preference towards authentic goods, such as non-luxury brand clothing and accessories, with and without

logos could be examined. It would also be interesting to compare preferences between various groups. For example, the sample from this study could be compared to a sample from a previous generation or to a sample of male undergraduate students. By comparing group to group, one could determine whether attitudes have a more powerful effect on purchases than demographic factors.

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Additional Tables, Figures and Appendices

Table 1: Bag Shorthand Description

| | Logo | No Logo |
|--------------------|-------------|----------------|
| Authentic | A | B |
| Counterfeit | C | D |

Table 2: Theoretical Result Predictions Based on Hypotheses

| Question | Comparison | Preference Type | S.A. | V.E. |
|-----------------|-------------------|------------------------|-------------|-------------|
| 15. | A or C | Authenticity/Quality | $A=C$ | $A>C$ |
| 16. | A or B | Logo | $A>B$ | $A=B$ |
| 17. | C or D | Logo | $C>D$ | $C=D$ |
| 18. | B or D | Authenticity/Quality | $B=D$ | $B>D$ |

Table 3: T-Test Results for Preference Towards Quality when Bags have Logos

| 15. Comparison Groups | p-value |
|--|----------------|
| Social-Adjustive v. Non-Social-Adjustive | 0.876 |
| Value-Expressive v. Non-Value-Expressive | 0.428 |

Table 4: T-Test Results for Preference Towards Quality when Bags have no Logos

| 18. Comparison Groups | p-value |
|--|----------------|
| Social-Adjustive v. Non-Social-Adjustive | 0.378 |
| Value-Expressive v. Non-Value-Expressive | 0.419 |

Table 5: T-Test Results for Preference Towards Logos when Bags are Authentic

| 16. Comparison Groups | p-value |
|--|----------------|
| Social-Adjustive v. Non-Social-Adjustive | 0.112 |
| Value-Expressive v. Non-Value-Expressive | 0.394 |

Table 6: T-Test Results for Preference Towards Logos when Bags are Counterfeit

| 17. Comparison Groups | p-value |
|--|----------------|
| Social-Adjustive v. Non-Social-Adjustive | 0.048** |
| Value-Expressive v. Non-Value-Expressive | 0.091* |

Notes: *=10% significance level, **=5% significance level, ***=1% significance level.

**Table 7: Regression Statistics and Significance for Questions 15 and 18:
Participants' Preferences for Quality in Two Scenarios.**

| | Question 15: Purchase Intent for Bag C v. Bag A | | | Question 18: Purchase Intent for Bag D v. Bag B | | |
|----------------|--|-----------------------|----------------------|--|-----------------------|-----------------------|
| Coefficient | 1 | 2 | 3 | 1 | 2 | 3 |
| SA | 0.05 (0.34) | | 0.18 (.37) | 0.33 (0.37) | | 0.51 (0.40) |
| VE | | -0.27 (.34) | -0.33 (.37) | | -0.30 (0.37) | -0.49 (0.40) |
| Constant | 3.18 (.25) *** | 3.35 (0.24) *** | 3.29 (.28) *** | 3.35 (.28) *** | 3.68 (0.27) *** | 3.50 (0.30) *** |
| R ² | .0002 | 0.005 | 0.007 | 0.006 | 0.005 | 0.186 |

Notes: *=10% significance level, **=5% significance level, ***=1% significance level.
Standard deviations in parentheses.

**Table 8: Regression Statistics and Significance for Questions 16 and 17:
Participants' Preferences Towards Logos in Two Scenarios.**

| | Question 16: Purchase Intent for Bag B v. Bag A | | | Question 17: Purchase Intent for Bag D v. Bag C | | |
|----------------|--|-----------------------|-----------------------|--|-----------------------|------------------------|
| Coefficient | 1 | 2 | 3 | 1 | 2 | 3 |
| SA | -0.61 (0.38) | | -0.84 (0.41) ** | -0.77 (0.39) ** | | -1.17 (0.41) *** |
| VE | | 0.33 (0.38) | 0.63 (0.40) | | 0.66 (0.39) * | 1.09 (0.40) *** |
| Constant | 3.65 (0.28) *** | 3.15 (0.27) *** | 3.46 (0.31) *** | 3.58 (0.29) *** | 2.82 (0.28) *** | 3.25 (0.31) *** |
| R ² | 0.021 | 0.006 | 0.040 | 0.032 | 0.023 | 0.087 |

Notes: *=10% significance level, **=5% significance level, ***=1% significance level.
Standard deviations in parentheses.

Table 9: Example Calculation of Attitude Functions

| | SA sum (A*) | VE sum (B*) | (A)/7 | (B)/7 | In SA Group? | In VE Group? |
|---------------|-------------|-------------|-------|-------|--------------|--------------|
| Participant 1 | 12 | 9 | 1.714 | 1.286 | Yes | No |
| Group Average | | | 1.403 | 1.359 | | |

*A=responses to questions 7+10+11+13, B=8+9+12, Averages calculated using all data

Table 10: Survey Response Preference Predictions v. Actual Results

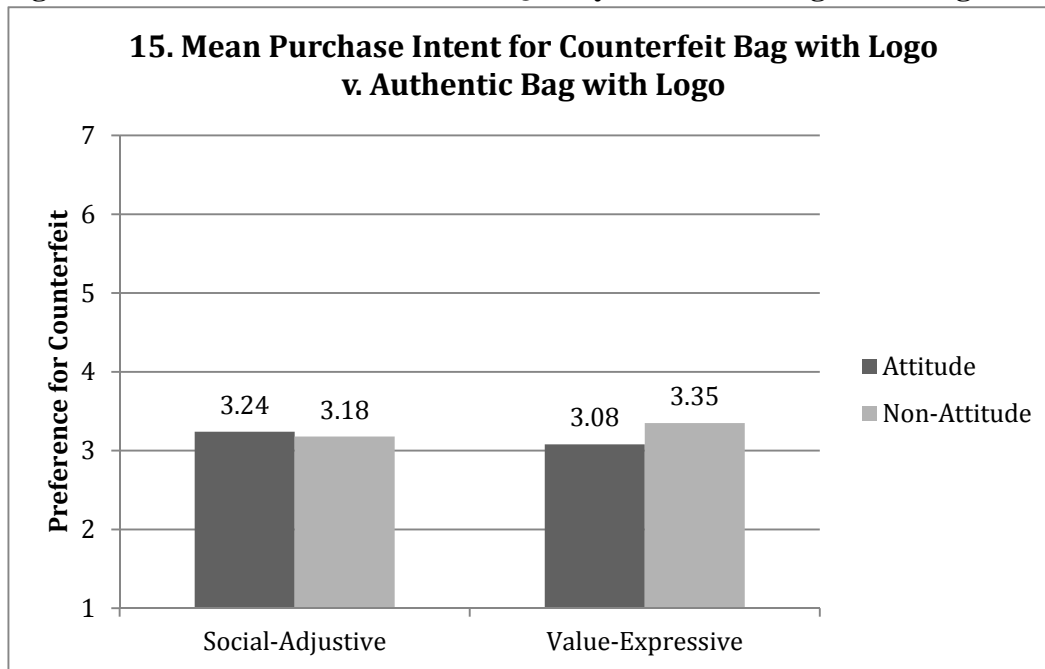
| Purchase Intent For: | Social-Adjustive Prediction | Value-Expressive Prediction | Social-Adjustive Result* | Value-Expressive Result* | Consistent With Predictions? |
|-----------------------------|------------------------------------|------------------------------------|---------------------------------|---------------------------------|-------------------------------------|
| 15:Bag C v. Bag A | Neutral=4 | Negative towards C <4 | 3.271 | 3.138 | Yes |
| 16:Bag B v. Bag A | Negative towards B <4 | Neutral =4 | 3.043 | 3.492 | Yes |
| 17:Bag D v. Bag C | Negative towards D <4 | Neutral =4 | 2.829 | 3.442 | Yes |
| 18:Bag D v. Bag B | Neutral =4 | Negative towards D <4 | 3.657 | 3.415 | Yes |

Though no neutral responses are exactly equal to 4, if average responses are close to four and higher than responses that should be <4, results are considered to be as predicted. Results use average survey response values (from 1-7 scale).

Table 11: Number of Participants with Each Attitude

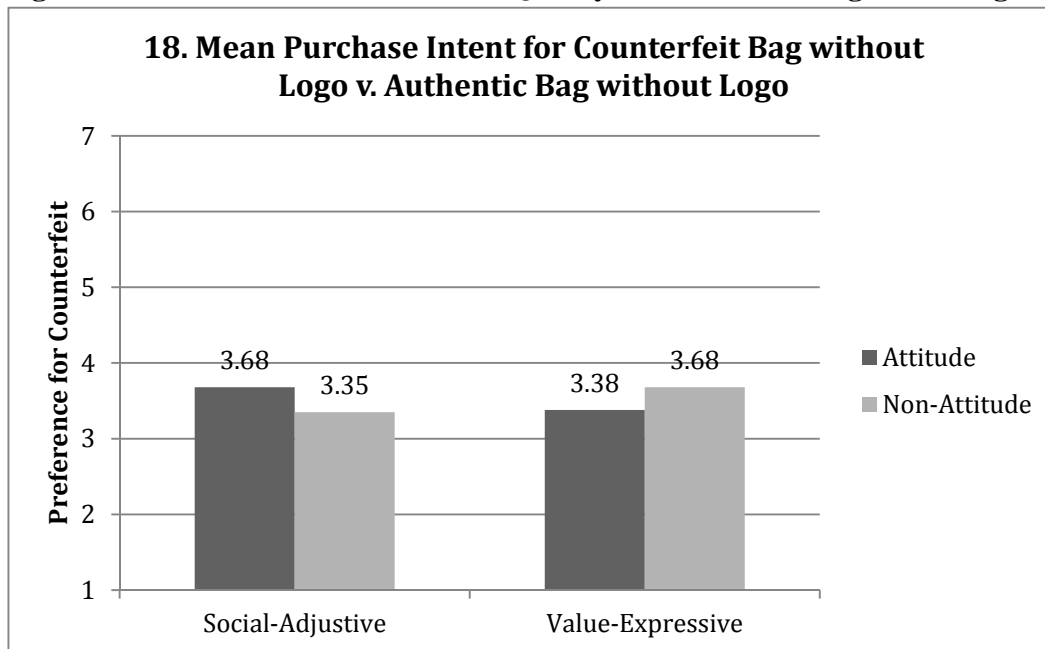
| | Value-Expressive Group | Non-Value-Expressive Group |
|----------------------------|------------------------|----------------------------|
| Social-Adjustive Group | 47 | 23 |
| Non-Social-Adjustive Group | 18 | 42 |

Figure 1: Mean Preference Towards Quality when Both Bags have Logos



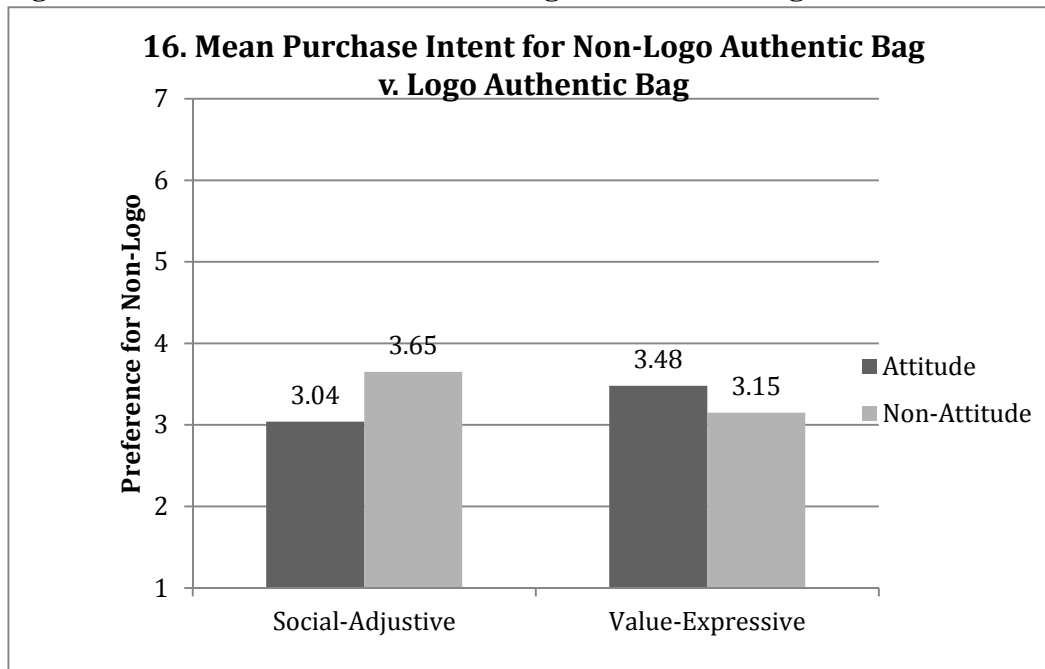
Mean (SD): SA: 3.24(1.94), Non-SA 3.18(1.83); VE: 3.08 (1.83), Non-VE: 3.35(1.95)

Figure 2: Mean Preference Towards Quality when Neither Bags have Logos



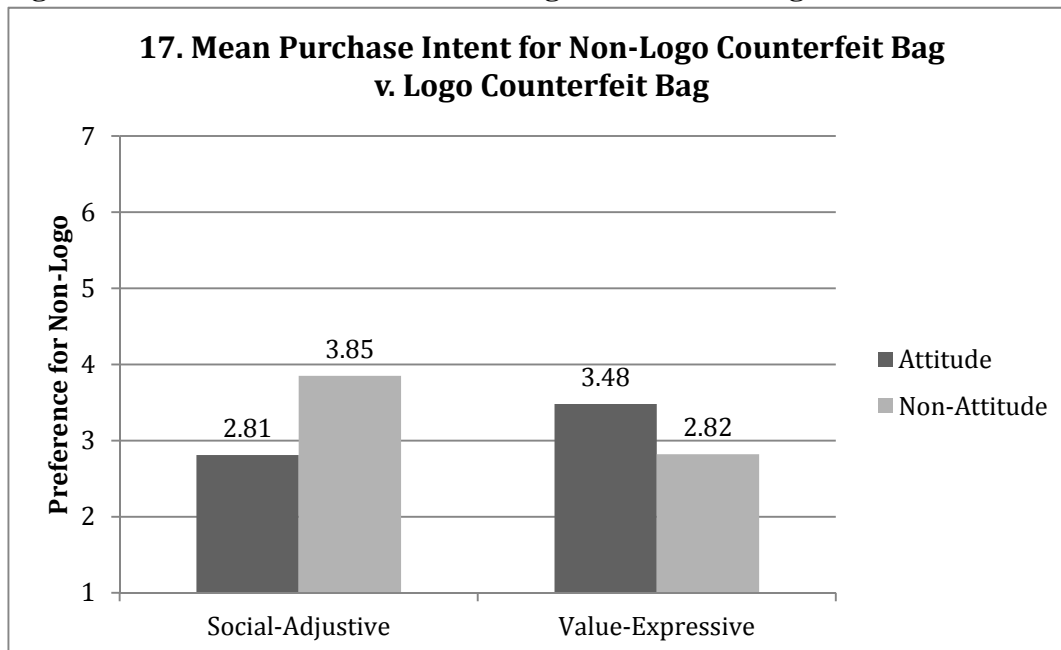
Mean (SD): SA: 3.68(2.07), Non-SA: 3.35(2.06); VE: 3.38(2.10), Non-VE: 3.68(2.03)

Figure 3: Mean Preference Towards Logos when Both Bags are Authentic



Mean: SA: 3.04 (1.95), Non-SA: 3.65 (2.27); VE: 3.48 (2.08), Non-VE: 3.15 (2.15)

Figure 4: Mean Preference Towards Logos when Both Bags are Counterfeit



Mean: SA: 2.81 (2.10), Non-SA: 3.58 (2.17); VE: 3.48 (2.28), Non-VE: 2.82 (2.00)

Appendix 1: Regression Results for Questions 15 and 18 (All Data, n=130)

| | Question 15: Purchase Intent for Bag C v. Bag A | | | Question 18: Purchase Intent for Bag D v. Bag B | | |
|----------------|--|-----------------------|----------------------|--|-----------------------|-----------------------|
| Coefficient | 1 | 2 | 3 | 1 | 2 | 3 |
| SA | -0.10 (0.34) | | 0.04 (.27) | 0.21 (0.36) | | 0.37 (0.39) |
| VE | | -0.35 (.34) | -0.37 (.37) | | -0.29 (0.36) | -0.43 (0.39) |
| Constant | 3.37 (0.25) *** | 3.49 (0.24) *** | 3.48 (.27) *** | 3.45 (.27) *** | 3.71 (0.26) *** | 3.58 (0.29) *** |
| R ² | .0006 | 0.008 | 0.009 | 0.003 | 0.005 | 0.012 |

Notes: *=10% significance level, **=5% significance level, ***=1% significance level.

Appendix 2: Regression Results for Questions 16 and 17 (All Data, n=130)

| | Question 16: Purchase Intent for Bag B v. Bag A | | | Question 17: Purchase Intent for Bag D v. Bag C | | |
|----------------|--|-----------------------|-----------------------|--|-----------------------|-----------------------|
| Coefficient | 1 | 2 | 3 | 1 | 2 | 3 |
| SA | -0.59 (0.37) | | -0.84 (0.39) ** | -0.59 (0.37) | | -0.98 (0.39) ** |
| VE | | 0.35 (0.37) | 0.66 (0.39) * | | 0.69 (0.37) * | 1.05 (0.39) *** |
| Constant | 3.63 (0.27) *** | 3.14 (0.26) *** | 3.44 (0.29) *** | 3.42 (0.27) *** | 2.75 (0.26) *** | 3.10 (0.29) *** |
| R ² | 0.019 | 0.007 | 0.041 | 0.019 | 0.027 | 0.073 |

Notes: *=10% significance level, **=5% significance level, ***=1% significance level.

Appendix 3: Regression Results for Questions 15 and 18 (Pure Data*, n=41)

| | Question 15: Purchase Intent for Bag C v. Bag A | Question 18: Purchase Intent for Bag D v. Bag B |
|----------------|--|--|
| β_{SA} | 0.57 (.57) | 0.92 (0.70) |
| Constant | 2.39 (0.43) *** | 2.56 (.52) *** |
| R ² | 0.025 | 0.043 |

Notes: *=10% significance level, **=5% significance level, ***=1% significance level.
 *Pure data only uses responses from participants belonging exclusively to one attitude category

Appendix 4: Regression Results for Questions 16 and 17 (Pure Data*, n=41)

| | Question 16: Purchase Intent for Bag B v. Bag A | Question 17: Purchase Intent for Bag D v. Bag C |
|----------------|--|--|
| β_{SA} | -1.49 (0.63) ** | -2.05 (0.61) *** |
| Constant | 4.01 (0.48) *** | 4.22 (.45) *** |
| R ² | 0.124 | 0.227 |

Notes: *=10% significance level, **=5% significance level, ***=1% significance level.
 *Pure data only uses responses from participants belonging exclusively to one attitude category

Appendix 5: Invitation to Participate in Survey

Dear Friend,

You have been invited by Sarah Reid, Student at Union College to offer your valuable opinion in an important survey.

This survey should take less than five minutes and your response will be extremely helpful for my thesis!

In order to participate, you may either:

1. [Click on this link](#)

or

2. Copy-paste the entire following link between quote marks (NOT including the quote marks) in a web browser
" <http://research.zarca.com/k/QsYQRPsSsQRSTUVsQ> "

or

3. Click on the following URL and enter the login information provided below:
<http://research.zarca.com/static/surveykey.aspx>
Key: QsYQRPsSsQRSTUVsQ

Thank you for participating in my thesis survey!

Best,

Sarah Reid

This email is sent on behalf of the person/organization whose name appears in the FROM field by Zarca Interactive . If you have any questions about the email, please contact the sender by replying to this email.

If you prefer not to receive future reminders about this survey, please [click here](#).

If you prefer not to receive future surveys from the organization behind this survey, please [click here](#).

Required Information

1. What is your age? (please fill in numerical value)

2. What is your gender?

☐ Male

☐ Female

3. What is your major? (Please specify if undecided)

Characters Remaining: 40

4. Approximately what percentage of your shopping for apparel, shoes, jewelry and accessories did you do in a major city within the past year?

☐ less than 1%

☐ 1%-25%

☐ 25%-50%

☐ 50%-75%

☐ 75%-99%

☐ more than 99%

5. Approximately how much money did you spend on luxury brands (such as Marc Jacobs, Coach, Ugg, Louis Vuitton) within the past year?

☐ Less than \$200

☐ \$200 to \$500

☐ \$500 to \$1000

☐ \$1000 to \$2000

☐ More than \$2000

6. How far away (in driving time) do you live from stores that sell luxury brands?

☐ less than 15 minutes

☐ 15 to 30 minutes

☐ 30 minutes to 1 hour

☐ 1 to 2 hours

☐ more than 2 hours

7. I like when people know I am wearing a luxury brand

| | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Strongly Disagree 1 | 2 | 3 | 4 | Strongly Agree 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

8. Quality is most important to me when purchasing clothing and accessories

| | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Strongly Disagree 1 | 2 | 3 | 4 | Strongly Agree 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

9. Luxury brands reflect the kind of person I see myself to be

| | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Strongly Disagree 1 | 2 | 3 | 4 | Strongly Agree 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

10. Luxury brands help me fit into social situations

| | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Strongly Disagree 1 | 2 | 3 | 4 | Strongly Agree 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

11. When purchasing clothing and accessories, I choose style over function

| | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Strongly Disagree 1 | 2 | 3 | 4 | Strongly Agree 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

12. My clothing and accessories help me express myself

| | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Strongly Disagree 1 | 2 | 3 | 4 | Strongly Agree 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

13. I try to reflect my wealth and status through my clothing and accessories

| | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Strongly Disagree 1 | 2 | 3 | 4 | Strongly Agree 5 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

14. (Assume you have access to the bag shown below and are able to afford it) On a scale of 1 to 7, how likely would you be to purchase this COUNTERFEIT Louis Vuitton bag?



Counterfeit Louis Vuitton Hardbag

| | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Very Unlikely 1 | 2 | 3 | 4 | 5 | 6 | Very Likely 7 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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*** Required Information**

15. If given the choice between an authentic Louis Vuitton bag with logos and a counterfeit Louis Vuitton bag with logos, how likely would you be to purchase the COUNTERFEIT bag? (see pictures below)
 *assume you are able to afford all bags and all are available for purchase



Authentic, with Logos



Counterfeit, with Logos

| | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Much Less Likely 1 | 2 | 3 | Just as Likely 4 | 5 | 6 | Much More Likely 7 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

16. If given the choice between an authentic Louis Vuitton bag with logos and an authentic Louis Vuitton bag without logos, how likely would you be to purchase the bag WITHOUT LOGOS? (see pictures below)
 *assume you are able to afford all bags and all are available for purchase



Authentic, with Logos



Authentic, without Logos

| | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Much Less Likely 1 | 2 | 3 | Just as Likely 4 | 5 | 6 | Much More Likely 7 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

17. If given the choice between a counterfeit Louis Vuitton bag with logos and a counterfeit Louis Vuitton bag without logos, how likely would you be to purchase the bag WITHOUT LOGOS? (see pictures below)
 *assume you are able to afford all bags and all are available for purchase



Counterfeit, with Logos



Counterfeit, without Logos

| | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Much Less Likely 1 | 2 | 3 | Just as Likely 4 | 5 | 6 | Much More Likely 7 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

18. If given the choice between an authentic Louis Vuitton bag without logos and a counterfeit Louis Vuitton bag without logos, how likely would you be to purchase the COUNTERFEIT bag? (see pictures below)
 *assume you are able to afford all bags and all are available for purchase



Authentic, without Logos



Counterfeit, without Logos

| | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Much Less Likely 1 | 2 | 3 | Just as Likely 4 | 5 | 6 | Much More Likely 7 |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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Submit