Factors Influencing the Relationship of Materialism to Purchase Intentions of Counterfeit Luxury Products: A Cross-Cultural Examination.

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Abstract

Factors Influencing the Relationship of Materialism to Purchase Intentions of Counterfeit

Luxury Products: A Cross-Cultural Examination

Lida Sun

In recent years, the counterfeiting goods industry is a rapid growth market, especially the luxury counterfeits market. Because of the value of the luxury market is growing, many famous and popular luxury brands have become targets for counterfeit producers, and an increasing number of consumers prefer to purchase fakes instead of the genuine items, which has led to a worldwide crisis. Unfortunately, this massive phenomenon is threatening companies' efforts to establish and develop successful brands, and causing economic disaster. Therefore, the counterfeiting has become widespread and has developed into an economic issue of international significance. Previous research shows that materialists have more willingness to purchase luxury counterfeits. Therefore, the current study proposes a framework to investigate the factors that influence materialistic consumers' willingness to buy counterfeit luxury brands. Three factors are chosen from these three different domains separately, which are value-consciousness (personal influence), status consumption (social motivation), and perceived risk (product related feature). In addition, fewer scholars paid attention to study the materialist's purchase intentions toward luxury counterfeit products under different cultural situations. The current paper also covers this research gap by examining the moderating effects of cultural values.

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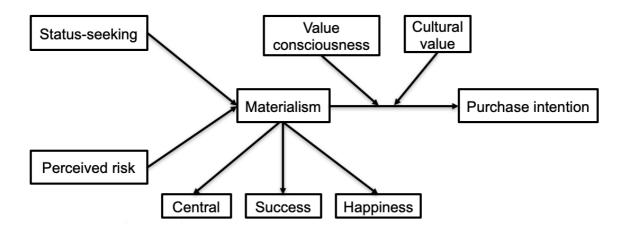
1. Introduction

Counterfeit items are defined as illegally made products that are the same as the genuine goods, but counterfeits are typically of lower quality in terms of performance, reliability, or durability (Lai & Zaichkowsky 1999). But in recent years, the luxury counterfeiting goods are made more carefully and consumers have some difficulty in identifying the genuine item (Gentry et al. 2006). The counterfeiting goods industry is a rapidly growing market, especially the luxury counterfeits market. With the size of the luxury market growing, many famous and popular luxury brands have become targets for counterfeit producers, and an increasing number of consumers prefer to purchase fakes instead of the genuine items, which is becoming a worldwide crisis. Unfortunately, this massive phenomenon is threatening companies' efforts to establish and develop successful brands, and causing economic problems. Therefore, the counterfeiting has become widespread and has developed into an economic issue of international significance.

An often overlooked component of consumer behavior in the consumption of counterfeit luxury brands is materialism, which is a core value in western societies (Richins & Dawson 1992). It has been the topic of many studies (Belk 1984; Lastovicka et al. 1999; Lemrova´ et al. 2013; Richins 2004; Richins & Dawson 1992; Rindfleisch et al. 1997; Watson 2003) and is defined as the importance that consumers attach to possessions (Belk 1984; Richins & Dawson 1992). Marketers often focus on materialism (Shrum et al. 2005; Pollay 1986) because it is associated with increased consumption. Materialistic consumers might be more inclined to acquire counterfeits as they see possessions as a signal of success (Richins 2004), and they would be willing to buy counterfeits to signal success to others, without paying the full price of the product. However, one could also argue that materialists would be less inclined to acquire counterfeits because they may feel embarrassed, uncomfortable or lose face when they purchase or own some counterfeits noticed by others (Bian & Moutinho 2009; Penz & Stottinger 2005; Veloutsou & Bian 2008). In this thesis, we choose high quality counterfeit luxury bags as the focal product to test, since materialists are not likely to buy counterfeits that are not luxurious and conspicuous (Bian et al. 2015; Wan et al. 2009; Wilcox et al. 2009), and will feel embarrassment when buying counterfeits that can be easily identified as fakes

(Penz & Stottinger 2005). The current research will explore the extent to which materialistic consumers purchase counterfeit products; in addition, we study which factors (value consciousness, status consumption, and perceived risk) will increase or decrease their willingness to purchase them? Fewer scholars paid attention to combining materialism and counterfeits purchase intentions with cultural values; therefore, will the cultural values affect materialists' purchases? These are the main research questions of the current thesis.

This is my research model.



2. Literature Background and Hypotheses

2.1. Counterfeits

The term of counterfeit product is defined as an illegal replication of a genuine product, and that imitate its labeling, packaging, and trademarks (Bian & Moutinho 2011). In the mid-twentieth century, high-status and high-price products such as luxury bags, clothes, jewelry and accessories were the target for counterfeiting (Grossman & Shapiro 1988). However, in recent years, almost all types of products have been copied and imitated, such as computer software, DVDs, books, mobile phones, perfumes, cosmetics, pharmaceuticals, and fashion accessories (Hamelin, Nwankwo, & Hadouchi 2013). In the current study, we only focus on luxury counterfeit bags and watches. Counterfeit is classified into deceptive counterfeiting and non-deceptive counterfeiting. In terms of deceptive counterfeiting which occurs when the consumer believes that she/he is buying a particular brand of a product (e.g. Gucci handbag), produced by a particular manufacturer (Gucci

manufacturer), but the product is produced by another manufacturer, not the original one. Non-deceptive counterfeiting refers to the buyer recognizing that the product is not genuine through some specific information cues such as price, purchase location, or quality (Chakraborty et al. 1997; Gentry et al. 2006). Previous studies suggest that around one third of all customers purchase a counterfeit deliberately, although this act is a crime (Phau, Sequeira, & Dix 2009). In the current study, we focus on non-deceptive counterfeiting.

2.2. Materialism

Materialism has three dimensions which are centrality, happiness, and success (Richins 2004; Richins & Dawson 1992). The *centrality* dimension is approved by those who place acquisition of material goods as a central goal of their daily lives (Daun 1983). These consumers feel happy when purchasing and they believe that buying is a significant goal in their daily lives (Richins 2004). The second dimension is happiness. Participants with high scores on the happiness dimension of materialism are the individuals who believe they would be happier if they owned something better or could afford more things (Richins 2004). This type of person believes that possessions have an important place in their own satisfaction with life (Belk 1984). For them, happiness is obtained mainly through acquisitions, not from other means (Richins & Dawson 1992). The third dimension is success which refers to individuals who define success by the number and quality of possessions obtained. In this case, materialists "view themselves as successful to the extent they can possess products that project desired images" (Richins & Dawson 1992, p. 304). This type of consumers likes to own things to impress others and believes that achievements in life can be displayed by the acquisition of material possessions (Richins 2004). Therefore, we assume that materialism is positively related to purchase intentions toward luxury counterfeits, and higher materialism leads to more willingness to purchase.

Marketers need to understand the impact of personal influences, social motivations, and product-related characteristics on personal preferences in order to understand counterfeit luxury brands consumers. The current study proposes a framework to investigate factors that influence consumers' willingness to buy counterfeit luxury brands. We choose three factors from these three different

domains separately, which are value-consciousness (personal influence), status consumption (social motivation), and perceived risk (product related feature).

2.3. Status Consumption

Status consumption has been defined as "the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others" (Eastman et al. 1999, p. 42), which is the strongest predictor of purchasing counterfeit luxury brands among other personality factors (Phau & Teah 2009). Wang and Wallendorf (2006) pointed out that high materialistic consumers place more emphasis on public consumption and expensive items, and are more likely to value the public significance of their success and prestige. That is, materialism has a positive relationship with status-seeking (Phau & Teah 2009, Yoo & Lee 2009). Higher statusseeking can be defined as the purchase, use, display and consumption of goods and services as a means of gaining status (Eastman et al. 1997; Mason 1981; Packard 1959; Scitovsky 1992; Veblen 1899). Researchers have found that individuals seek status to increase their power and influence in social relationships (Berger et al. 1977; Lovaglia 1994; Nelissen & Meijers 2011; Ridgeway & Erickson 2000; Thye 2000), gain access to future resources (Huberman et al. 2004; Lin 1990, 1994), and demonstrate their competency and ability to others (Braun & Wicklund 1989; Festinger 1954; Wood 1989). Highly materialistic consumers have a common characteristic that is they want to gain social recognition and increase social status through conspicuous consumption (e.g., Kasser 2016).

Consumers of counterfeited products are more materialistic (Chuchinprakarn 2003; Swami et al. 2009); such as materialism is positively related to purchase intentions of counterfeit luxury fashion products (Yoo & Lee 2009).

Luxury counterfeits can provide consumers with lower prices but the same as genuine items' symbolic values and they enhance their power and social relationships. Kozar and Marcketti (2011) show that purchase intentions of counterfeits are positively correlated with the three dimensions of the material values scale (possession-defined success, acquisition centrality and acquisition for the pursuit of happiness). Although Nil and Ahmet (2015) state that status consumption did not have a

significant effect on the purchase intentions of counterfeit luxury handbags, prior scholars found that status consumption has a strong influence on purchase intentions toward luxury counterfeits (Phau & Teah 2009). So we assume that:

H1: Status consumption has a positive effect on materialism, and it also has a positive effect on purchase intentions toward counterfeit products.

2.4. Perceived Risk

Perceived risk is one of the main explanatory variables of consumer behavior (Mitchell, 1999; Mitchell & Boustani, 1993). It is seen as an important concern when it comes to purchasing decisions, which shows how consumers look for ways to reduce the ambiguities and adverse consequences of purchase decisions (Bauer 1960; Bian & Moutinho 2009; Cox 1967; Mitchell 1999). The perceived risk has a multidimensional structure (Campbell & Goodstein 2001; Mandel 2003; Mitchell & Boustani 1993; Roselius 1971). The current study focuses on three dimensions of perceived risk: financial risk, functional risk, and social risk. Due to high suspicion of performance, consumers may feel more financial risks in buying counterfeit luxury brands than the original luxury brands, so they may lose money (financial risk) due to the purchase of wrong or unreliable products (performance and functional risk) (Bamossy & Scammon 1985; Cordell et al. 1996). Highly materialistic people were more likely than less materialistic people to mention an item's financial worth when describing why it was important to them (Richins 1994). That is, materialists care more about the money issue and use money carefully. However, due to the high symbolic value and social popularity of goods, the most critical risk of buying counterfeit luxury brands is social risk (Nill & Schultz 1996; Wee et al. 1995, p. 22). Some scholars (Laroche et al. 2016) also argue that materialists would have an unfavorable attitude to acquire counterfeits because they are afraid to feel the shame of having the product detected as a counterfeit by others (social risk and functional risk). Social risk is negatively related to purchasing intentions toward counterfeit Rolex and Gucci watches among a varied sample of European consumers (Bian & Moutinho 2009). Similarly, Veloutsou and Bian (2008) found that the fear that counterfeit brands might damage a consumers' self-concept is a strong predictor of negative purchase intentions toward sunglasses knockoffs (Veloutsou & Bian

2008). Highly materialistic consumers reveal a stronger social dominance orientation while feelings of social exclusion have been shown to increase materialistic values (Duriez et al. 2007; Twenge et al. 2007). What is more, few articles mention materialistic persons related to financial risk and functional risk, so we believe that this gap deserves to be researched. Thus, we hypothesize that:

H2: Perceived risk has a positive effect on materialism; however, it has a negative effect on purchase intentions toward counterfeit products.

2.5. Value Consciousness

Value consciousness is defined as a concern for paying lower prices, subject to some quality constraint (Lichtenstein et al. 1990). Value-conscious customers care about higher price/performance ratios; they are also more likely to check and compare the prices of different brands, and try to get the best value for their money (Sharma & Chan 2011, p. 606). Highly materialistic people were more likely than less materialistic people to mention an item's financial worth when describing why it was important to them (Richins 1994). That is, materialists care more about the money issue and use money carefully. Counterfeits of luxury brands are deliberately using the fact that their products are positioned at a lower and more competitive price (Gentry et al. 2006). Consumers will be satisfied if only the basic functional requirements are reached or the visibility and symbolic value is achieved (Eisend & Schuchert-Guler 2006).

Value consciousness is positively related to luxury counterfeit products, since the product quality of counterfeit products has been improving in recent years due to better technological advancements, bringing a competitive advantage to counterfeit products (Nill & Shultz 1996). Also, it is hard to distinguish the differences between counterfeits and genuine products with the naked eye. It has been found that if the perceived product attributes between the genuine and the counterfeit products are similar in terms of quality, the purchase intentions will be higher (Penz & Stottinger 2005; Wee et al. 1995)

Researchers found ambivalent results between value consciousness and purchase intentions. Based on Nil and Ahmet (2015), which indicated that value consciousness had no influence on purchase intentions, Anas and Ayu (2013) concluded that there is a significant and positive

relationship between value consciousness and purchase intentions of counterfeit products. Phau and Teah (2009) said that consumers have an optimistic attitude towards luxury counterfeits which can be explained by the reason that both counterfeits luxury brands and the genuine versions fulfill the same functional benefits, but the knockoffs have same function without the high price. Based on previous studies, we hypothesize:

H3: The positive effect of materialism on purchase intentions toward luxury counterfeits increases with higher level of value-consciousness.

2.6. Cultural Value

Hofstede's cultural values theory has been widely used by scholars (Steenkamp 2011). Hofstede (1991) defines culture as "a kind of spiritual programming that distinguish one group of people from the others". He conducted his research and derived six meaningful cultural dimensions through fiftythree countries worldwide (Hofstede 1991), which are: Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation, and Indulgence (Hofstede, 2001). Researchers have made some efforts to study materialism across cultures. For example, Ger and Belk (1996) studied materialism in a cross-cultural context in six countries (excluding China). They speculate that individuals in developing countries will feel more relative poverty and more materialistic tendencies than those in developed countries. They speculated that individuals in less developed countries would feel a greater sense of relative deprivation and show more materialistic tendencies than those in developed countries. They found that "when there is social, economic, and political upheaval [...] we turn to new and more expansive consumption desires," and that "the most socially and economically dynamic countries show the highest levels of materialism" (p. 73). There are many scholars who researched materialism cross-culturally; however, fewer scholars pay attention to study materialist's purchase intentions toward luxury counterfeit products under different cultural situations. Therefore, the current paper aims to fill this research gap by examining the moderating effects of cultural values.

Collectivism/Individualism

In an individualistic culture, through possessions individuals express their independence, such as style choices and indicators of success, such as the quantity and quality of one's possessions. According to Hofstede's (2001) review of DeMooj's work, individualists are more likely to own conspicuous possessions such as detached houses, pets, and motor homes, and are more likely to participate in do-it-yourself improvement projects. Individualism also refers to people only considering themselves but not considering other members in the society (Hofstede, 1980). Individualists are more concerned with actual-self and personal goals than with socializing themselves, they do not pay attention to others' opinions.

On the other hand, collectivism is defined as "the preference of taking other social members into account when dealing with issues." Collectivistic people seek cooperation, pursue harmonious relationships, and prefer to stay friendly with others (Hui 1984). Mooji and Hofstede (2011) also found that in a collectivist society, people often associate self-esteem with others and are more likely to be seen as an interdependent entity. Materialists would be willing to buy counterfeits to signal success to others, and they might be more inclined to acquire counterfeits as they see possessions as a signal of success (Richins 2004). Success for the collectivist is measured by group success; individuals show a lower tendency to stand out from the group. Thus, high individualism scores are associated with high materialism especially in the success dimension. Therefore, in this research, it is assumed that individualism will moderate the effect of materialism on luxury purchase intentions toward luxury counterfeits:

H4: The positive effect of materialism (success) on purchase intentions toward luxury counterfeits increases with higher levels of individualism.

Long-term/Short-term Orientation

Long term orientation refers to the determination to face up to future challenges. Countries that obtained high scores on this item symbolize that people in that country choose to abandon current profits to gain prospective success (Grimsley 2011). For example, People may resist spending today and buy what they think will make them happier in the future. In other words, they may save today to buy a dream (e.g., a house, or a car), similarly to Tatzel's (2002) save-to-buy consumers. On the

contrary, short-term orientation means people are concerned about current fulfillments rather than future accomplishments. In individual levels, long-term orientation is defined as the acceptance of sacrificing short-term goals or materials in order to achieve long-term success (Hofstede 1980). One of the materialism dimensions is happiness, high-happiness individuals might not save money for the future, because they may strive to gain more possessions and to fulfill short-term goals first. What is more, under today's situation, with the development of the counterfeiting markets, counterfeiting luxury products are no longer cheaper than before, long-term orientation materialistic consumers may prefer to save money for purchasing a genuine item rather than spending less money to buy a counterfeit one. This study indicates that long-term orientation may show as a moderator that negatively influence the relationship between materialism and purchase intentions of luxury counterfeits. In this way:

H5: The positive effect of materialism (happiness) on purchase intentions toward luxury counterfeits decreases with higher level of long-term orientation.

Indulgence/Restraint

Indulgence refers to the desire to enjoy this moment and return to humanity, not to be limited by the social contract. On the contrary, restrained people think that they should outline their life. Lisa (2014) defined "indulgence in the context of consumer choice as allowing oneself to select and enjoy the pleasure from an option that is considered a treat compared with the alternative option(s)". A large range of consumption domains can be selected by people as an indulgent choice (e.g., foods, travel, clothing, personal care), which could include the luxury products or services. Furthermore, consumers also can indulge in relatively smaller but more common ways, such as by buying a designer product, having a nice dinner, ordering a specialty drinks, or eating ice cream or chocolate. Any of these options could be considered an indulgence if the consumer considers the choice a treat. That is, purchasing a luxury counterfeit also can be seen as a personal treat. Materialist's beliefs that happiness is acquired through acquisitions, and materialism is supported as a stereotype of hedonistic self-indulgence. Therefore, materialistic consumers treat possessions as origins of the pleasure, they enjoy purchasing which can bring happiness to them. High-indulgent materialists may ignore all the

risks and release the desires, just buying luxury counterfeits for fun. In this way:

H6: The positive effect of materialism (happiness) on purchase intentions toward luxury counterfeits increases with higher levels of indulgence.

Masculinity/Femininity

This masculinity/femininity dimension is a characteristic of both the values held about—and roles expected of—males and females. Masculinity is defined as the desire for obtaining success and ambition of achieving goals. According to Hofstede (1980), countries with high masculine scores are usually more ambitious and competitive. On the contrary, femininity refers to caring for other members of society, seeking cooperation rather than fierce competition. A less masculine society is more concerned with gender roles (Hofstede 1980). Hofstede also observed that in a work setting, males value "advancement, earnings, training, [and] up-to-datedness," while females value "friendly atmosphere, position security, physical conditions, and manager cooperation" (p. 281). In general, men's values are more specific and relevant to performance, while women's values are more concerned with personal relationships. Similarly, in a very masculine culture, gender roles are more differentiated, whereas in a very feminine culture, gender roles are more similar.

Hofstede (2001) observed that in masculine cultures, status purchases such as jewelry, cars, and travel purchase are made more frequently. This shows that a higher need to "show off", especially for men. Other studies on materialism (Ogden, 2003) support the idea that men are more materialistic than women. Therefore, masculinity is associated with a higher level of overall materialism, especially the dimension of success. Materialists are more inclined to acquire counterfeits as they see possessions as a signal of success (Richins 2004), and they would be willing to purchase counterfeits to signal success to peers. Therefore, we hypothesize that:

H7: The positive effect of materialism (success) on purchase intentions toward luxury counterfeits increases with higher levels of masculinity.

Uncertainty Avoidance

Chang and Arkin (2002) have identified a relationship between materialism and uncertainty in

self-image, as well as in the individual's relation to society. Related to this, Duan (1983, in Chang & Arkin 2002) has observed that an individual can through possessions gain an increased sense of control over life. In other words, material possessions can resolve avoidance of uncertainty. Uncertainty avoidance means that individuals are unwilling to face the uncertainty of the future and are concerned about dealing with uncertainties. To some extent, countries with high scores of uncertainty avoidance usually refer to people afraid of unknown quantities, so that they need beliefs and faiths for their psychological supports. In addition, people scoring high in uncertainty avoidance generally adhere to the standardization process and refuse significant changes. That is, they have strong tendencies for risk aversion. On the contrary, people with low uncertainty avoidance scores are willing to accept challenges (Hofstede 1980). Hofstede (1980) focused on the organizational level of uncertainty and studied how to use rules and strategies to reduce the impact of future uncertainty. He pointed out that at a personal level, the high degree of uncertainty avoidance shows a concern for independent life and finances, health, and money. Individuals with higher scores in uncertainty avoidance would attach great importance to reducing their exposure to such risks; purchasing luxury counterfeits is a kind of risk, so materialists (Laroche et al. 2016) would have an unfavorable attitude to acquire counterfeits because they are afraid to feel shame of having the product detected as a counterfeit by others, and they may feel more financial risks in buying counterfeit luxury brands than the original luxury brands, so they may lose money due to purchase of wrong or unreliable products (Bamossy & Scammon 1985; Cordell et al. 1996). Therefore, we have the hypothesis:

H8: The positive effect of materialism on purchase intentions toward luxury counterfeits decreases with higher levels of uncertainty avoidance.

Power distance

Hofstede (2001) noted that the human species is one that characteristically exhibits dominance behavior and that pecking orders (social inequalities) are natural to us. Hofstede's power distance dimension measures the tolerance or expectation of a culture or an individual for social inequality.

An acceptance of one's status and of what one currently owns is referred to as a higher power

distance score. According to Hofstede (2001, p. 97), "Superiors are seen as superior persons," who are worthy of better possessions, wealth, and status. People with high power distance scores are more likely to accept their lives, which indicates that they are generally lower on materialism and their scores are lower on each materialistic component of Richins and Dawson's (1992) scale. On the contrary, individuals with a low power distance score feel that everyone should be equal in status. The low power distance score indicates that these people are more interested in raising the level of others whom they think are equal to them, and therefore more sensitive to others who they think are outstanding. This comparison with the property and status of others may be associated with a high degree of materialism.

However, another interpretation of the effect of power distance on materialism is possible, which is consistent with Ger and Belk (1996). People with lower economic levels in a high power distance culture may be more sensitive to the high standards of living of others, whether within their own culture or outside their own culture. Hofstede (2001) pointed out that individuals in a high power distance culture are aware of wealth and its relationship to freedom, power, and respect. Therefore, they exhibit a higher level of materialism than those in a low power distance culture. According to this specific research, we assume that:

H9: The positive effect of materialism on purchase intentions toward luxury counterfeits increases with higher levels of power distance.

In this research, the model was split into two main parts in order to better analyze the mediation and moderation effects. In study 1, we mainly focus on testing the impact of personal influences (value-consciousness), social motivations (status-seeking), and product-related characteristics (perceived risk) on counterfeit purchase intentions. In the second part, we concentrate on the moderating effects of cultural values, which influence the relationship between materialism and purchase intentions.

- 3. Study
- 3.1. Study 1

The purpose of Study 1 is to test H1-H3 by introducing value-consciousness as a moderating variable, as well as status-seeking and perceived risk as mediating variables, respectively, in order to resolve previous contradictory findings concerning the relationship between materialism and purchase intentions toward counterfeit products. Additionally, counterfeit bags and watches are target products. These products were selected because they are considered to be goods that are frequently counterfeited (CBP 2015). Figure 1 and Figure 2 illustrate the conceptual models that are applied to analyze the data.

Figure 1. 1

Value-consciousness

Materialis

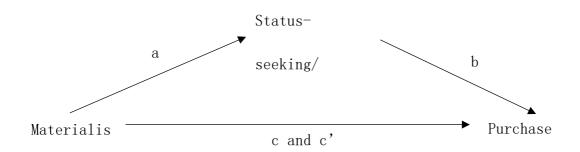
Purchase

Specifically, Figure 1 aims to test the moderating effect; process macro on SPSS version 23 (Hayes 2013) is used to analyze it. In this model, value-consciousness is used to test whether there is an interaction effect between materialism and purchase intentions. Therefore, materialism is an independent variable and purchase intentions is the dependent variable.

In terms of Figure 2, 'a' represents the coefficient of status-seeking/perceived risk on materialism. Likewise, 'b' represents the coefficient of purchase intentions on status-seeking/perceived risk, 'c' represents the direct coefficient of materialism when the mediator is not in the model, 'c' represents the direct coefficient of materialism on purchase intentions when including all three variables in the model. Importantly, 'a*b' represents the indirect coefficient of materialism on purchase intentions through status-seeking/perceived risk. Therefore, an indirect effect will emerge when 'a*b' is significant. In contrast, a direct effect will emerge when 'c' is significant but not 'a*b'. A significant indirect coefficient refers that materialism is associated with purchase intentions because of status-seeking/perceived risk. If the direct coefficient is also significant, this

suggests that there may also be other mediators (not just status-seeking/perceived risk) that influence this relationship. If the direct coefficient is not significant, this suggests a full mediation effect such that status-seeking/perceived risk fully mediates the relationship between materialism and purchase intentions (Zhao et al. 2010). To measure the indirect and direct effects, process macro on SPSS version 23 (Hayes 2013) is used to analyze. The indirect effect of materialism on purchase intentions is calculated by BootLLCI and BootULCI. In order to determine whether this coefficient is significantly different from zero, 95% confidence intervals are calculated with a bootstrapping analysis using 5000 samples with replacement. If the confidence intervals for the indirect effect do not contain a zero between them, the coefficient effect (a*b) is considered significant at the .05 level of significance. In order to mitigate any confusion, a direct effect is when X Influences Y while controlling for a mediating variable which is different from a main effect which is simply the influence of X on Y, regardless of the mediator (path c). In terms of more details about this analysis, readers can refer to Hayes (2013) for more details.

Figure 1.2



3.1.1. Method

In order to test H1-H3, an online survey was administered to a sample of 240 participants located in North America through Amazon's Mechanical Turk (Table 1). In total, 155 participants were males, and 85 were females. All measurements were reported on seven-point Likert scales ranging from strongly disagree to strongly agree. Participants first responded to Richins and Dawson's (1992) 18-item materialism scale. In the second part, we measured participants' opinions

of value consciousness, status consumption, perceived risks and purchase intentions toward counterfeit luxury products. Value consciousness was measured with Lichtenstein et al.'s (1990) scale, status consumption was with Kilsheimer's (1993) scale. Perceived social risk and performance risk used Hsu and Shiue's (2008) scale, perceived financial risk used Stone & Gronhaug's (1993) scale. Finally, purchase intentions were measured with Engizek and Şekerkaya's (2015) scale.

As shown in Table 2, the reliability coefficients of the materialism construct, value-consciousness, status-seeking, perceived risk and purchase intentions are well above the benchmark of .7 indicating that in study 1, the items reliably capture all the constructs in the model. Participants were then told that they found the watch or handbag they like; however, the product is a counterfeit. After exposure to this scenario, participants responded to a purchase intentions scale composed of four items: 'It is very likely I would buy the handbag/watch', 'I would be interested in buying the handbag/watch', 'I would like to own the handbag/watch', and 'I am going to buy counterfeit branded handbags/watches'. These items were adapted and expanded from Engizek and Şekerkaya (2015). They then responded to personal influences (value-consciousness scales), social motivations (status-seeking scales), and product-related characteristics (perceived risk scales) on personal preferences toward counterfeit purchase intentions. Finally, demographic information was collected and participants were thanked for their involvement in the study.

Table 1: Sample Demography(N=240)

		Frequency	Percent
Gender	Male	155	64.6
	Female	85	35.4
	Total	240	100.0
Age	18-25	43	17.9
	26-33	84	35.0
	34-41	64	26.7
	42-49	25	10.4
	>50	24	10.0
	Total	240	100.0
Nationality	Canadian	1	.4
	Chinese	2	.8
	American	163	67.9
	Indian	69	28.7
	British	2	.8
	Others	3	1.3
	Total	240	100.0
Education	High school	27	11.3
	College	41	17.1
	Bachelor	128	53.3
	Master	42	17.5
	Doctorate or higher	2	.8
	Total	240	100.0
Family income	Less than \$25,000	56	23.3
	\$25,000-\$49,999	72	30.0
	\$50,555-\$74,999	65	27.1
	\$75,000-\$99,999	27	11.3
	\$1000,000 or more	20	8.3
	Total	240	100.0

Table 2: Reliability (Constructs, Citations and Cronbach's α)

Constructs	Citation	Used items	Cronbach's α
Materialism	Richins & Dawsons	18	0.93
	(1992)		
Value-Consciousness	Lichtenstein et al.	4	0.76
	(1990)		
Status Consumption	Kilsheimer (1993)	5	0.94
Perceived Risk	Hsu & Shiue (2008);	12	0.93
	Stone & Gronhaug		
	(1993)		
Purchase Intentions	Engizek & Şekerkaya	4	0.96
	(2015)		

3.1.2. Findings

In terms of the mediating effects of status consumption and perceived risk, we use process macro (Hayes 2013) in SPSS (version 23) to execute the mediation effect of materialism and purchase intentions (Table 3).

Table 3: The mediating effect of status consumption in influencing materialism and purchase intentions

Testing paths	p	LLCI, ULCI						
Path c: DV= purchase intention								
R ² =.0718, F=15.3344, p=.0001								
IV= materialism .3939 .1006 3.9159 .0001 (.1957, .5920)								
Path a: DV= status consump	otion							
R ² =.6500, F=452.4353, p=.0	0000							
IV= materialism	1.1443	.0538	21.2705	.0000	(1.0383, 1.2503)			
Path b and c': DV= purchas	e intentio	n						
R ² =.2731, F=7.8485, p=.000	05							
IV: materialism (c')	.2885	.1689	1.7081	.0889	(0442, .6213)			
IV: status consumption (b) .0921 .1228 .7497 .4541 (1499, .3340)								
Total a*b Effect BootSE BootLLCI BootULCI								
	.1054	.1402	1860	.3603				

To detect the mediating role of status consumption in influencing purchase intentions, in terms of SPSS results, we found that a direct effect of purchase intentions on materialism when including all three variables in the model is non-significant (B=.289, p=.089); when the mediator status

consumption is not in the model; however, there is a positive direct effect (B=.394, p=.0001). Moreover, materialism positively predicts status-seeking (B=1.144, p=.0001), but status-seeking cannot predict purchase intentions toward counterfeit luxury products (B=.092, p=.454). In order to determine whether status consumption acts as a mediator, a bootstrapping analysis was implemented to measure the indirect effects (Hayes 2013). As shown in the 'a*b' column in Table 3, when status consumption is entered as a mediator, the indirect effect is .1054, BootLLCI and BootULCI includes 0, so H1 is rejected.

To detect the mediating role of perceived risk in influencing materialism and purchase intentions (Table 4) materialism positively predicts perceived risk (B=.546, p=.000), as predicted, perceived risk has a negative significant effect toward purchase intentions (B=-.638, p=.000). A positive effect of purchase intentions on materialism when including all three variables in the model are significant (B=.743, p=.000), but the t value is 8.2856; when the mediator perceived risk is not in the model, there is a positive direct effect (B=.394, p=.0001), the t value is 3.916 which is less than indirect effect's t value, so we think it has a suppression effect in this relationship. In order to determine whether perceived risk acts as a mediator, a bootstrapping analysis was implemented to measure the indirect effects (Hayes 2013). As shown in the 'a*b' column in Table 4, when perceived risk is entered as a mediator, the indirect effect is -.3486, BootLLCI and BootULCI does not include 0, that is, materialism on purchase intentions toward counterfeit products is negative when mediated by perceived risk. Therefore, H2 is supported.

Table 4: The mediating effect of perceived risk in influencing materialism and purchase intentions

Testing paths B SE t p LLCI, ULCI									
Path c: DV= purchase intention									
R ² =.0718, F=15.3344, p=.0001									
IV= materialism .3939 .1006 3.9159 .0001 (.1957, .5920)									
Path a: DV= perceived risk									
R ² =.2438, F=54.4310, p=.0000									
IV= materialism	.5463	.3420	6.1838	.0000	(1.441, 2.7887)				
Path b and c': DV= pu	rchase in	tention							
R ² =.2463, F=52.3210,	p=.0000								
IV: materialism (c')	.7425	.0896	8.2856	.0000	(.5659, .9190)				
IV: perceived risk (b)	IV: perceived risk (b)6381 .0815 -7.8259 .0000 (7987,4775)								
Total a*b	Total a*b Effect BootSE BootLLCI BootULCI								
	3486 .070350232251								

In terms of the personal influence variable value-consciousness, to test the moderating effect of this variable in influencing the relationship between materialism and purchase intentions, we chose to use "Process" using Model 1 (5,000 samples; Hayes, 2013) in SPSS version 23. In this model, value-consciousness were used to test whether there is an interaction effect between materialism and purchase intentions. Therefore, materialism is an independent variable and purchase intentions is the dependent variable.

Table 5: The moderating effect of value-consciousness in influencing materialism and purchase intentions

Model Summary	R	\mathbb{R}^2	MSE	F	p	
	.3134	.0982	2.8338	8.5687	.0000	
Model	В	se	t	p	LLCI	ULCI
constant	10.8957	3.4022	3.2026	.0015	4.1932	17.5982
MA	-1.5451	.7516	-2.0558	.0409	-3.0258	0644
VC	-1.3562	.5522	-2.4558	.0148	-2.4442	2683
MA*VC	.3200	.1228	2.6057	.0098	.0781	.5619
Conditional effects of	of the focal pre	edictor at va	lues of the mo	derator(s):		
VC	Effect	se	t	p	LLCI	ULCI
5.0000	.0549	.1608	.3414	.7331	2618	.3716
6.0000	.3749	.0923	4.0604	.0001	.1930	.5568
6.7500	.6149	.1238	4.9665	.0000	.3710	.8588

Conditional effects of the focal predictor at values of the moderator, VC is value-consciousness, MA is materialism.

A significant overall regression (Table 5) was found (F = 8.569, p=.000). Research results showed that value-consciousness had a strong interaction that influenced the relationship between materialism and purchase intentions, since it was positively significant (β = .320, p =.01). Therefore, H3 was supported, indicating that customers with higher value-consciousness scores will strengthen the ties between materialism and purchase intentions when compared with customers with high value-consciousness scores. (Table 5).

3.2. Study 2

To test the moderating effects of cultural values in influencing the relationship between materialism and purchase intentions, we chose to use "Process" using Model 1 (5,000 samples; Hayes, 2013). In this model, cultural values were used to test whether there is an interaction effect between materialism and purchase intentions. Therefore, materialism is an independent variable and purchase intentions is the dependent variable. To avoid the multicollinearity problem, both independent variable (materialism) and moderators (individualism, masculinity, power distance, uncertainty avoidance, and indulgence) were standardized. We decided to test the moderating effect of six cultural dimensions separately.

3.2.1. Method

In order to test H4-H9, an online survey was administered to a sample of 217 participants located in North America through Amazon's Mechanical Turk (Table 5). In total, 117 participants were males, and 100 were females. All measurements were reported on seven-point Likert scales ranging from strongly disagree to strongly agree. Participants first responded to Richins and Dawson's (1992) 18-item materialism scale. In the second part, we tested participants' cultural values. This research used 23 items from Yoo's (2011) research to measure cultural dimensions: Power distance (5 items), Individualism (5 items), Masculinity (4 items), Uncertainty avoidance (4 items) and Long term orientation (5 items). To measure the newest cultural dimension indulgence, this research chose to use 8 items from Laroche et al.'s (2017) working paper. Purchase intentions were measured as in study 1. As shown in Table 7, the reliability coefficients of the materialism

construct, cultural values and purchase intentions are well above the benchmark of .7 indicating that in study 2, the items reliably capture all the constructs in the model. Finally, demographic information was collected and participants were thanked for their involvement in the study.

Table 6: Sample Demography(N=217)

		Frequency	Percent
Gender	Male	117	53.9
	Female	100	46.1
	Total	217	100.0
Age	18-25	32	14.7
	26-33	84	38.7
	34-41	51	23.5
	42-49	26	12.0
	>50	24	11.1
	Total	217	100.0
Nationality	Canadian	2	.9
	Chinese	9	4.1
	American	149	68.7
	Indian	54	24.9
	Others	3	1.4
	Total	217	100.0
Education	High school	40	18.4
	College	38	17.5
	Bachelor	103	47.5
	Master	34	15.7
	Doctorate or higher	2	.9
	Total	217	100.0
Family income	Less than \$25,000	55	25.3
	\$25,000-\$49,999	67	30.9
	\$50,555-\$74,999	56	25.8
	\$75,000-\$99,999	21	9.7
	\$1000,000 or more	18	8.3
	Total	217	100.0

Table 7: Constructs, Citations and Cronbach's α

Constructs	Citation	Used items	Cronbach's α
Materialism	Richins & Dawsons	18	0.93
	(1992)		
Purchase Intention	Engizek & Şekerkaya (2015)	4	0.96
Power Distance	Yoo (2011)	5	0.81
Individualism	Yoo (2011)	5	0.92
Masculinity	Yoo (2011)	4	0.89
Uncertainty Avoidance	Yoo (2011)	4	0.86
Indulgence	Laroche et al. (2017)	8	0.84
Long Term Orientation	Yoo (2011)	5	0.87

3.2.2. Findings

To test the moderating role of individualism in influencing the relationship between materialism and purchase intentions, a third interacting variable was created by multiplying the variable individualism and the variable materialism (success dimension). A significant overall regression (Table 8) was found (F = 12.592, p= .0001), with an R of .3881. Research results showed that individualism did not have a strong interaction that influenced this relationship, since it was positively non-significant (β = .0225, p=.643). Therefore, H4 was rejected, suggesting that individualism could not interact in the relationship between materialism and purchase intentions.

Table 8: The moderating effect of individualism in influencing materialism and purchase intentions

Model summary	R	\mathbb{R}^2	MSE	F	p	
	.3881	.1506	2.9742	12.5921	.0000	
Model	В	se	t	p	LLCI	ULCI
constant	2.2562	.9051	2.4926	.0134	.4720	4.0403
SUC	.3374	.2337	1.4434	.1504	1234	.7981
INDI	.0165	.2069	.0797	.9365	3914	.4244
SUC*INDI	.0225	.0485	.4649	.6425	0730	.1181

INDI is individualism, SUC is success dimension of materialism.

To test the moderating role of long-term orientation in influencing the relationship between materialism and purchase intentions, a third interacting variable was created by multiplying the variable long-term orientation and the variable materialism (happiness dimension). A significant overall regression (Table 9) was found (F = 7.501, p= .0001), with an R of .2091. Research results showed that long-term orientation did not have a strong interaction that influenced the relationship, since it was positively non-significant (β = .132, p=.137). Therefore, H5 was rejected, suggesting that long-term orientation could not interact in the relationship between materialism and purchase intentions.

Table 9: The moderating effect of long-term orientation in influencing materialism and purchase intentions

Model summary	R	R ²	MSE	F	p	
	.2091	.0955	3.1671	7.5007	.0001	
Model	В	se	t	p	LLCI	ULCI
constant	5.0631	2.2662	2.2341	.0265	.5960	9.5302
HAP	2013	.4537	4437	.6577	-1.0956	6930
LTG	6316	.4440	-1.4226	.1563	-1.5067	.2435
HAP*LTG	.1320	.0885	1.4911	.1374	0425	.3065

LTO is long-term orientation, HAP is happiness dimension of materialism.

To measure the moderating role of indulgence in influencing the relationship between materialism and purchase intentions toward counterfeit luxury brands, a third interacting variable was created by multiplying the variable indulgence and the variable materialism (happiness dimension). A significant overall regression was found (F = 9.919, p = .000), with an R² of .1226. As expected, research results showed that indulgence has an interaction that influenced the relationship between happiness materialism and purchase intentions, it was significant (β =.179, p = .044). Therefore, H6 was supported, suggesting that customers with higher indulgence scores will strengthen the ties between materialism and purchase intentions when compared with customers with low indulgence scores (Table 10).

Table 10: The moderating effect indulgence in influencing materialism and purchase intentions

Model summary	R	\mathbb{R}^2	MSE	F	p	
	.3501	.1226	3.0725	9.9192	.0000	
Model	В	se	t	p	LLCI	ULCI
constant	4.7215	1.8701	2.5247	.0123	1.0351	8.4078
HAP	3576	.3911	9142	.3616	-1.1285	.4134
INDU	6222	.4327	-1.4381	.1519	-1.4751	.2306
HAP*INDU	.1785	.0881	2.0255	.0441	.0048	.3523
Conditional effects of the focal predictor at values of the moderator:						
INDU	Effect	se	t	p	LLCI	ULCI
3.2500	.2227	.1373	1.6217	.1063	0480	.4933
4.5000	.4458	.1047	4.2573	.0000	.2394	.6523
5.6250	.6467	.1569	4.1208	.0001	.3373	.9560

HAP is happiness dimension of materialism, INDU is indulgence.

To measure the moderating role of masculinity in influencing the relationship between materialism and purchase intentions toward counterfeit luxury brands, a third interacting variable was created by multiplying the variable masculinity and the variable materialism (success dimension). A significant overall regression was found (F = 14.031, p< .0001), with an R² of .1650. As we predicted, research results showed that masculinity did have an interaction that influenced the relationship between success and purchase intentions, it was significant (β =1.093, p=0.025). Therefore, H7 was supported, suggesting that customers with higher masculinity scores will strengthen the ties between materialism and purchase intentions when compared with customers with low masculinity scores (Table 11).

Table 11: The moderating effect of masculinity orientation in influencing materialism and purchase intentions

Model summary	R	\mathbb{R}^2	MSE	F	p	
	.4062	.1650	2.9239	14.0307	.0000	
Model	В	se	t	p	LLCI	ULCI
constant	3.5422	.7194	4.9237	.0000	2.1241	4.9602
SUC	.0653	.1949	.3351	.7378	3189	.4495
MASC	3962	.2101	-1.8857	.0607	8103	.0180
SUC*MASC	.1093	.0485	2.2509	.0254	.0136	.2049
Conditional effects of the focal predictor at values of the moderator(s):						
MASC	Effect	se	t	p	LLCI	ULCI
1.2500	.2019	.1441	1.4011	.1626	0822	.4860
3.5000	.4477	.0912	4.9094	.0000	.2680	.6275
5.5000	.6663	.1315	5.0684	.0000	.4071	.9254

MASC is masculinity, SUC is success dimension of materialism.

To test the moderating role of uncertainty avoidance in influencing the relationship between materialism and purchase intentions, a third interacting variable was created by multiplying the variable uncertainty avoidance and the variable materialism (all dimensions). A significant overall regression (Table 12) was found (F = 14.576, p< .0001), with an R² of .1703. Research results showed that uncertainty avoidance did not have a strong interaction on the relationship, since it was negatively non-significant (β = -.0104, p=.900). Therefore, H8 was rejected, suggesting that uncertainty avoidance could not interact in the relationship between materialism and purchase intentions.

Table 12: The moderating effect of uncertainty Avoidance orientation in influencing materialism and purchase intentions

Model summary	R	\mathbb{R}^2	MSE	F	p	
	.4127	.1703	2.9053	14.5763	.0000	
Model	В	se	t	p	LLCI	ULCI
constant	.8751	.8079	.4840	.6289	-2.6886	4.4387
MA	.6926	.4506	1.5372	.1257	1955	1.5807
UA	.1106	.3426	.3229	.7471	5647	.7859
MA*UA	0104	.0825	1258	.9000	1730	.1522

UA is uncertainty avoidance, MA is materialism.

To measure the moderating role of power distance in influencing the relationship between materialism and purchase intentions toward counterfeit luxury brands, a third interacting variable was created by multiplying the variable power distance and the variable materialism (all dimensions). A significant overall regression was found (F = 18.236, p<.0001), with an R² of .2044. As predicted, research results showed that power distance did have an interaction that influenced the relationship between materialism and purchase intentions, it was significant (β =.174, p=.048). Therefore, H9 was supported, suggesting that customers with higher power distance scores will strengthen the ties between materialism and purchase intentions when compared with customers with low power distance scores (Table 13).

Table 13: The moderating effect of power distance orientation in influencing materialism and purchase intentions

Model summary	R	\mathbb{R}^2	MSE	F	p	
	.4521	.2044	2.7861	18.2364	.0000	
Model	В	se	t	p	LLCI	ULCI
constant	3.7058	1.3409	2.7636	.0062	1.0626	6.3490
MA	0280	.2912	0962	.9235	6021	.5461
PD	6130	.4470	-1.3714	.1717	-1.4940	.2681
MA*PD	.1739	.0874	1.9898	.0479	.0016	.3462
Conditional effects of the focal predictor at values of the moderator(s):						
PD	Effect	se	t	p	LLCI	ULCI
2.0000	.3199	.1488	2.1489	.0328	.0265	.6133
3.0000	.4938	.1172	4.2114	.0000	.2627	.7249
4.8000	.8069	.1927	4.1877	.0000	.4271	1.1867

PD is power distance, MA is materialism.

The following table summarizes multiple regression coefficients for our model testing.

Table 14: Summaries of hypotheses testing

Hypotheses	Unstandardized B	p	Supported or Rejected				
Mediation effect							
H1: status consumption → purchase intentions	.1054	>.05	rejected (marginally)				
H2 : perceived risk → purchase intentions	3486	<.05	supported				
Moderation effect: effect on purchase intentions							
H3: value-consciousness * purchase intentions	.3200	.0098	supported				
H4: success dimension * individualism	.0225	.6425	rejected				
H5: happiness dimension * long-term orientation	.1320	.1374	rejected				
H6: happiness dimension * indulgence	.1785	.0441	supported				
H7: success dimension * masculinity	.1093	.0254	supported				
H8: materialism * uncertainty avoidance	0104	.9000	rejected				
H9: materialism * power distance	.1739	.0479	supported				

4. Discussion

4.1. General discussion

In order to refrain from the action of counterfeit consumption, it is important to understand the specific reasons why customers purchase luxury counterfeit products. This study examines the roles of an individual characteristic (value consciousness), a social motivation (status consumption), a product related feature (perceived risk), and cultural values (six dimensions) on consumers' purchase intentions toward counterfeiting luxury brands. Moreover, previous studies mainly focused on how materialism influences customer's purchase intentions towards luxury counterfeit brands (Phau et al. 2009a, p. 268); however, barely any research looked at the role of cultural values in influencing the relationship between materialism and purchase intentions. This study verifies and expends previous findings by examining these determinants on purchase intentions toward counterfeit luxury products.

In the first part of this study, individual characteristics (value consciousness), social motivation (status consumption), and product related features (perceived risk) were tested, but an unexpected result occurred. In terms of materialism, status consumption did not have a significant effect on the purchase intentions of counterfeit luxury handbag or watch. We found that a direct effect of

materialism on purchase intentions when including all three variables in the model is non-significant. When mediator status consumption is not in the model, however, there is a positive direct effect from materialism to purchase intentions. That is, in our research, status seeking is not a strong predictor of materialism's role in purchase intentions toward luxury counterfeits. Moreover, materialism positively predicts status-seeking, but status-seeking cannot predict purchase intentions toward counterfeit luxury products. Our results confirmed Wang and Wallendorf's (2006) conclusion that high materialistic consumers place more emphasis on public consumption and expensive items, and are more likely to value the public significance of their success and prestige. That is, materialism has a positive relationship with status-seeking. Higher status-seeking can be defined as the purchase, use, display and consumption of goods and services as a means of gaining status (Eastman et al. 1997; Mason 1981; Packard 1959; Scitovsky 1992; Veblen 1899). According to the researchers, the materialistic customers might use other means rather than the purchase of luxury counterfeit products to show off their status consumption; for example, purchasing niche brands designed for high income consumers, living at particular areas where wealthy people also live, and going to places like a golf club, luxury restaurants as a way to reveal their consumption power and social status.

H2 investigates whether perceived risks influence materialistic consumers' purchase intentions of counterfeit luxury products. All of the risk dimensions (social risk, performance risk and financial risk) had influences on purchase intentions. Due to a high suspicion of performance, based on the results, consumers feel more financial risks in buying counterfeit luxury brands than the genuine luxury brands. The reason why perceived functional risk affects the intentions would arise from the fact that most counterfeit luxury products do not have warranties, so if the product is broken, consumers have to repair it by themselves which may cause unexpected money losses. Therefore, our research supports that highly materialistic people are more likely than less materialistic people to mention an item's financial worth when describing why it was important to them (Richins 1994). In other words, materialists care more about the money issue and use money carefully. The most relevant dimension is perceived risk. As handbags and watches are publicly consumed products, they carry more social risk. The explanation for this perceived risk outcome may be that consumers who purchase counterfeit handbags or watches might think that their peers and family members can

notice it, they would feel shame of having the product detected as a counterfeit by others. Our research identifies that materialists would have an unfavorable attitude to acquire counterfeits because they are afraid to feel shame of having the product detected as a counterfeit by others (Laroche et al. 2016). In addition, our results also confirm Veloutsou and Bian's (2008) finding which is the fear of counterfeit brands might damage a consumers' self-concept is a strong predictor of negative purchase intentions toward sunglasses knockoffs.

In terms of individual characteristics, value-consciousness has a strong interaction that influenced the relationship between materialism and purchase intentions. Therefore, our result indicates that customers with higher value-consciousness scores will strengthen the ties between materialism and purchase intentions when compared with customers with low value-consciousness scores which confirms previous findings (Eisend & Schuchert-Guler 2006; Gentry et al. 2006: Penz & Stottinger 2005; Richins 1994; Wee et al. 1995).

In the second part, this research focused on the moderating role of cultural values in influencing the relationship between materialism and purchase intentions. Research results showed that cultural values play an important moderating role. According to our findings, there is no relationship between materialism and purchase intentions when moderated by individualism. So our results failed to verify Ogden and Cheng's (2011) conclusion which supported a negative correlation with collectivism and materialism (positive with individualism). What is more, our findings also confirmed that power distance positively influences the relationship between materialism and purchase intentions, which indicates that materialistic customers (success dimension) with high power distance scores are more constrained when it comes to purchasing intentions toward luxury counterfeit products. Compared with materialistic customers with low power distance scores, they are less likely to purchase luxury counterfeit products. An alternative explanation of the effect of power distance is supported by this result whereby a high power distance score tends to sensitize the individual to differences in wealth, furthermore they might be prone to purchase luxury counterfeits to show off their wealth status or to win "face".

Next, this research confirmed that indulgence has a positive effect on the relationship between materialism (happiness dimension) and purchase intentions. Our research showed that customers

with high indulgence scores tend to constrain their purchasing desires. They might enjoy the feelings of spending less on counterfeits but owning luxury brands has social benefits. On the other hand, customers with low indulgence scores are less likely to make a consumption of counterfeit luxury products, since they are not hedonistic and instead, they tend to be more pragmatic.

This research did not prove that long-term orientation could moderate the effect of materialism (happiness dimension) on purchase intentions, since the result was not significant. Therefore, we could not find that individuals with a long-term orientation, or a Confucian dynamic as Hofstede (2001) described it, would be more likely to pursue higher level goals and be less concerned with material possessions. However, we agree with Ogden and Cheng's (2011) result that a high long-term orientation score do not associate with low materialism. In addition, this research failed to generate a significant result on the moderating role of uncertainty avoidance in influencing the relationship of materialism on purchase intentions. Finally, this research succeeded in confirming the positive effect of masculinity in influencing the relationship of materialism (success dimension) on purchase intentions. A possible reason is that materialism has been seen to be more characteristic of males than females.

In summary, this study presents the following conclusion: It is evident that consumers are likely to purchase counterfeit luxury brands as they perceive a social value, a price value and a functional value. But if their perceived risk is high, they are less likely to buy counterfeits. Furthermore, materialists with high indulgence, high masculinity and high power distance are more likely to purchase luxury counterfeit products.

4.2. Managerial implications

This study examines the role of personal characteristics (value-consciousness), social motivation (status consumption), and product-related features (perceived risk) on consumers' purchase intentions toward counterfeit luxury brands. This study examines some possible determinants on purchase intentions for counterfeit versions of luxury brands and expands on previous researches to some extent.

4.2.1. Ethical implications

This research has ethical implications. The voluntary purchase of counterfeits is unethical because it benefits the buyer and illegal seller at the cost of fewer taxes being paid throughout the supply chain. It also harms legitimate producers, designers and retailers, and potentially poses a risk to public safety. We show that policy makers can motivate materialists to behave more ethically by simply making the purchase context particularly shameful (Davidson, Nepomuceno, & Laroche 2017). In addition, luxury brands producers can use public service advertisements to inform of serious consequences of buying luxury knockoffs by consumers, such as counterfeits can cause many people to lose their jobs.

4.2.2. Practical implications

In terms of practical implications, consumers care about the counterfeit's social risks; especially, we can decrease their purchase intentions through increasing the product's social risks. For example, we can emphasize that luxury counterfeits have a high probability of quality issues, as well as they do not have warranties and return policies. Moreover, consumers risk being punished. There is a policy in European countries, when immigration staff inspect tourists from other countries, if someone is found to carry and use luxury counterfeit goods, he/she will be punished with high fines and forbidden to enter the territory of the original brand producing country for a certain period of time. Materialists' purchase intentions toward luxury counterfeit products derive from their treating counterfeits as genuine brands' low-cost substitutes. In response to this situation, marketers can focus on the promotion of counterfeits and genuine products' differences. Marketers can educate consumers on luxury brand history and products to have a deeper understanding. Consumers' pursuit of luxury brands should not only blindly stay in the pursuit of the logo. Next, in order to satisfy the symbolic consumption of ordinary consumers, luxury brands manufacturers can develop some first-line and second-line affiliate brands on the basis of the original brand to attract brand pursuers with weaker consumption power.

4.2.3. Theoretical contributions

This study also provides important theoretical contributions. As mentioned above, research findings investigating the relationship between materialism and purchase intentions toward counterfeit luxury products are contradictory. Our research demonstrates that the contradictory findings obtained are most likely due to the three factors and cultural values. In addition, we confirm previous finding that materialism has positive effects toward purchase intentions of counterfeit luxury products. By investigating the mediating and moderating effects of these constructs, we can pave way for future research which will investigate whether the findings can be extended to other products and contexts.

5. Limitations and future research

There are several limitations in this research. First of all, due to time and money constraints, we collected our data through the Amazon MTurk platform, and our questionnaires were randomly distributed to participants who use this platform, most of them were American, our Asian participants only account for less than 30%, and a large amount of them were from India. Therefore, researchers need to collect data with a more diversified sample. For instance, future research could collect data in Canada, China, Russia, Europe, Australia and Asia to detect whether the results of the moderating roles of cultural dimension are different from those found in this study. In the questionnaires, we only use one plain sequence of all questions to collect data, it may have potential psychological influences toward participants; so for future research, researchers can switch questions order to avoid the same problem.

It should be remembered that our research only investigated handbags and watches in the context of non-deceptive counterfeiting, although this did not prevent significant results to show up; thus, the results of this study may not be extended to other product categories. Future researchers may investigate different product categories. In particular, comparing these results to more functional products may be interesting, or considering items outside of fashion or apparel such as electronic products. In addition, it is said that counterfeit luxury products sales are increasing on the Internet as well (Simms 2011). So understanding the motivations of consumers to buy online and how it differs

from traditional channels can be important and interesting to learn.

Moreover, alternative research methods of collecting data and different ways of measuring the same constructs can be considered. For example, aside from Richins' (2004) materialism scale, the same construct has been measured by Kasser and Ryan's (1996) Aspiration Index. Likewise, the versions of the materialism scale from Sirgy et al. (2012) can be applied by researchers too; or to combine quantitative and qualitative methods, thereby allowing researchers to obtain insights not easily obtainable with questionnaires (Cohen & Cohen 1996). Additionally, other potential mediators or moderators should be considered to better understand this relationship. For example, other emotions such as fear, joy, anger and sadness might lead materialists to increase (decrease) their intentions to purchase counterfeits in certain boundary conditions (Davidson, Nepomuceno, & Laroche 2017).

Some scholars believe that Hofstede's cultural dimensions are kind of "outdated" in the process of globalization and modernization (Beugelsdijk & Hoorn 2015; Seock & Lin 2011). Seock and Lin (2011) also stated that changes in the external environment, such as the political and economic environments, will lead to changes in individual cultural values. Therefore, for future research, scholars must compare Hofstede's cultural framework and other cultural frameworks and choose the cultural framework that best suits their studies. In addition, future researchers can test the whole effects under different cultural situations not to do the studies separately.

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Appendix

Information and Consent Form

Study Title: Factors Influencing Intention of Materialism to Purchase Counterfeit Luxury Products, a

cross-cultural examination Researcher: Lida Sun

Researcher's Contact Information: (514)690-6975 sunlida0627@gmail.com

Faculty Supervisor: Michel Laroche

Faculty Supervisor's Contact Information: (514)848-2424 ext.2942 mchel.laroche@concordia.ca

Source of funding for the study: You are being invited to participate in the research study mentioned above. This form provides information about what participating would mean. Please read it carefully before deciding if you want to participate or not. If there is anything you do not understand, or if you want more information, please ask the researcher.

- **A. PURPOSE** The purpose of the research is to investigate factors influencing the purchase intention of consumers toward luxury counterfeits purchase intention.
- **B. PROCEDURES** If you participate, you will be asked to complete a number of questions about materialism, purchase intention toward luxury counterfeits, and some elements may affect purchase intention. In total, participating in this study will take 10-15 minutes.
- **C. RISKS AND BENEFITS** There are no risks associated with participating in this research. This research will not benefit you personally.
- **D. CONFIDENTIALITY** We will gather the following information as part of this research: your degree of materialism, elements may affect your purchase intention, and your purchase intention toward luxury counterfeits. We will not allow anyone to access the information, except people directly involved in conducting the research. We will only use the information for the purposes of the research described in this form. The information gathered will be anonymous. That means that it will not be possible to make a link between you and the information you provide. We will not allow anyone to access the information, except people directly involved in conducting the research. We will only use the information for the purposes of the research described in this form. We will protect the information by storing in an encrypted cloud storage and a password-protected computer. Only the researcher and her supervisor have access to the data. We intend to publish the results of the research. However, it will not be possible to identify you in the published results. Should you wish to read about the findings of this research, you can access the published thesis on Concordia University's Open Access website SPECTRUM (https://spectrum.library.concordia.ca/). We will destroy the information five years after the end of the study.
- **E. CONDITIONS OF PARTICIPATION** You do not have to participate in this research, it is purely your decision. If you do participate, you can stop at any time by simply closing your browser. Because the data is anonymous, you cannot withdraw your data from the study once you have submitted the questionnaire. As a compensatory indemnity for participating in this research, you will receive CAD\$3 from your panel provider. If you withdraw before the end of the research, you will receive CAD\$0. The only negative consequence for not participating, stopping in the middle, or asking us not to use your information would be that you will not receive any compensation.
- **F. PARTICIPANT'S DECLARATION** I have read and understood this form. I have had the chance to ask questions and any questions have been answered. I agree to participate in this research under the conditions

described. If you have questions about the scientific or scholarly aspects of this research, please contact the researcher. Their contact information is on page 1. You may also contact their faculty supervisor. If you have concerns about ethical issues in this research, please contact the Manager, Research Ethics, Concordia University, 514.848.2424 ex. 7481 or oor.ethics@concordia.ca.

- o I agree to participate (1)
- o I don't agree to participate (2)

Version 1What is your opinion on the following statements?

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree		
I admire people who own expensive homes, cars, and clothes. (1)	0	0	0	0	0	0	0		
Some of the most important achievements in life include acquiring material possessions. (2)	0		0		0	0	0		
I place much emphasis on the amount of material objects people own as a sign of success. (3)	0		0		0	0			
The things I own say a lot about how well I'm doing in life. (4)	0	\circ	0	0	0	\circ	\circ		
I like to own things that impress people. (5)	0	0	0	0	0	0	0		
I pay much attention to the material objects other people own. (6)	0	\circ	0	0	0	0	\circ		
What is your opinion on the following statements?									
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree		
I usually buy the things I don't need. (1)	0	0	0	0	0	0	0		

I never try to keep my life simple, as far as possessions are concerned. (2)	0	0	0	0	0	0	\circ
The things I own are all that important to me. (3)	0	\circ	\circ	\circ	\circ	\circ	\circ
I enjoy spending money on things that aren't practical. (4)	0	0	0	0	0	0	0
Buying things gives me a lot of pleasure. (5)	0	0	\circ	\circ	\circ	0	\circ
I like a lot of luxury in my life. (6)	0	\circ	0	\circ	\circ	0	\circ
I put more emphasis on material things than most people I know. (7)	0	0	0	0	0	0	0

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I have some things I don't really need to enjoy life. (1)	0	\circ	0	0	0	\circ	0
My life would be better if I owned certain things I don't have. (2)	0	\circ	\circ	0	0	0	0
I would be happier if I owned nicer things. (3)	0	\circ	0	\circ	\circ	\circ	\circ
I'd be happier if I could afford to buy more things. (4)	0	0	0	0	0	0	0

It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like. (5)	0	0	0		0	0	0			
What's your opinion of a product's price and its quality?										
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree			
I am concerned about price and product quality. (1)	0	0	0	0	0	0	0			
I compare prices for the best value for money. (2)	0	0	0	0	0	0	0			
I like to be sure that I get my money worth. (3)	0	0	0	0	0	0	0			
I try to maximize the quality for the money spent. (4)	0	0	0	0	0	0	0			
Do you care about produc	et status?									
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree			
I am interested in new products with status. (1)	0	0	0	0	0	0	0			
A product is more valuable to me if it has some snob appeal. (2)	0	\circ	0	\circ	0	0	0			

I would pay more for a product if it has status. (3)	0	0	0	0	0	0	0
I would buy a product just because it has status. (4)	0	0	\circ	0	0	0	0
The status of a product is relevant to me. (5)	\circ	\circ	\bigcirc	\circ	\bigcirc	\circ	\bigcirc

Would you be concerned about your counterfeit luxury handbag/watch purchase, even if it was made of such quality to be indistinguishable from the actual product?

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I would still feel very worried if someone can detect that I carry a counterfeit branded handbag/watch. (1)	0	0	0	0	0	0	0
Even though I purchased counterfeit handbag/watch, I avoid carrying that handbag/watch in the important social events. (2)	0		0		0		
If my relatives are aware of whether I buy original or counterfeit, I will choose original brands. (3)	0	0	0	0	0	0	0
My family and friends will have negative views on me if they find out I use counterfeit branded handbag/watch. (4)	0				0		

I will not let others know that I use counterfeit branded handbag/watch. (5)	0	0	0	0	0	0	0
Quality of counterfeit which is indistinguishable from the actual product is still low. (6)	0	0	0	0	0	0	0
Counterfeit branded handbag/watch does not have all functions of original one. (7)	0	0	0	0	0	0	0
Counterfeit branded handbag/watch cannot be repaired if damaged. (8)	0	0	0	0	0	0	0
Purchasing a counterfeit branded handbag/watch is a bad way to spend my money. (9)	0	0	0	0	0	0	0
If I bought counterfeit branded handbag/watch I would be concerned that the financial investment I make would not be wise. (10)	0	0	0	0	0	0	0
If I bought counterfeit branded handbag/watch I would be concerned that I really would not get my money's worth from this product. (11)	0	0	0		0		0

Purchasing a counterfeit branded handbag/watch is a financial lose. (12)		0	0	0	0	0	0
Imagine that you are de handbag/watch that you could detect that they are	want; how	ever, they a		_			
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
It is very likely I would buy the handbag/watch. (1)	0	0	0	0	0	0	0
I would be interested in buying the handbag/watch. (2)	0	0	0	0	0	0	0
I would like to own the handbag/watch. (3)	0	0	0	0	0	\circ	0
I am going to buy counterfeit branded handbags/watches. (4)	0	0	0	0	0	0	0
Q1 What is your gender?							
O Male (1)							
Female (2)							
Q2 What is your age?							
O 18-25 (1)							
O 26-33 (2)							

O 34-41 (3)
O 42-49 (4)
○ >50 (5)
Q3 What is your nationality?
Canadian (1)
Chinese (2)
O French (3)
O British (4)
O American (5)
O Indian (6)
Others (7)
Q4 What is your educational level?
O High school (1)
College (2)
O Bachelor (3)
Master (4)
O Doctorate or higher (5)

Q5 What is your family i	ncome level?
O Less than \$25,000	(1)
\$25,000-\$49,999	(2)
\$50,000-\$74,999	(3)
\$75,000-\$99,999	(4)

Thanks for your participation!

\$100,000 or more (5)

Version 2What is your opinion on the following statements?

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree		
I admire people who own expensive homes, cars, and clothes. (1)	0	0	0	0	0	0	0		
Some of the most important achievements in life include acquiring material possessions. (2)	0	0	0	0	0	0	0		
I place much emphasis on the amount of material objects people own as a sign of success. (3)	0	0	0	0	0	0	0		
The things I own say a lot about how well I'm doing in life. (4)	0	0	0	0	0	0	0		
I like to own things that impress people. (5)	0	0	0	0	0	\circ	0		
I pay much attention to the material objects other people own. (6)	\circ	0	\circ	0	\circ	\circ	\circ		
What is your opinion on the following statements?									
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree		
I have some things I don't really need to enjoy life. (1)	0	0	0	0	0	0	0		

My life would be better if I owned certain things I don't have. (2)	0	0	0	0	0	0	0
I would be happier if I owned nicer things. (3)	0	\circ	\circ	\circ	\circ	\circ	\circ
I'd be happier if I could afford to buy more things. (4)	0	0	0	0	0	0	0
It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like. (5)	0	0	0	0	0	0	0

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I usually buy the things I don't need. (1)	0	0	0	0	0	0	0
I never try to keep my life simple, as far as possessions are concerned. (2)	0	0	0	0	0	0	0
The things I own are all that important to me. (3)	\circ	\circ	\circ	\circ	\circ	0	\circ
I enjoy spending money on things that aren't practical. (4)	0	0	0	0	0	0	0
Buying things gives me a lot of pleasure. (5)	0	\circ	0	\circ	0	\circ	\circ

I put more emphasis on material things than most people I know. (7)	\circ

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
People in high positions intend to make more decisions without consulting people in low positions. (1)	0	0	0	0	0	0	0
People in high positions should not ask opinions from people in low positions too frequently. (2)	0	0	0	0	0	0	0
People in high positions should not make social interactions with people in low positions. (3)	0	0	0	0	0	0	0
People in lower positions should not disagree with decisions made by people in high positions. (4)	0				0	0	0
People in high positions should not	0	\circ	\circ	\circ	\circ	\circ	\circ

delegate important missions to people in low positions. (5)

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Individuals should sacrifice their self-interest for the group.	0	0	0	0	0	0	0
(1) Individuals should stick with the group even through difficulties. (2)	0	\circ	0	0	0	0	0
Group success is more important than individual success. (3)	0	0	0	0	0	0	0
Group welfare is more important than individual rewards. (4)	0	0	0	0	0	0	0
Group loyalty should be advocated even if individual goals would suffer. (5)	0	0	0	0	0	0	0
What is your opinion on	the followi	ng statement	ts?				
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I think I am a person that is careful about managing money. (1)	0	0	0	0	0	\circ	0
I insist absolutely on what I want despite opposition. (2)	0	0	0	0	0	0	0

I am a person with long-term planning. (3)	0	0	0	0	0	0	0
I give up today's fun for future success. (4)	\circ	\circ	\circ	\circ	\circ	0	\circ
I am working hard for success in the future. (5)	\circ	0	0	0	0	0	0
What is your opinion on	the followir	ng statement	es?				
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
It is more necessary for men to have professional occupations than it is for women. (1)	0	0	0	0	0	0	0
Men usually solve problems with logical analysis, women solve problems by intuition. (2)	0	0	0	0	0	0	0
There are some occupations that man can always do better compared with women. (3)	0	0	0	0	0	0	0
It is typical for men to solve difficult problems since they have active and	0	0	0	0	0	0	0

forcible

(4)

approaches.

What is your opinion on	the followi	ng statement	s?				
, and to your opinion on	Strongly	Disagree			Somewh at agree	Agree	Strongl y agree
It is important to have							
instructions spelled out							
in detail so that I							
always know what I am							
expected to do. (1)							
It is important to							
closely follow							
instructions and							
procedures. (2)							
Rules and regulations							
are important to me							
because they inform							
me of what is expected							
of me. (3)							
Standardized work							
procedures are helpful							
for me. (4)							
What is your opinion on	the followi	na statement	s?				
what is your opinion on	Strongly	Disagree	Somewhat	Neither	Somewhat	Agree	Strongly
	disagree	Disagree	disagree	agree nor	agree	115100	agree
	aisagive		ansagree	disagree	ugree		agree
I have the liberty to							
live my life as I please.						\circ	
(1)							
I seek every chance I							
can to have fun. (2)		\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
Feeling and desires							
related to						\circ	
merrymaking with							
friends should be							
gratified freely. (3)							
There should not be							
any limits on		\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc

individuals' enjoyment. (4)

Societies should value relatively free gratification of desires and feelings. (5)	0	0	0	0	0	0	0
Gratification of desires should not be delayed. (6)	0	0	0	0	\circ	0	0
Positive feelings should not be restricted. (7)	\circ	\circ	0	\circ	\circ	0	\circ
Desires, especially with respect to sensual pleasure should not be suppressed. (8)	0	0	0	0	0	0	0
Imagine that you are de handbag/watch that you could detect that they are	want; how	ever, they a	-	· ·	•	•	
·	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
It is very likely I would buy the handbag/watch. (1)	0	0	0	0	0	0	0
I would be interested in buying the handbag/watch. (2)	0	0	0	0	0	0	0
I would like to own the handbag/watch. (3)	0	\circ	\circ	\circ	\circ	0	\circ
I am going to buy counterfeit branded handbags/watches. (4)	0	0	\circ	0	0	0	0
Q1 What is your gender?	•						
O Male (1)							
Female (2)							

Q2 What is your age?
O 18-25 (1)
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Q5 What is your family i	ncome level?
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\$25,000-\$49,999	(2)
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\$75,000-\$99,999	(4)
\$100,000 or more	(5)

Thanks for your participation!