

Non-Deceptive Counterfeiting, Islamic Values and Customer's Purchase Intentions

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Abstract

Counterfeiting is a serious phenomenon threatening the global economy. It is also one of the practices deemed objectionable in Islam. This study focuses on the demand side of the counterfeiting by looking at factors underlying the consumer's intention toward counterfeit fashion products. The study proposes a model to illustrate how Islamic values, attitudes and subjective norms impact customer's intention towards counterfeit luxury fashion products in Saudi Arabia. Correlations, factor analysis and linear regression analysis on a sample of 408 counterfeiters buyer and non-buyer customers have been used. The findings report significant and positive relationship between attitudes and intentions, as well as between subjective norms and intentions. Islamic values were hypothesized to negatively affect intentions, but the hypothesis was rejected. However, further studies with greater sample size and broader geographical scope are needed to clarify this finding.

Keywords: Counterfeit, Islamic Values, Attitudes, Subjective Norms.

Introduction:

Over the past years, counterfeiting and piracy have grown tremendously to a point where they have become a global phenomenon with widespread social, economic, and political effects¹. Because of the clandestine nature of counterfeiting, the scope and magnitude of counterfeiting effects are widespread. The International Anti-Counterfeiting Coalition (IACC) project further growth due to globalization, advances in technology, increased international trade, growth in brands, and the shift in organized crime activity to this direction. In 2015, IACC estimated that the scale of counterfeiting and pirated goods reached global value of USD\$1.77 trillion².

Counterfeit products are spreading in multiple industries, from fashion apparel and luxury goods, leisure goods, food, computer software, automobile parts, to pharmaceuticals and illegal drugs (e.g. marijuana and heroin)³.

It is also important to study the issue of counterfeit from an Islamic point of view. Islam does not permit the use of deception and it is condemned in many verses of Quran and Sayings of Prophet (PBUH). The Prophet (PBUH) said that "whoever cheated is not one of us".

There is a need to understand how and why counterfeiting has a severe impact on consumers' choices⁴. Early efforts in counterfeit studies have neglected the demand

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¹ Swami, V., Chamorro-Premuzic, T. and Furnham, A. Faking it: Personality and Individual Difference Predictors of Willingness to Buy Counterfeit Goods. *The Journal of Socio-Economics*, 38(5), (2009), 820-825.

² IACC.ORG. Counterfeiting Statistics. [online] Available at: <http://www.iacc.org/counterfeiting-statistics> [Accessed 3 Mar. 2015].

³ Organization for Economic Cooperation and Development, *The Economic Impact of Counterfeiting and Piracy: Executive Summary*, (Paris: OECD, 2009).

side of the issue⁵. Most of the prior research was focused on the legal area^{6,7,8,9,10}, anti-counterfeiting strategies^{11,12,13,14}, the economic consequences, and the supply side (e.g. the marketing skills and product category). But there is a relative incipience when it comes to the consumer's perspective on the issue. Furthermore, there is a dearth of consensus in the literature when it comes to drivers underlying the demand for counterfeit goods^{15,16}.

This study focuses only on the demand side of the counterfeiting phenomenon. It looks at factors underlying the consumer's intention toward counterfeit fashion products. The proposed model is tested to illustrate how Islamic Values attitudes and subjective norms impact customer's intention towards counterfeits in Saudi Arabia. To better understand the phenomenon, this study is limited to the non-deceptive purchasing of counterfeits that, unlike deceptive counterfeiting, refer to a situation where customers purchase a product while fully aware the product is a counterfeit and not authentic.

This study examines factors underlying the purchase intention of non-deceptive counterfeit fashion products. The objective is to identify possible existing relationships between variables of Islamic Values, attitudes, subjective norm and purchase intention. In exploring the relationships, this paper therefore looks not only into the interaction between Islamic Values, attitudes, subjective norms and purchase intention, but also reflects the overall Saudi consumers' attitude toward counterfeit luxury apparel.

The objective of the study is to examine factors underlying the purchase intention of non-deceptive counterfeit fashion products. The objective is to identify

⁴ Wang, Y. and Song, Y. Counterfeiting: Friend or Foe of Luxury Brands? An Examination of Chinese Consumers' Attitudes Toward Counterfeit Luxury Brands. *Journal of Global Marketing*, 26(4), (2013), 173-187.

⁵ Veloutsou, C. and Bian, X. A Cross-National Examination of Consumer Perceived Risk in the Context of Non-Deceptive Counterfeit Brands. *Journal of Consumer Behavior*, 7(1), (2008), 3-20.

⁶ Bikoff, J. L. Counterfeiters of Industrial Products Posing New Threats to Industrial Buyers. *Management Review*, 72(11), (1983), 32-34.

⁷ Globerman, S. Addressing International Product Piracy. *Journal of International Business Studies*, (1988), 497-504.

⁸ Chaudhry, P. E. and Walsh, M. G. An Assessment of the Impact of Counterfeiting in International Markets: The Piracy Paradox Persists. *The Columbia Journal of World Business*, 31(3), (1996), 34-48.

⁹ Nill, A., and Shultz, C. J. The Scourge of Global Counterfeiting. *Business Horizons*, 39(6), (1996), 37-42.

¹⁰ Lai, K. K. Y., and Zaichkowsky, J. L. Brand Imitation: Do the Chinese have Different Views? *Asia Pacific Journal of Management*, 16(2), (1999), 179-192.

¹¹ Harvey, M. G., and Ronkainen, I. A. International Counterfeiters-Marketing Success Without the Cost and the Risk. *Columbia Journal of World Business*, 20(3), (1985), 37-45.

¹² Bush, R.F., Bloch, P.H. and Dawson, S. Remedies for Product Counterfeiting. *Business Horizons*, 32(1), (1989), 59-66.

¹³ Shultz, C. J., and Saporito, B. Protecting Intellectual Property: Strategies and Recommendations to Deter Counterfeiting and Brand Piracy in Global Markets. *The Columbia Journal of World Business*, 31(1), (1996), 18-28.

¹⁴ Delener, N. International Counterfeit Marketing: Success without Risk. *Review of Business*, 21(1/2), (2000), 16-42.

¹⁵ De Matos, Augusto, C., Trindade Ituassu, C. and Vargas Rossi, C. Consumer Attitudes Toward Counterfeits: A Review and Extension. *Journal of Consumer Marketing*, 24(1), (2007), 36-47.

¹⁶ Faria, A. Consumer Attitudes Towards Counterfeit Goods: The Case of Canadian and Chinese Consumers. *Journal of Consumer Marketing*, 31(1), (2013), 21-39.

possible existing relationships between variables of Islamic Values, attitudes, subjective norms and purchase intention. The purpose of this paper is to expose the behavior of customers' choice to buy counterfeits, and understand the underlying causes behind it. The main objective is to find out if the commitment to Islamic values plays any role in determining the demand for counterfeit products. We do that by examining the effect of Islamic Values, attitudes, and subjective norms on customers' intention towards buying counterfeit luxury apparel by testing a model that replicate and extend previous counteracting literature. We seek to extend previous work done in this area by applying attention particularly on variables that other researchers like^{17,18, 19,20,21,22} have proposed conducting further investigation on them in order to identify variability, or confirm relevancy.

The focus of this study is on the demand side of the counterfeiting phenomenon. It looks at the consumers' non-deceptive purchasing of counterfeit luxury apparel that unlike deceptive counterfeiting, refers to a situation where customers purchase a product while fully aware the product is a counterfeit and not authentic. The study also limits its scope to only luxury fashion counterfeited goods (the identical imitation of a product with registered trademark), not knock-offs (products that do not have identical brand names but in overall resemble similar appearance to well-known products), grey market goods (genuine products sold in a market without the consent of the owner of the trademark), or copyright infringement (piracy or the unauthorized use, copy, or distribution of protected artistic works like art and music). This study focuses on the relationships among variables of attitudes, Islamic Values, and subjective norms in examining the intention for buying counterfeit goods.

The act of counterfeiting harms not only the rightful owners of the authentic brand names; it is also responsible for billions of dollars lost in taxes and sales^{23,24}. It also represents a real threat to the local communities that are affected by job losses and many economic and health ramifications²³. Furthermore, counterfeiting has been found to support in funding organized crime and terrorism²⁵. Counterfeiting is also prohibited from Islamic point of view because it falls under cheating. This work aims to extend existing knowledge and furthering the understanding of counterfeit buying behavior. It helps fill the gap in counterfeit literatures by conducting the study in Saudi context being

¹⁷ Vida, I. Determinants of Consumer Willingness to Purchase Non-Deceptive Counterfeit Products. *Managing Global Transitions*, 5 (3), (2007), 253-270.

¹⁸ Eisend, M. and Schuchert-Güler, P. Explaining Counterfeit Purchases: A Review and Preview. *Academy of Marketing Science Review*, 12(6), (2006), 1-25.

¹⁹ Koklic, M.K. Non- Deceptive Counterfeiting Purchase Behavior: Antecedents of Attitudes and Purchase Intentions. *Journal of Applied Business Research*, 27(2), (2011), 127-137.

²⁰ Faria, A. Consumer Attitudes Towards Counterfeit Goods: The Case of Canadian and Chinese Consumers. *Journal of Consumer Marketing*, 31(1), (2013), 21-39.

²¹ Hidayat, A., and Diwasasri, A. H. A. Factors Influencing Attitudes and Intention to Purchase Counterfeit Luxury Brands among Indonesian Consumers. *International Journal of Marketing Studies*, 5(4), (2013), 143.

²² Zhou, Y., and Lu, C. Construction of Buying Intention Model on Counterfeit Luxury Goods Based on Motivation of Consumption. *Studies in Asian Social Science*, 2(1), (2015).

²³ Maier, T. Counterfeit Goods Pose Real Threat. *Insight on the News*, 2003, 21.

²⁴ Yang, C. Out! Out! Damned Knockoffs. *Business Week*, 11(6), (1995).

²⁵ Lowe, P. Counterfeiting: Links to Organized Crime and Terrorist Funding. *Journal of Financial Crime*, 13(2), (2006), 255-257.

an Islamic country, which has not been studied before. That can also help local marketers and businesses to understand the Saudi customer.

The industry professionals, governments and manufacturers, will benefit from the findings that look at the counterfeiting phenomenon from the demand side, especially in designing anti-counterfeiting initiatives to influence intentions of customers. Only when governments understand what drives the customers toward these illegal activities, they can develop effective programs to educate and protect the society from the dangers of counterfeiting and piracy.

The key terms of this paper are defined as follows:

- Counterfeit goods: The unauthorized, identical imitation of a product with registered trademark.²⁶
- Grey market goods: genuine products sold in a market without the consent of the owner of the trademark.²⁷
- Copyright infringement: piracy or the unauthorized use, copy, or distribution of protected artistic works like art and music.²⁸
- Behavioral intention: the perceived likelihood or probability of an individual to engage in a certain behavior.
- Attitudes: an individual's belief and feeling that a certain behavior or act makes a positive or negative contribution to that person's life.
- Islamic Values: "the extent of issue-related Islamic imperative in a situation".²⁹
- Subjective norms: "the perceived social pressure to perform or not to perform the behavior".³⁰

The rest of the paper is organized as follows: Section 2 provides a comprehensive literature review related to the problem. Section 3 contains methodology and procedures used to obtain data. Section 4 presents the empirical analysis including results and findings. Section 5 includes discussion and conclusions.

The Literature Review:

Vida has developed a conceptual model of consumers' general willingness to purchase three different counterfeit products (T-shirts, computer software, and watches) based on the effects of various socio-economic and socio-psychological characteristics. The main findings showed that attitudes and perceptions of social consequences significantly affect willingness to purchase counterfeit t-shirts and watches, but not computer software. Innovativeness is also found to be significantly and positively related to consumers' willingness to purchase counterfeit software and a counterfeit watch but

²⁶ De Matos, Augusto, C., Trindade Ituassu, C. and Vargas Rossi, C. Consumer Attitudes toward Counterfeits: A Review and Extension. *Journal of Consumer Marketing*, 24(1), (2007), 36-47.

²⁷ Lipner, S. Trademarked Goods and their Gray Market Equivalents: Should Product Differences Result in the Barring of Unauthorized Goods from the US Markets? *Hofstra Law Review*, 18: (1990), 1019-1055.

²⁸ Arai, Y. and Kinukawa, S. Copyright Infringement as User Innovation. *Journal of Cultural Economics*, 38(2), (2013), 131-144.

²⁹ Jones, T.M. Ethical Decision Making by Individuals in Organizations: An Issue contingent Model. *Academy of Management Review*. 16, (April 1991), 366-95.

³⁰ Ajzen, I. The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 50(2), (1991), 179-211.

not a fake t-shirt. The study also concludes that females and religious consumers are less likely to consume counterfeits.³¹

Penz and Stöttinger explored the purchase intention and attitudes toward buying counterfeit products by examining the impact of attitudes, subjective norms, personality traits and accessibility. The study found that the attitude towards counterfeiting, subjective norms, perceived behavioral control, and self-identity positively affect purchase intentions. And subjective norms, personality traits and access to counterfeits influence the attitudes towards counterfeiting. However, price consciousness had no impact.³²

Phau et al. examined how social and personality factors influence the consumers' attitudes towards counterfeits of luxury brands and how these variables influence purchase intention. The findings revealed that attitude towards counterfeiting of luxury brands was found to significantly influence purchase intention. Integrity and status were also strong influencers of purchase intention. Whereas normative susceptibility, information susceptibility, personal gratification, value consciousness, novelty seeking had weaker influencing relationships.³³

Swami et al. examined the customers' willingness to buy counterfeit goods by studying factors of attitudes towards counterfeiting, material values, the Big Five personality traits, and demographics. The results showed that attitudes towards counterfeiting were the strongest predictors of intention, as well as material values (predicted intention both directly and indirectly through attitudes). In addition, there were no sex differences in the intentions to buy counterfeits. However, older participants had lower willingness to buy counterfeits.³⁴

Cheng et al. conducted a study to examine factors affecting consumer purchase intention for counterfeit products, based on the "Theory of Planned Behavior" with the additional factor of perceived financial control. Subjective norms were found to exert the greatest impact on customer intention to purchase counterfeits. Attitudes and perceived behavioral control are also found to affect, positively, the behavioral intention. While perceived financial control was found to negatively affect intentions.³⁵

Koklic published a paper where the intentions to buy counterfeits was assessed by the consumers' attitudes, Islamic Values and perceived risk. The study concluded that attitudes towards purchasing counterfeits was influenced by Islamic Values and perceived risk, and the intention to buy counterfeits was influenced by consumers' unfavorable

³¹ Vida, I. Determinants of Consumer Willingness to Purchase Non-Deceptive Counterfeit Products. *Managing Global Transitions*, 5 (3), (2007), 253-270.

³² Penz, E., and Stöttinger, B. Forget the "Real" Thing-Take the Copy! An Explanatory Model for the Volitional Purchase of Counterfeit Products. *Advances in Consumer Research*, 32, (2008), 568-589.

³³ Phau, I., Teah, M., and Lee, A. Targeting Buyers of Counterfeits of Luxury Brands: A Study on Attitudes of Singaporean Consumers. *Journal of Targeting, Measurement and Analysis for Marketing*, 17(1), (2009), 3-15.

³⁴ Swami, V., Chamorro-Premuzic, T. and Furnham, A. Faking it: Personality and Individual Difference Predictors of Willingness to Buy Counterfeit Goods. *The Journal of Socio-Economics*, 38(5), (2009), 820-825.

³⁵ Cheng, S.I., Fu, H.H. and Cam, L.T. Examining Customer Purchase Intentions for Counterfeit Products based on a Modified Theory of Planned Behavior. *International Journal of Humanities and Social Science*, 1(10), (2011), 278-284.

attitude toward counterfeiting and perceptions of risk involved. The impact of Islamic Values on purchase intention was not confirmed.³⁶

Jalalian and Mahboobi investigated the impact of non-price factors on consumers' attitude and purchase intention toward counterfeiters of luxury brands. The determinants included price-quality inference, risk averseness, perceived risk, integrity, personal gratification, and subjective norms. The results indicated that perceived risk and subjective norms have the most influence on buying intention and attitudes toward counterfeiting.³⁷

Triandewi and Tjiptono examined the impact of consumer attitudes, past purchases, and personal characteristics on consumer intention to purchase original luxurious fashion brands and their counterfeits. The results indicated that most antecedents (except materialism and self-image) had significant influences on purchase intention of original brands, with past purchases and personal characteristics being the most significant predictors of consumer intention to buy counterfeits.³⁸

Faria explored the factors of Islamic Values, materialism, subjective norms, and ethnic identity and their effect on purchase intentions and attitudes toward luxury counterfeit products. The sample consisted of two groups: Canadian consumers and Chinese consumers. In both ethnic groups, Islamic Values was not found to have a significant relationship with intentions, and neither did materialism. However, subjective norms were found to have a significant, positive effect on intention. The influence of subjective norms was greater in Chinese sample compared to the Canadian sample.³⁹

Hidayat and Diwasasri examined the antecedents of attitudes towards counterfeiting products and their impact on the purchase intention of counterfeits. The research mainly focused on social and personal factors towards consumer attitudes to buy counterfeit product. Results showed that personal and social factors (including subjective norms and attitudes) were found to negatively affect attitudes towards counterfeit products, but positively affect the purchase intention.⁴⁰

Rizwan et al. examined the consumers' purchase intention toward counterfeits through the effects of attitudes, subjective norms, and price. The finding indicated that, price, previous experience and subjective norms and attitudes positively affect consumer purchase intention towards purchasing counterfeits.⁴¹

³⁶ Koklic, M.K. Non- Deceptive Counterfeiting Purchase Behavior: Antecedents of Attitudes and Purchase Intentions. *Journal of Applied Business Research*, 27(2), (2011), 127-137.

³⁷ Jalalian, M., & Mahboobi, H. New Corruption Detected: Bogus Impact Factors Compiled by Fake Organizations. *Electronic physician*, 5(3), (2013), 685-686.

³⁸ Triandewi, E., and Tjiptono, F. Consumer Intention to Buy Original Brands versus Counterfeits. *International Journal of Marketing Studies*, 5(2), (2013), 23.

³⁹ Faria, A. Consumer Attitudes Towards Counterfeit Goods: The Case of Canadian and Chinese Consumers. *Journal of Consumer Marketing*, 31(1), (2013), 21-39.

⁴⁰ Hidayat, A., and Diwasasri, A. H. A. Factors Influencing Attitudes and Intention to Purchase Counterfeit Luxury Brands among Indonesian Consumers. *International Journal of Marketing Studies*, 5(4), (2013), 143.

⁴¹ Rizwan, M., Ali, A., Anjum, H., Naseer, M., Majeed, Z., Ali, M. A., and Anwar, A. Consumer's Purchase Intention towards Counterfeit Mobile Phones. *Journal of Public Administration and Governance*, 4(3), (2014), 41-75.

Naz and Sabir investigated the determinant of customers' buying intention towards counterfeit product by focusing on the effect of attitudes towards the buying intention for counterfeit products. Results revealed that attitude positively and significantly influenced the customers' buying intentions towards counterfeit products.⁴² Zhou and Lu in their study focused on the motivation behind the buying intention of counterfeit Luxury goods by two sets of motivations: social and personal motivations. The results showed that only past purchases and attitudes had significant positive impact on consumer intention to buy counterfeits.⁴³

Rahman et al. in their research examined the determinants of consumers' willingness to buy counterfeit brands based on the variables of fashion changes, trialability, quality, and household consumption. The study found that fashion changes, trialability, superior quality and household usability had positive effect on attitudes toward counterfeit. While superior quality and household usability of counterfeits had positive effect on intentions.⁴⁴

Jaiyeoba et al. examined the influence of antecedents of attitudes toward fashion counterfeit among Batswana college students and its relationship to purchase intention of counterfeit products. The research mainly discussed the effect of social factors and personality factors toward youth consumer attitudes to buy counterfeit product. The analysis using path coefficient analysis shows that social and personality factors have mostly significant impact towards attitudes. The study also found out that social factors and value consciousness have significant and positive relationship with purchase intention towards counterfeit fashion products among Batswana college students.⁴⁵

Patiro and Sihombing carried out a research to test the ability of an extended theory of planned behavior (TPB) in hope of predicting the purchase intention of counterfeit products. They added Value Consciousness and Past Behavior are variables into the TPB. Using structural equation modeling (SEM) they concluded that past behavior have positive influences on attitudes toward counterfeits, on social norms toward counterfeits, and on perceived behavioral control toward counterfeit products. Furthermore, attitude toward counterfeit product, social norms, and perceived behavioral control were found to positively influence intention to buy counterfeit products.⁴⁶

Chiu and Leng compared the purchase intention of counterfeit sporting goods between Singaporean and Taiwanese students using the Theory of Planned Behavior. The study also included brand consciousness as another independent variable to the model. The results showed that consumers' attitude, subjective norm, and brand consciousness

⁴² Naz, H. N. and Sabir, M. How Attitude Influences the Customers' Buying Intentions for Counterfeit Tablet PC: A Study of a Computer Market in Central Punjab, Pakistan, (2014).

⁴³ Zhou, Y., and Lu, C. Construction of Buying Intention Model on Counterfeit Luxury Goods Based on Motivation of Consumption. *Studies in Asian Social Science*, 2(1), (2015).

⁴⁴ Rahman, K., Mulye, R., and Laud, G. Fakes and Fashion: Understanding the Counterfeit Crisis in the Middle East. *European Advances in Consumer Research*, 10: (2013), 90-94.

⁴⁵ Jaiyeoba, O.O., Marandu, E.E., Kealesitse, B. and Opeda, F.O. Factors Influencing Attitudes and Purchase Intention of Fashion Counterfeits among Batswana College Students. *Journal of Business Theory and Practice*, 3(2), (2015), 178.

⁴⁶ Patirol, S.P.S. and Sihombing, S., Predicting Intention to Purchase Counterfeit Products: Extending the Theory of Planned Behavior. *International Research Journal of Business Studies*, 7(2). (2016), 109-120.

were predictive of purchase intention for both countries, whereas perceived behavioral control had an effect only among Taiwanese students.⁴⁷

Shunmugam investigated the intention of purchasing authentic luxury brands versus counterfeit products in South Africa. The study examine the consumer past behavior, consumer attitudes towards economic and hedonic benefits, materialism, perceived future social status and self-image and how they affect the purchase intention to purchase counterfeit luxury brands or originals. The results showed strong positive relationship between attitudes toward counterfeits and the intention of buying counterfeits, as well as between past behavior and intention of buying counterfeits.⁴⁸

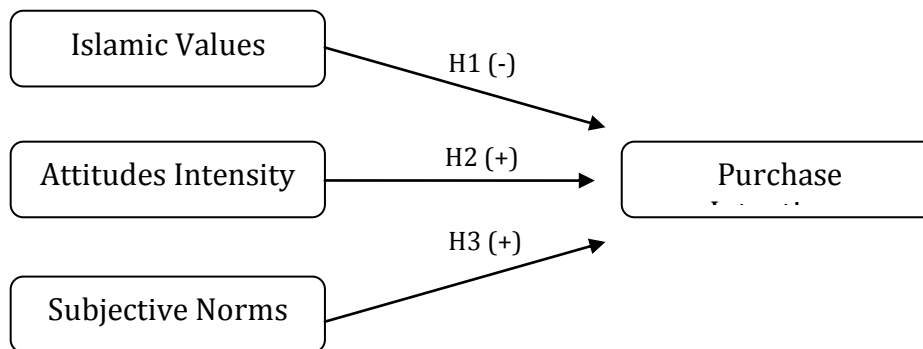
Research Methodology and Data:

The study proposes to test the following hypothesis statements:

- H1: Islamic values negatively influence the counterfeit purchasing intention.
 H2: Favorable attitudes toward counterfeiting positively influence the counterfeit purchasing intention.
 H3: Subjective positive norms positively influence the counterfeit purchasing intention.

The following conceptual model (figure 1) of this research illustrates the above hypotheses as well as the relationships among the concepts (variables):

Figure 1: Framework for the research's conceptual model



The model is built on the ground of the Theory of Reasoned Action (TRA). Contrary to theories in the natural sciences, social science theories provide researchers with the flexibility to improve the theories and build their alternative theories (Ajzen and Fishbein, 2005)⁴⁹. In the proposed model, the variable, "Islamic Values", has been added as an additional, theoretically relevant variable to the TRA model to further extend the relationship between attitude and intention. It also integrates the moral aspect of buying counterfeits to the model. It is suggested that Islamic values is a strong predictor of

⁴⁷ Chiu, W. and Leng, H.K., "Consumers' intention to purchase counterfeit sporting goods in Singapore and Taiwan", *Asia Pacific Journal of Marketing and Logistics*, 28(1), (2015), 23-36.

⁴⁸ Shunmugam, N., *Consumer Intentions of Purchasing Authentic Luxury Brands versus Counterfeits in South Africa*. Master's Dissertation, (University of Pretoria, 2015).

⁴⁹ Ajzen, I. and Fishbein, M. The Influence of Attitudes on Behavior. In D. Albarracín, B. T. Johnson, and M. P. Zanna (Eds.). *The Handbook of Attitudes*. Mahwah, NJ: Erlbaum. (2005), 173-221.

ethical judgments and behavioral intentions^{50,51,52}. Islamic values are proposed to act as perceived consequences of purchasing counterfeit products in the model⁵³.

There is one dependent variable and three independent variables in this paper. Purchase Intention (PI) represents a buyer's behavioral intention for buying a counterfeit product is the dependent variable. The three independent variables include: 1) Islamic values (IV), "the extent of issue-related moral imperative in a situation"⁵⁴; 2) Attitudes (A), an individual's belief and feeling that a certain behavior or act makes a positive or negative contribution to that person's life⁵⁵; and 3) Subjective Norms (SN), "the perceived social pressure to perform or not to perform the behavior"⁵⁶.

This is a cross-sectional research. It is an ex post-facto research design where the researcher will not (and cannot) control or manipulate the variables or the randomization of subjects within the sample. Furthermore, there is no control group or a treatment applied. More specifically, it is one group, one measure quantitative methodology survey study. The research strategy was designed to empirically test the hypotheses. The same approach was used in a number of the counterfeiting studies^{57, 53}.

The Regression Model:

This study regards Y as the independent variable, and IV, A, and SN as the explaining variable, then builds a regression model which is introduced as follows:

$$PI = \beta_0 + \beta_1 IV + \beta_2 A + \beta_3 SN + \varepsilon_i$$

(1) Where PI refers to the consumers' purchasing intention whereas IV, A, and SN refer to Islamic values, attitudes, and subjective norms respectively. The regression coefficients β_0 , β_1 , β_2 and β_3 describe the change in PI that is associated with a unit change in independent variables. Finally ε_i is the disturbance term or error term.

The Data:

A self-administered, structured and close-ended questionnaire has been developed for a cross-sectional survey to collect the primarily data for the quantitative analysis of this research. The questionnaire includes three sections. All measures are based on preexisting measures that were adjusted to the subject of this study and all measures were used in studies on counterfeiting and piracy^{58,59,60}.

⁵⁰ Barnett, T. Dimensions of Islamic Values and Ethical Decision Making: An Empirical Study. *Journal of Applied Social Psychology*, 31, (2001), 1038–1057.

⁵¹ Frey, B. The Impact of Islamic Values on Decision Making in a Business Context. *Journal of Business Ethics*, 26, (2000), 181–195.

⁵² Singhapakdi, A., Vitell, S.J.; Kraft, K. L. Islamic Values and Ethical Decision Making of Marketing Professionals. *Journal of Business Research*, 36, (July 1996), 245-255.

⁵³ Koklic, M.K. Non- Deceptive Counterfeiting Purchase Behavior: Antecedents of Attitudes and Purchase Intentions. *Journal of Applied Business Research*, 27(2), (2011), 127-137.

⁵⁴ Jones, T.M. Ethical Decision Making by Individuals in Organizations: An Issue contingent Model. *Academy of Management Review*. 16, (April 1991), 366-95.

⁵⁵ Ajzen, I. *Attitudes, Personality, and Behavior*. (UK: McGraw-Hill Education, 2005).

⁵⁶ Ajzen, I. The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 50(2), (1991), 179-211.

⁵⁷ Wang, Y. and Song, Y. Counterfeiting: Friend or Foe of Luxury Brands? An Examination of Chinese Consumers' Attitudes Toward Counterfeit Luxury Brands. *Journal of Global Marketing*, 26(4), (2013), 173-187.

⁵⁸ Riquelme, H. E., Mahdi Sayed Abbas, E., and Rios, R. E. Intention to Purchase Fake Products in an Islamic Country. *Education, Business and Society: Contemporary Middle Eastern Issues*, 5(1), (2012), 6-22.

Questionnaire was distributed to a random sample of 650 buyers and non-buyers of counterfeits from which valid response was received from 408 respondents. Studies with similar problems have also used similar sample size for their hypothesis testing approach⁶¹; ⁵⁹. To generate a better response, the questionnaire has been translated into Arabic and posted on GoogleDocs, and distributed through social media (Facebook and Twitter).

After exporting the data from Excel spreadsheet (generated automatically by Google Docks) to the Statistical Package for the Social Sciences (SPSS) the variables are defined and translated back to English, and data is coded and prepared for statistical analysis. All the responses are complete with no missing values.

Research Analysis and Results

Descriptive Statistics:

A vast majority, 83.1% of the sample (N=408) are females while 16.9% are males. The age group of 18- under 30 years old has the highest percentage of 68.6, and the 50 years old or above age group represents only 2% of the sample. Further, more than half of the sample (54.4%) have bachelor's degree as their highest qualification. Also, 45.6% of the respondents are students, followed by professionals with 26.2%. The percentages are almost the same for participants who earn at or above average monthly income (50.02%), and participants who don't (49.8%).

The descriptive statistics in Table 1 display the mean and standard deviation (SD) of the variables: Islamic Values, subjective norm, attitude, and intention, as well as the number of items pertaining to each construct and the associated reliability measure.

Table 1: Summary of Descriptive Statistics for Main Variables

Variable	N of items	Mean	SD	Cronbach's α
Islamic Values	7 (IV1-IV7)	2.6264	.72133	.815
Subjective Norm	5 (SN1-SN5)	2.7039	.71418	.759
Attitude	5 (A1-A5)	2.6260	.85603	.833
Intention	4 (I1-I4)	2.3793	.97053	.907

The score of Cronbach's alpha is used to assess the scales' reliability and internal consistency (Santos and Ribeiro, 2006)⁶². The closer the score is to 1.0, the greater the internal consistency. All four constructs individually exceeded the minimum of 0.70. Cronbach's alpha for all four constructs together is also very high with a score of 0.923.

⁵⁹ Faria, A. Consumer Attitudes Towards Counterfeit Goods: The Case of Canadian and Chinese Consumers. *Journal of Consumer Marketing*, 31(1), (2013), 21-39.

⁶⁰ Kim, H., and Karpova, E. Consumer Attitudes toward Fashion Counterfeits: Application of the Theory of Planned Behavior. *Clothing and Textiles Research Journal*, 28(2), 79-94.

⁶¹ Furnham, A., and Valgeirsson, H. The Effect of Life Values and Materialism on Buying Counterfeit Products. *The Journal of Socio-Economics*, 36(5), (2007), 677-685.

⁶² Santos, J. F., and Ribeiro, J. C. An Exploratory Study of the Relationship between Counterfeiting and Culture. *Revista de Estudos Politécnicos*, 3(5/6), (2006), 227-243.

Bivariate Correlation:

The study sought to examine the relationship between purchasing intention of counterfeit fashion products, attitudes, Islamic values, and subjective norms. The hypotheses were first tested using bivariate correlation test (i.e. Pearson Product-Moment correlation).

Table 2: Results of Bivariate Correlation Analysis among the Variables

		Behavioral Intention	Islamic Values	Subjective Norms	Attitudes
Behavioral Intention	Pearson Correlation	1			
	Sig. (2-tailed)				
Islamic Values	Pearson Correlation	.573**	1		
	Sig. (2-tailed)	.000			
Subjective Norms	Pearson Correlation	.579**	.428**	1	
	Sig. (2-tailed)	.000	.000		
Attitudes	Pearson Correlation	.814**	.581**	.589**	1
	Sig. (2-tailed)	.000	.000	.000	

Table 2 represents the Pearson correlation matrix. There is a statistically significant, positive relationship between Islamic Values and intention $r=0.573$, $p<0.001$. This means that an increase in Islamic Values was associated with an increase in intention, and a decrease in Islamic Values was also associated with a decrease in intention. This means that the first hypothesis, H1, that states, "Islamic Values negatively influences the purchasing intention" was rejected.

It indicates a statistically significant, strong positive relationship between attitudes and intention $r=0.814$, $p<0.001$. This means that an increase in attitudes was associated with an increase in intention. This supports the second hypothesis, H2, that states, "Favorable attitudes toward counterfeiting positively influence the purchasing intention".

Lastly, there is a statistically significant, positive relationship between subjective norms and intention $r=0.579$, $p<0.001$. This means that an increase in subjective norms was associated with an increase in intention, and a decrease in subjective norms was also associated with a decrease in intention. This supports the third hypothesis, H3, that states, "Subjective norms positively influence the purchasing intention".

Factor Analysis:

An exploratory factor (EFA) analysis was used to ensure the constructs' unidimensionality. The Kaiser Meyer Olkin (KMO) was 0.883 which was adequate measure of sampling, while Bartlett's Test of Sphericity indicated a significant test of chi-square of 2908.725, supporting fitness of data and the factorability of correlation matrix (Table 3).

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.883
Bartlett's Test of Sphericity	Approx. Chi-Square	2908.725
	df	136
	Sig.	.000

Using Varimax as factor rotation method, and principal component analysis and extraction method, three factors were extracted: Islamic Values, attitude and subjective norms (Table 4). The loadings for the Islamic Values items ranged from 0.515 to 0.791, the attitude items loadings were within the range 0.494 to 0.610, and subjective norms items ranged from 0.618 to 0.803 according to the rotated component matrix (and using loadings greater than 0.4).

Table 4: Factor Loadings and Factor Structures of the Items

Items	Factor Loadings		
	1	2	3
IV3	.791		
IV4	.753		
IV1	.666		
IV6	.569		
IV7	.556		
IV2	.552		
IV5	.515		
A2		.610	
A5		.576	
A3		.561	
A1		.553	
A4		.494	
SN2			.803
SN5			.766
SN4			.731
SN1			.801
SN3			.618
% of Variance (Rotation)	21.730	19.03	14.12
% of Variance (Extraction)	37.135	10.697	7.056
Cumulative %	54.888		

Regression Analysis:

A simple linear regression was conducted to predict the purchase intention on counterfeit fashion products based on Islamic Values, attitudes, and subjective norms. The regression analysis is represented in the coefficients table 5.

Table 5: Regression result with the purchase intention as the dependent variable

	B	Std. error	t	Sig.
(Constant)	2.379	0.029	83.188	0.000
REGR factor score 1 for analysis 2 (IV)	0.444	0.029	15.500	0.000
REGR factor score 2 for analysis 2 (A)	0.526	0.029	18.383	0.000
REGR factor score 3 for analysis 2 (SN)	0.369	0.029	12.900	0.000
R ²	0.648			
F value	248.208			

According to the value of R², the model explains 65% of the total variability in purchase intention. A significant regression equation was found ($F(3,404) = 248.208, p < .000$). According to the regression analysis, all coefficients between the independent variables and the dependent variable are significant at $p < .001$. The regression analysis results support the first hypothesis that attitudes positively influence the purchase intention with beta coefficient of 0.526, as well as the third hypothesis that subjective

norms positively influence the purchase intention with beta coefficient of 0.369. However, the second hypothesis that state that Islamic value negatively influences the purchase intention is not supported. Islamic values, according to the results, have a significant, positive coefficient of 0.444 with the purchase intention.

Discussion and Conclusion:

Through a review of literature and recent empirical studies of the non-deceptive counterfeiting purchase behavior, we identified three factors that underlie the consumer intention towards buying counterfeits: Islamic Values, Attitudes, and Subjective Norms. The empirical results of this study established a strong, positive relationship between attitudes and the behavioral intention of buying counterfeit luxury fashion goods, thus supporting our hypothesis that anticipates a positive relationship between the two variables (H2). This suggests that the more consumers perceive counterfeit goods positively, the more they are willing to buy counterfeits. This finding comes in line with piracy and counterfeiting literature as attitudes have been found to be one of the most consistent predictors of the behavioral intention^{63,64,65}.

The findings have also confirmed a positive and significant effect of subjective norms on the purchasing intention, thus supporting our hypothesis that anticipates a positive relationship (H3). This reflects similar results found in previous research^{65,66,67}. It has been suggested in piracy and counterfeiting literature that the more individuals perceive social (normative) pressure from significant others in their lives, the stronger the intention becomes.

However, our hypothesis (H1), that anticipates that Islamic values negatively affects intention, has been rejected. The correlation and regression results both have failed to report a positive relationship. Within the counterfeiting literature, Islamic Values has yielded relatively inconsistent results.⁶⁸

Conclusion:

This quantitative study helps to fill the gap in the counterfeiting literature. It examines factors underlying the purchase intention of non-deceptive counterfeit fashion products: Islamic Values, attitudes, and subjective norms. Out of the three, two hypotheses have been proven to be true in determination of the purchasing intention: attitudes and subjective norms.

⁶³ Koklic, M.K. Non- Deceptive Counterfeiting Purchase Behavior: Antecedents of Attitudes and Purchase Intentions. *Journal of Applied Business Research*, 27(2), (2011), 127-137.

⁶⁴ Naz, H. N. and Sabir, M. How Attitude Influences the Customers' Buying Intentions for Counterfeit Tablet PC: A Study of a Computer Market in Central Punjab, Pakistan, 2014.

⁶⁵ Rizwan, M., Ali, A., Anjum, H., Naseer, M., Majeed, Z., Ali, M. A., and Anwar, A. Consumer's Purchase Intention towards Counterfeit Mobile Phones. *Journal of Public Administration and Governance*, 4(3), (2014), 41-75.

⁶⁶ Faria, A. Consumer Attitudes Towards Counterfeit Goods: The Case of Canadian and Chinese Consumers. *Journal of Consumer Marketing*, 31(1), (2013), 21-39.

⁶⁷ Hidayat, A., and Diwasasri, A. H. A. Factors Influencing Attitudes and Intention to Purchase Counterfeit Luxury Brands among Indonesian Consumers. *International Journal of Marketing Studies*, 5(4), (2013), 143.

⁶⁸ Swami, V., Chamorro-Premuzic, T. and Furnham, A. Faking it: Personality and Individual Difference Predictors of Willingness to Buy Counterfeit Goods. *The Journal of Socio-Economics*, 38(5), (2009), 820-825.

It is important to note a number of limitations in this study that future research might look to improve the results. First, the study limits its scope to only luxury fashion goods. Second, this study is a cross-sectional study that relies on observations at one point of time and thus subjected to the limitation of a cross-sectional design. Third, behavioral intentions, although are considered to be the best predictors of behavior, do not always translate into actual behavior⁶⁹. Finally, this model explains intentions as a function of only three variables: attitudes, Islamic Values and subjected norms.

This study can provide a basis for further research in the counterfeit field if one could repeat this model by conducting the study within a different geographical locations and/or a larger sample. Another area of interest would be to test the model with other types of products. Other variables can also be incorporated into the attitude-behavior models such as past purchase behavior and materialism.

Future strategies to prevent counterfeiting should include means to reduce the demand for counterfeits. Based on the results of this study, policy makers of governments, Islamic scholars, manufacturers and sellers of original brands should manage the intention of buying counterfeits by influencing attitudes and perceived subjective norms. Strategies and campaigns should be directed towards reinforcing unfavorable attitudes toward counterfeits and counterfeiting, as well as raising public awareness of such illicit market activities and their harmful effects on societies.

⁶⁹ Ajzen, I. *Attitudes, Personality, and Behavior*. (UK: McGraw-Hill Education, 2005).