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(Article begins on next page)

Consumers' awareness of luxury brand counterfeits and their subsequent responses: When a threat becomes an opportunity for the genuine brand

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Abstract

Purpose: Taking the consumers' perspective, this work investigates the effect of counterfeiting awareness on consumers' advocacy behaviour towards the brand in a specific context, that is, the luxury brand context.

Design/methodology/approach: We conducted two surveys among actual and potential consumers of the original brand. Study 1 demonstrated the mediating role of customer-based brand equity between the consumers' awareness of brand counterfeits and their advocacy behaviour towards the genuine brand. Study 2 showed the moderating role exerted by consumers' emotional attachment to the brand in this framework.

Findings: This work identified specific mechanisms underlying consumers' responses to counterfeits, revealing a wide framework that can uncover important positive spill over effects on counterfeited brands.

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Research limitation/implication: Our framework should be tested on additional brands and integrated with further processes and individual variables to extend knowledge about consumers' responses to counterfeits.

Originality/value: This research recognises counterfeiting as a consumer-led process. The results showed the ambivalent nature of counterfeiting, that is, a threat and an opportunity for the counterfeited brand. In fact, actual and potential consumers are inclined to protect the genuine brand. The consequent advocacy behaviour is stimulated by the attempts of consumers of fakes to take possession of the brand experience, and these attempts prompt actions of self-protection among consumers of the original brand. Interesting managerial implications are drawn.

Keywords: Counterfeiting, customer-based brand equity, brand attachment, advocacy behaviour, luxury brand

Paper type: Research paper

Introduction

The luxury goods industry is a flourishing and ever-growing market. With the value of the luxury market growing, many designer brands have become targets for counterfeit producers, and consumers' decisions to purchase fakes instead of originals have developed into a worldwide crisis (Jiang & Cova, 2012). Unfortunately, this massive phenomenon is threatening companies' efforts to establish and develop successful brands. The European Commission states that in 2013, customs authorities opened almost 87,000 detention cases for a total of nearly 36 million counterfeit articles, with growth of 10% from the 2010 level. In 2013, the domestic retail value of the detained articles represented €768 million. *The Report on European Customs Enforcement of Intellectual Property Rights* (European Commission, 2013) states that the top categories of fake articles were clothing, which accounted for 12% of the overall amount, followed by other fashion accessories (11%). Among these, luxury brands suffer the most; in this sector, the economic damage in 2012 reached US\$313 million of seizures a year (World Customs Organization, 2013). In 2012, the most counterfeited product category was handbags and wallets, reaching US\$500 million of seizures worldwide (World Customs Organization, 2013).

Most literature on this growing phenomenon suggests that it would be advisable to analyse consumers' perceptive effects, particularly those on consumers' responses towards the original brand together with evaluative, emotional and behavioural ones. In particular, in this context, a critical issue is the analysis of counterfeiting in terms of its impact on brand equity. Researchers generally assume that counterfeit goods are hidden competitors for original luxury brands; therefore, they hypothesise only negative effects on the original brands (Fournier, 1998; Grossman & Shapiro, 1988). Some studies fail to verify the hypothesised negative effects of counterfeiting on consumers' responses (Bian & Moutinho, 2011; Commuri, 2009; Hieke, 2010; Nia & Zaichkowsky, 2000), thus suggesting potential positive

impacts of this phenomenon. This evidence seems to suggest that counterfeits may have ambivalent, rather than only negative, effects on luxury brands, which is an important, although not exhaustive, breakthrough in considering the phenomenon of counterfeiting. In fact, these studies offer a partial view of counterfeiting effects because they (1) focus only on one level of possible consumers' reactions (above all, on attitudes or judgements) and (2) assume that consumers are able to react to counterfeiting only at an individual level (e.g., buying or not buying the fake instead of the original; appreciating or rejecting the original brand), thereby avoiding investigating reactions on a social level.

This paper integrates this perspective, proposing a multidimensional examination of the counterfeiting impact on consumers in a specific consumption context, that is, the luxury brand context. In other words, this research tests (1) if consumers' perceptions of the original brand may change and improve due to counterfeiting and, as a consequence, (2) if consumers actively react to the counterfeiting phenomenon by acting in favour of the original brand. These reactions are particularly interesting because they can also be effective at a social level (i.e., this study analyses consumers' defensive behaviours in favour of the original brand that are characterised by social echoes because they represent, for example, consumers' willingness to defend and say positive things about the original brands to others).

This research makes three contributions. The first is to provide a theory-based, holistic research approach to the study of different consumers' responses to counterfeits (i.e., perceptual, evaluative, emotional and behavioural responses), revealing possible positive outcomes and considering both actual (who really bought the original brand), potential (who knew and appreciated the original brand even though they had never bought it and, at the same time, refused to buy a fake) and hybrid (who have occasionally bought fakes, but who mainly possess genuine products) consumers. In detail, the present investigation proposes and tests specific theoretical mechanisms underlying consumers' multidimensional responses to

brand counterfeits, held by the brand equity construct (Aaker, 1995; Christodoulides & De Chernatony, 2010; Keller, 2001). The second contribution of this research is the empirical demonstration that consumers' awareness of counterfeits might activate reactions that can be not only negative for the genuine brand (e.g., sales decrease) but also positive in terms of evaluative and affective consumers' responses towards the genuine brand, summarised in terms of brand equity (CBBE). In this way, the present research answers the call for empirical investigations of consumers' responses to counterfeiting, adopting a broad, comprehensive approach. The third contribution is to move ahead in the investigation to consider consumers' intentions to behave in favour of the original counterfeited brand by defending it. This research focuses on the role of consumers' perceived brand equity and on the influence that the awareness of the brand counterfeit exerts on this variable, to explain positive consumers' responses to protect the brand (further detailed by the role of the consumers' emotional attachment to the brand). This perspective is an important step forward in analysing consumers' responses to counterfeiting: In the presence of a strong emotional attachment to the brand, consumers not only seem to be preserved from engaging in potential avoidance behaviours, but rather are inclined to strengthen their relationship with the brand affected by counterfeiting. This highlights the active role of consumers in preserving and defending brands from counterfeiting damage.

The paper is organised as follows. First, we present the theoretical background of the research. Then, our hypotheses and the two studies testing the proposed mechanisms leading consumers' reactions to counterfeits are shown. Finally, we conclude with a discussion of our research findings and their implications.

The counterfeit literature so far

Counterfeiting is “the act of producing or selling a product containing an intentional and calculated reproduction of a genuine trademark. A counterfeit mark is identical to or

substantially indistinguishable from a genuine mark” (McCarthy, 2004:p.223). The illegal reproduction of genuine products has serious economic implications. The majority of consumer-based studies relating to counterfeits focuses mainly on two key perspectives. The first considers the motivations, such as the reasons why consumers buy a counterfeit product/brand (Cordell et al., 1996; Eisend & Schuchert-Güler, 2006; Penz & Stöttinger, 2005; Wilcox et al., 2009), taking into account psychological characteristics and social expressions (Bloch et al., 1993; Cheung & Prendergast, 2006; Cordell et al., 1996; Jiang & Cova, 2012; Penz & Stöttinger, 2005; Wilcox et al., 2009; Yoo & Lee, 2009), product features (Bloch et al., 1993; Harvey & Wallas, 2003) and cultural dimensions (Harvey & Wallas, 2003; Li et al., 2012). The second perspective focuses on the effects, that is, the negative impacts on single constructs, such as the consumers' perception of the original brand in terms of brand attitude (Phau & Teah 2009), brand image (Grossman & Shapiro, 1988; Jacobs et al., 2001; Zhou & Hui, 2003), perceived quality (Grossman & Shapiro, 1988) and brand perceived exclusivity and uniqueness (Commuri, 2009; Fournier, 1998; Turunen & Laaksonen, 2011). In general, these studies fail to provide a comprehensive analysis of counterfeiting's impact on the overall evaluation of brand equity and on behavioural consumers' responses. Moreover, scholars tend to consider this phenomenon detrimental to the luxury industry, assuming that it represents a hidden and unfair competitor and, because it multiplies the spread of luxury products, leads to the risk of dilution of the uniqueness value in consumers' eyes (Eagle et al., 2003; Juggessur & Cohen, 2009). This approach is not conclusive because it ignores the potentially positive effects on consumers' behaviours towards the genuine brand. Some studies, in fact, fail to verify the hypothesised negative effects due to counterfeiting, opening up to a more comprehensive perspective that does not take for granted the damaging effect of counterfeiting. For example, Hieke (2010) and Nia and Zaichkowsky (2000) observe that the perceived value and status of original luxury brands

are not affected or decreased by the wide availability of counterfeits. Furthermore, their findings state that the availability of counterfeits cannot affect consumers' purchase intentions of the original luxury brand (Nia & Zaichkowsky, 2000) and consumers' attitude towards the genuine brand (Hieke, 2010). Moreover, Bian and Moutinho (2011) verify that the widespread of fake alternatives does not affect a luxury brand's personality.

Given these premises, an emerging stream of research even recognises and investigates the potentially positive impacts of the counterfeit phenomenon on genuine brand consumers. Wang and Song (2013) suggest that the availability of counterfeit luxury products may help increase the brand awareness of luxury names. Through a qualitative investigation, Commuri (2009) identifies a cluster of consumers who adopt a *reclamation* behavioural strategy to defend the genuine brand and show contempt for the fake product. Poddar et al. (2012) suggest that a positive brand image and a good reputation can weaken the potential damage of counterfeiting by improving consumers' responsible behaviours against counterfeiting. Our research follows this perspective, recognising the need for an in-depth examination of the multilevel effects of counterfeiting on brand equity dimensions, linking them to supposed positive consumers' reaction and willingness to preserve the relationship with the original brand through advocacy behaviours.

Moreover, the present study investigates these effects not only on the original brand customers and on those consumers who know and appreciate the original brand even though they have never bought it, as was done in previous studies, but also to consider in the sample consumers who have occasionally bought fakes, but who mainly possess genuine products. These hybrid figures have never been investigated before.

Theoretical model and research hypotheses

Brand equity conceptualisation

Brand equity is a crucial intangible asset; its importance is universally acknowledged by marketing scholars (Aaker, 1991, 1995; Kamakura & Russell, 1991; Kapferer, 1995; Keller, 1998; Simon & Sullivan, 1993). Brand equity is the value of a brand to the consumer (Kamakura & Russell, 1991; Rangaswamy et al., 1993). From a consumer's perspective, it represents the differential effect that marketing activities are able to induce in consumers that are uniquely attributable to a brand (Keller, 2009). Brand equity is related to brand name awareness, brand resonance, perceived brand quality, brand attachment and positive brand symbolism and associations that provide a basis for competitive advantage (Aaker, 1991). In other words, brand equity can be considered in terms of consumers' knowledge about brands and how that knowledge can affect their behaviour (Keller, 2001).

In this research, we refer to Keller's (2001) definition of customer-based brand equity (CBBE). The literature identifies different models of brand equity (Aaker, 1995; Brucks & Zeithaml, 1991; Dacin & Smith, 1994; Lassar et al., 1995; Veloutsou et al., 2013), and CBBE (Keller, 2001) is one of the most appreciated and widely used in marketing; it describes a complete and sequential process in CBBE building, it separately captures the functional and the emotional side of brand value (Keller, 2001) and it has been tested within different contexts (Aziz & Yasin, 2010). We thus follow this theoretical model because it is an all-inclusive road map for building and monitoring the multidimensional construct of brand equity.

Keller represents CBBE as a pyramid composed of six different blocks. From the base to the top, the pyramid describes the brand equity building process: from *brand salience* (the basis of the pyramid) to the highest level, *brand resonance*. The latter refers to consumers' reciprocal interaction with the brand (Atilgan et al., 2005); it occurs when they feel they are "in sync" with it (Kotler & Keller, 2006). In the middle of the pyramid are an emotional side and a functional one, both distinguished on two levels. The former is composed of *imagery*

and *feelings* and the latter of *performance* and *judgements*. The imagery block includes brand associations related to status, personality, traits and lifestyle. The feelings block consists of emotional reactions to the brand. The performance block takes into account the intrinsic qualitative properties of brand products. The judgements block refers to personal opinions and evaluations about the ability of the brand to fulfil a consumer's functional needs.

The effect of consumers' awareness of brand counterfeiting on brand equity

Considering counterfeits as a sign of brand desirability (Wang & Song, 2013), consumers' awareness of brand counterfeiting can contribute significantly to making them salient to the existence of widely diffused positive evaluations of the brand. Thus, accessibility in the memory of such information and evaluations can influence consumers' perceptions and, hence, brand equity development (Punj & Hyllier, 2004). In detail, to translate the specific effects that counterfeiting may exert on the CBBE model, it is advisable to consider the specific effects exerted on each CBBE level. Firstly, as Wang and Song (2003) verify, the existence of counterfeited products exhibiting the counterfeited brand in a prominent way positively alters consumers' brand awareness of the luxury name (Wang & Song, 2003)—in other words, the ability to recall and recognise the original brand (salience block)—and, at the same time, highlights the relevance of its functional characteristics (Grossman & Shapiro, 1988; Turunen & Laaksonen, 2011), given the counterfeiters' attempt to replicate product features (performance block). Moreover, consumers who are aware of the counterfeiting phenomenon are well informed about how to detect a fake (Gistri et al., 2009) and thus are able to recognise genuine product superiority (judgement block). In addition, as various scholars state (Bloch et al., 1993; Cheung & Prendergast, 2006; Wilcox et al., 2009; Yoo & Lee, 2009), customers may look at fake consumption as an attempt to assume a particular personality and social traits (imagery block) to gain social approval. The more a genuine consumer is aware of these attempts, the more he or she may be personally conscious

of possessing these desirable social and personality traits him- or herself (Cordell et al., 1996; Park et al., 2010), and the more he or she is inclined to feel positive sensations related to being consistent with a socially desirable profile (feelings block). Ultimately, consumers' awareness of counterfeits puts the spotlight on the desirability of the authentic brand (Hieke, 2010; Nia & Zaichkowsky, 2000), making positive perceptions and evaluations of it more salient (Bian & Moutinho, 2011). In particular, consumers who have not given in to fakes probably develop more favourable evaluations and reciprocal behavioural tendencies in relationship to the brand (resonance block).

In sum, in accordance with the incremental scheme proposed by the CBBE model (Keller, 2001), we suppose that the counterfeiting awareness of actual, potential and hybrid consumers of the original brand can affect the CBBE of the genuine brand through a sequential process. More specifically, consistent with the CBBE pyramid, we hypothesise that awareness of counterfeiting can affect consumers' brand equity on an incremental path starting from the first perceptual level (salience), moving onto the second level (consisting of the cognitive component called performance and the emotional component named imagery), then the third level (consisting of the evaluative component called judgements and the emotional component named feelings) and finally reaching the fourth level (resonance).

To adopt an authentic consumers' perspective, this study is interested in not only the increased value that consumers ascribe to the brand hurt by counterfeits, but also the consumers' behavioural reactions to counterfeits. Recent research (Cova & Dalli, 2009) suggests that when consumers choose a brand based on in-depth evaluations and, sometimes, expert knowledge about the authenticity of a product, this brand becomes the ultimate expression of self. Consumers of a genuine brand may consider consumers of fakes embezzlers of the brand's relational attributes, and this may stimulate them to react (Commuri, 2009). These consumers might be encouraged to promote the idea that the only

true relationship is the one established with the original brand, not one with fakes. Hence, the more aware these consumers are of brand counterfeiting, the more they appreciate the original relationship that they have with the genuine brand, feeling concerned and connected to that brand; consequently, they are more prone to protect actively the authenticity and uniqueness of the genuine brand experience (Poddar et al., 2012). This can lead to advocacy behaviours (Kemp et al., 2012; Kim et al., 2001) towards the original brand instead of abandoning or deserting behaviour, as some literature hypothesises (Nia & Zaichkowsky, 2000) but does not empirically verify. Within this framework, consumers who have developed a connection with the original brand can become “evangelists” for it, promoting it to others and protecting it from counterfeits (Poddar et al., 2012). This framework rejects the assumption that consumers’ reaction to counterfeit knowledge is above all negative for the genuine brand, as previous literature suggests (Grossman & Shapiro, 1988).

Hence, we consider the perspective of actual (who have really bought the original brand), hybrid (who have occasionally bought fakes, but who mainly possess genuine products) and potential (who know and appreciate the original brand even though they have never bought it and who, at the same time, refuse to buy a fake) consumers. The majority of literature that investigated consumers' perception of the counterfeited luxury brand (Commuri 2009, Nia & Zaichkowsky, 2000; Hieke, 2010; Bian & Moutinho, 2011; Wang & Song, 2013) usually adopts the point of view of the genuine brand customers, excluding all those hybrid consumers who have occasionally bought counterfeits items, and as a consequence have a solid awareness of the fake alternative's existence, but who also own genuine brand products and admire the luxury brand. The intent is to enlarge the investigation to this kind of consumer because, as the literature suggested (Gistri et al., 2009), these hybrid figures are an important portion of the luxury brand audience who continue to admire the original brand and strive for a genuine relationship with it (Gistri et al., 2009). These seem to be good reasons to

act in favour of the favourite brand. We exclude from the analyses those consumers who buy only counterfeits because we do not expect to observe advocacy behaviours towards the original brand among them. Instead, their consumption behaviour of fakes might induce advocacy behaviours towards the genuine brands among the other typologies of consumers. We hypothesise the following.

H1: Consumer awareness of brand counterfeiting will have a significant *positive* impact on consumers' advocacy behaviour towards the original brand, through the mediating influence of CBBE. We further hypothesise the following.

H1a: The higher the consumers' awareness of brand counterfeiting is, the more the CBBE is enhanced in its components (blocks). This effect is expressed along an incremental path of influence: Consumers' awareness of brand counterfeiting affects the first CBBE level (salience) and then passes sequentially to the second (performance and imagery) and third (judgements and feelings) CBBE levels, finally reaching the fourth CBBE level (resonance).

H1b: The level of the CBBE pyramid corresponding to the resonance concept (that is, the fourth CBBE level) in turn directly affects actual, potential and hybrid consumers' advocacy behaviours. The stronger the brand resonance is, the stronger consumers' advocacy behaviours are.

The role of consumers' emotional attachments to brands

Within this framework, we acknowledge that consumers can be influenced to assist a brand damaged by counterfeiting by the type of relationship that they feel they have with the brand itself. We thus take into consideration the role of a distinctive feature of the consumer-brand relationship, brand attachment, in explaining consumers' behavioural reactions in favour of a brand affected by counterfeiting.

According to Bowlby's (1979, 1980) pioneering work, attachment is an emotion-laden target-specific connection between a person and a specific object. Attachments vary in strength, and various behaviours may reveal their existence (Bowlby, 1980; Hazan & Zeifman, 1999). For example, the stronger the attachment to something, the more likely it is that an individual will try to maintain proximity to that thing. Research into attachment (Belk, 1988; Kamptner, 1991; Kleine et al., 1993; Mehta & Belk, 1991; Schultz et al., 1989), specifically that conducted in the field of marketing, shows that people can form emotional attachments to a variety of things, including gifts (Mick & DeMoss, 1990) and celebrities (Slater, 2001). Scholars also recognise that consumers can be attached to brands (McAlexander et al., 2002; Park et al., 2010). An individual emotional attachment to a person can be seen as the degree to which that individual views the relationship from a long-term perspective (Van Lange et al., 1997); consumers' emotional attachment to brands can be considered from the marketing perspective as a measure of the desire to stay in a relationship with the brand. Thus, the strength of an emotional attachment to an object (e.g., a brand) may be associated with investment in that object, that is, the willingness to promote a relationship with that object (Van Lange et al., 1997) and to perform consequent behaviours, such as consumers' actual difficult-to-enact purchase behaviours (due, for example, to social constraints or price increases) or consumers' increased brand purchase share (i.e., the share of a brand among directly competing brands) (Park et al., 2010). Given these premises, consumers' emotional attachment to a brand may influence their investment in that brand, such as supporting the brand itself in various ways (e.g., increased consumers' brand loyalty and willingness to pay a premium price; Thomson et al., 2005). Recent literature in fact shows the connection between brand attachment and consumers' brand-related behaviours (Park et al., 2010; Thomson et al., 2005; Van Lange et al., 1997). Thus, from the perspective of consumers, especially consumers of non-fakes, we hypothesise that the emotional

attachment to a brand hurt by counterfeiting plays a role in explaining consumers' advocacy behaviour towards that brand. We expect, in fact, that consumers will not limit themselves simply to supporting the brand by buying the original product. Rather, we expect that consumers will engage in brand-favouring relational actions, expressed in a range of advocacy behaviours (e.g., defending the original brand, taking part in supporting actions in favour of the brand), depending on their emotional attachment to the brand. Thus, in line with the attachment-aversion model developed by Park et al. (2013), we consider the connection between brand attachment and consumer-brand relationship development in our model. We suppose that to the extent that consumers perceive the brand to be close and in line with their expectations, they are willing to strengthen their relationship with it. Accordingly, we hypothesise the following.

H2: Consumers' emotional attachment to the brand interacts with CBBE to influence consumers' advocacy behaviour. More specifically, the strength of the influence of CBBE on consumers' advocacy behaviour will depend on the emotional attachment to the brand: the higher the consumers' emotional attachment to a brand, the greater the positive effect of CBBE on consumer advocacy behaviour.

Overview of the two studies

We conducted two empirical studies among consumers about two different luxury brands (i.e., Gucci and Rolex) and in relationship to a relevant outcome variable (i.e., consumers' advocacy behaviour towards the brand). We used two distinct real brands within two different luxury product categories with different targets in the marketplace (luxury watch and luxury fashion and accessory) to strengthen the external validity of the results. We selected these two brands because they both occupy a high position in consumers' mental league tables of luxury products and are at the top of the list of brands affected by counterfeiting: Gucci was the third most counterfeited brand in 2011 in global terms, with

seizures worth approximately US\$35 million (World Customs Organization, 2012), while the worldwide seizure of fake Rolex products was worth approximately US\$32 million in the same year (World Customs Organization, 2012).

In detail, the studies presented in this paper can be summarised as follows. Before testing the hypotheses, we controlled the psychometric characteristics of the measures and the structure of the CBBE pyramid by performing a specific preliminary study. To this end, we selected a specific convenience sample and used a different luxury brand (Louis Vuitton) to provide more reliable results² (see Table 1 for details). Then, Study 1 was conducted using Gucci as the luxury brand and examining the mediating role of the different levels of the CBBE pyramid in the relationship between consumers' awareness of brand counterfeiting and consumers' advocacy behaviour in favour of the original brand. Finally, Study 2 was conducted using Rolex as the luxury brand. In this second study, the aim was to better develop the comprehension of the CBBE mediating role by adding a plausible affective moderating variable: the emotional attachment towards the brand. Thus, Study 2 investigated the moderating effect of consumers' emotional attachments to brands (Thomson et al., 2005) on the relationship between CBBE and consumers' advocacy behaviours.

² We collected data from a convenience sample of 657 consumers (22.1% are men; average age of 33; SD = 9.18), focusing on one of the most popular luxury brands, Louis Vuitton. The measures used for each of the blocks of the CBBE pyramid were adapted from Gabrielli et al. (2012) and Grappi et al. (2013). A confirmatory factor analysis (CFA) (Bagozzi & Foxall, 1996; Bollen, 1989) was performed. The model fits well: χ^2 (df) = 1023.12 (335); RMSEA = .07; SRMR = .05; NFI = .96; NNFI = .97; CFI = .97; all the factor loadings were significant and all the correlations between factors were below .70 (Campbell & Fiske, 1959). A second-order CFA was then conducted to assess possible hierarchical relationships among the first-order factors. The model fits well: χ^2 (df) = 1090.07 (344); RMSEA = .07; SRMR = .05; NFI = .96; NNFI = .96; CFI = .97. The results reveal that it is possible to assume six first-order latent factors (prominence, performance, judgements, imagery, feelings and resonance), reflecting a second-order factor (CBBE).

Table 1. Second-order CFA: Results for the measurement model and the structural model

	loading (<i>t</i> -value)	Cronbach's alpha
<i>Measurement model</i>		
FEELINGS		
Serene	.81 (17.24***)	.93
Sentimental	.80 (16.92***)	
Amused	.77 (16.43***)	
Excited	.85 (18.19***)	
Enthusiastic	.79 (16.86***)	
Safe	.81 (17.20***)	
Self-assured	.75 (15.99***)	
Admired	.61 (12.80***)	
Accomplished	.76 (16.11***)	
RESONANCE		
LV would be my first choice	.83 (15.23***)	.91
I consider myself to be loyal to LV	.80 (14.81***)	
I think I belong to LV lovers	.90 (16.18***)	
I like to be seen as a consumer linked to LV	.82 (15.09***)	
I keep myself informed about LV news	.79 (14.66***)	
PROMINENCE		
I know what LV looks like	.57 (12.20***)	.81
I can recognize LV among other competing brands	.85 (19.49***)	
I am aware of LV	.80 (18.10***)	
I can quickly recall the symbol or logo of LV	.81 (18.43***)	
I have difficulty in imagining LV in my mind (r)	.60 (10.32***)	
PERFORMANCE		
Services offered to customers by LV are of high quality	.85 (18.24***)	.70
LV takes care of its customers	.92 (18.05***)	
LV looks after consumers' interests	.71 (11.30***)	
IMAGERY		
Those consumers who possess LV have a certain personality	.66 (11.52***)	.70
You can always wear a LV product with confidence	.72 (12.04***)	
LV products give to you a certain personality	.62 (10.98***)	
JUDGMENTS		
LV is unique	.78 (14.59***)	.86
LV products have some characteristics absent from competing offerings	.91 (15.92***)	
LV products are better than competing ones	.81 (15.01***)	
<i>Structural model</i>		
CBBE → Feelings	.74 (11.69***)	
CBBE → Resonance	.81 (11.09***)	
CBBE → Prominence	.58 (9.76***)	
CBBE → Performance	.67 (10.73***)	
CBBE → Imagery	.68 (8.94***)	
CBBE → Judgments	.79 (10.85***)	
χ^2 (df) = 1090.07 (344); RMSEA = .07; SRMR = .05; NFI = .96; NNFI = .96; CFI = .97		

* $p < .05$, ** $p < .01$, *** $p < .001$. LV = Louis Vuitton

Study 1

Respondents

The study was conducted online and used Gucci as the luxury brand. A message was posted to several directly related online forums and fashion blogs (e.g., www.thegummysweet.com) to reach a wide range of consumers who are interested in and who know enough luxury brands, but the message was not limited to actual luxury brand consumers. It explained the purpose of the research and provided a link to the questionnaire. Only actual and potential consumers of Gucci were retained; thus, 32 consumers were excluded because they admitted to only buying counterfeits. A convenience sample of 693 adult consumers was selected. The sample can be characterised as follows: 209 men (30.16%) and 484 women (69.84%), with an average age of 34 (SD = 10.18). Fifty-eight percent of respondents are potential consumers of the original brand, 31% are actual consumers, and 11% are hybrid consumers³.

Measures

The respondents were asked to state their level of agreement with each of the statements on a 7-point Likert scale. We applied specific measures to each of the blocks of the CBBE pyramid (Gabrielli et al., 2012; Grappi et al., 2013) (see Table 1 for details on CBBE items).

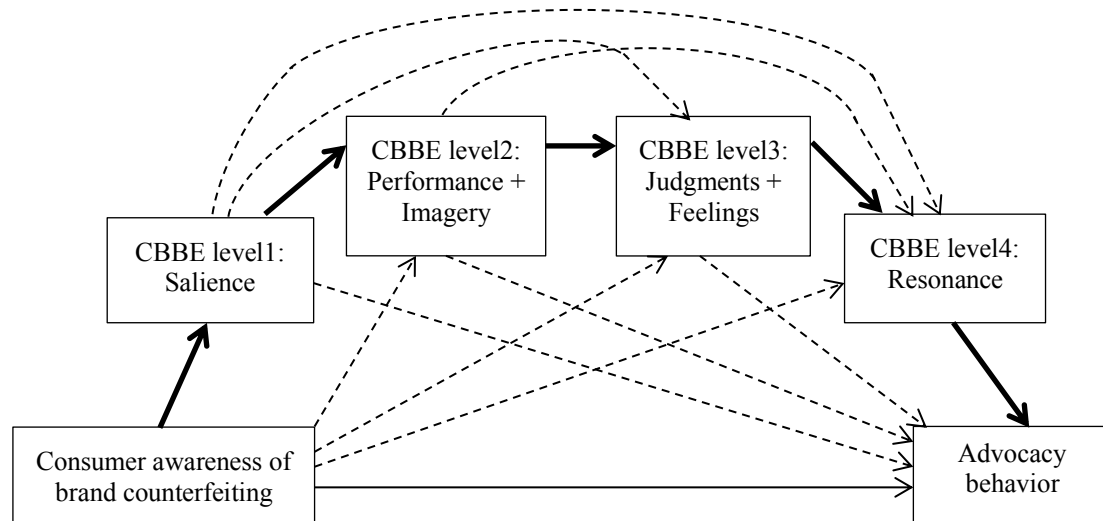
³ We control for the influence of the type of consumers (potential, actual, and hybrid) on CBBE. As to be expected, there are differences among the different type of consumers ($F(687) = 63.79; p = .001$); actual and hybrid consumers show the higher CBBE evaluation, given their previous contact with the real brand. No differences have been found on the outcome variable ($F(687) = .53; p = .59$).

In addition to the CBBE items, three extra items were introduced to measure respondents' awareness of the level of counterfeiting affecting the brand ("It's common to see fakes Gucci around", "Gucci is one of the most affected by counterfeiting" and "I often read news about counterfeiting of Gucci"). A factor analysis demonstrated that all the items loaded on one factor, with loadings ranging from .70 to .80. Cronbach's alpha was .77. To measure consumers' advocacy behaviour, we adapted the measurement scale developed by Romani et al. (2013) to suit the context at hand better. Three items were used to measure this variable: "I would take part in actions and events with other people interested in Gucci", "I would defend Gucci" and "I would reward Gucci with my actions (as, for example, by saying positive things about Gucci to other people, trying to convince others to buy Gucci's products)". A factor analysis showed that all the items loaded on one factor, with loadings ranging from .87 to .91. Cronbach's alpha was .88.

Analytical procedures

In this study, we investigated the effects of counterfeiting awareness on each of the CBBE levels and their mediating role in relevant consumers' behaviours. Following the theoretical CBBE framework (Keller, 1993, 2001, 2009), we considered to what extent consumers' awareness of the counterfeit phenomenon affecting the brand influences all the CBBE pyramid elements organised sequentially: from the first CBBE level (salience), to the second CBBE level (performance and imagery), then the third CBBE level (judgements and feelings) and finally the fourth CBBE level (resonance). This last dimension, in turn, will influence consumers' advocacy behaviours. Thus, this model assumes a causal chain linking the mediators with a specified direction of causal flow (see Figure 1).

Figure 1. Serial multiple mediation model of CBBE components between consumer awareness of brand counterfeiting and consumer advocacy behavior. (Bold lines identify the hypothesized mediational path; dashed lines the other partial mediational paths).



Following Hayes (2013), we used the multiple sequential mediation process, generating the model of the total effect as well as bootstrap confidence intervals for the indirect effects. Figure 1 shows the models for the effect of the independent variable, X (i.e., consumers' awareness of brand counterfeiting), on an outcome variable, Y (i.e., advocacy behaviour), where the effect passes through four sequentially linked mediators, M_s (i.e., the four CBBE levels). In our model, we are particularly interested in one of the indirect effects, namely the one through all the four mediators sequentially linked (the bold lines in Figure 1).

Results

Table 2 presents the results. The total effect of consumers' awareness of brand counterfeiting on consumers' advocacy behaviour is significant ($b = .33, p < .001$); the direct effect is not statistically significant ($b = .04; p = .31$). The hypothesised indirect effect is significant. The indirect pathway carries the effect of the consumers' awareness of brand counterfeiting on the four CBBE elements along a consecutive influence path (awareness of brand counterfeit to CBBE level 1: $b = .37, p < .001$; CBBE level 1 to CBBE level 2: $b = .51,$

$p < .001$; CBBE level 2 to CBBE level 3: $b = .51, p < .001$; CBBE level 3 to CBBE level 4: $b = .47, p < .001$), supporting H1a, and, through these elements, on consumers' advocacy behaviours ($b = .78; p < .001$), supporting H1b. This indirect effect shows a 95% bootstrap confidence interval of .03 to .05, excluding 0 (see Table 2). Thus, the higher the awareness of the counterfeit phenomenon affecting the original brand, the more positive the perceptions of the levels of the CBBE are towards the original brand, which in turn leads to a higher consumer intention to engage in advocacy behaviour in favour of the original brand. Thus, the evidence is consistent with our hypothesised mediational pathway—actual, potential and hybrid consumers' awareness of counterfeiting affecting the original brand influences their advocacy behaviour in favour of the original brand through the CBBE levels—supporting the general hypothesis H1.

Table 2. Study 1: Path coefficients from the estimated model

	coefficient (<i>b</i>)	t-value
Awareness of brand counterfeiting → CBBE1	.37	12.16***
Awareness of brand counterfeiting → CBBE2	.05	1.53
CBBE1 → CBBE2	.51	13.48***
Awareness of brand counterfeiting → CBBE3	-.02	-.63
CBBE1 → CBBE3	.14	3.17**
CBBE2 → CBBE3	.51	13.06***
Awareness of brand counterfeiting → CBBE4	.04	1.31
CBBE1 → CBBE4	.19	4.17***
CBBE2 → CBBE4	.28	6.12***
CBBE3 → CBBE4	.47	11.50***
CBBE1 → Advocacy Behavior	.14	3.42***
CBBE2 → Advocacy Behavior	.12	2.97**
CBBE3 → Advocacy Behavior	.10	2.50*
CBBE4 → Advocacy Behavior	.78	22.18***
Total effect of X on Y	.33	7.08***
Direct effect of X on Y	.04	1.23
R-square = .70		
Indirect effect(s) of X on Y		
Bootstrap 95% Confidence Intervals for Conditional Indirect Effect - Bias Corrected and Accelerated (BCa)		
Total indirect effect:	Effect	Lower Upper
Awareness of brand counterfeiting → CBBE1 → CBBE2 → CBBE3 → CBBE4 → Advocacy behavior	.04	.03 .05

* $p < .05$, ** $p < .01$, *** $p < .001$. Bold values indicate the hypothesized mediational path

Study 2

Respondents

Study 2 was conducted online by posting a link to the questionnaire on several online forums and fashion blogs (e.g., www.italianfashionbloggers.com) directly related to luxury brands and fashion. This study used Rolex as the luxury brand. Only actual, potential and hybrid consumers of the analysed luxury brand were retained; thus, one consumer was excluded because he/she admitted to only buying counterfeits. Thus, a convenience sample of 109 adult consumers was selected. The sample is characterised as follows: 46 men (42.6%) and 62 women (57.4%), with an average age of 32 (SD = 9.98). Seventy-three percent of respondents are potential consumers of the original brand, 21% are actual consumers and 6% are hybrid consumers.

Measures

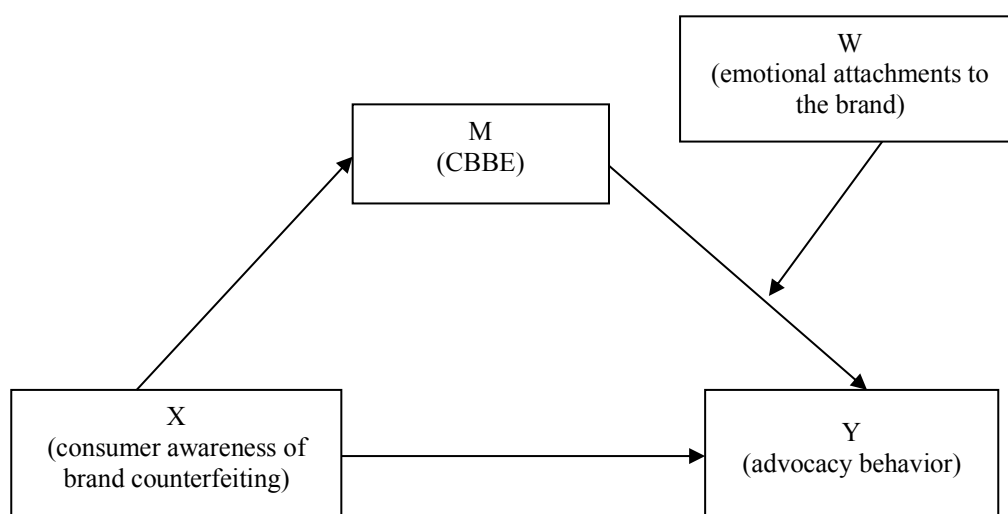
The respondents were asked to state their level of agreement with each of the statements on a 7-point Likert scale. We used the same items as in Study 1 to measure respondents' awareness of brand counterfeiting (Cronbach's alpha = .68) and consumers' advocacy behaviour (Cronbach's alpha = .82). CBBE was also measured for the same items as in Study 1, but because this analysis aimed to detect moderation effects on the mediation process exerted by the CBBE, we decided to use the second-order CBBE variable and not its first-order components that were demonstrated to belong to this specific dimension (i.e., CBBE) (see Table 1). Synthetic indexes summarising each of the CBBE first-level factors were calculated and used as indicators for the overall CBBE measure used in this study (Cronbach's alpha = .93). To test the role of the brand emotional attachment, we add in the questionnaire the measures of consumers' emotional attachments to the brand variable using the 10-item scale developed by Thomson et al. (2005). The respondents were asked to rate, on a 7-point scale ranging from 1 (*not at all*) to 7 (*very much*), how they feel when they think

about the brand and their relationship with it (sample items of the scale are “affectionate”, “loved”, “attached” and “bonded”) (Cronbach’s alpha = .94).

Analytical procedures

We used the procedure for computing the mediation and moderation analysis described by Hayes (2013) through the estimation of a conditional process model. Such a model allows the indirect effects of an independent variable X (i.e., consumers' awareness of brand counterfeiting) on a dependent variable Y (i.e., advocacy behaviour) through one mediator M (i.e., CBBE) to be moderated W (i.e., emotional attachments to the brand) (see Figure 2). We assumed that W and M are mean centred and the residuals are normally distributed, independent and have a common variance. We also controlled for the effect of two consumers' socio-demographic characteristics (i.e., age and gender) and for the typology of consumers (i.e., actual consumers of the original brand, potential consumers of the original brand and “hybrid” consumers, that is, consumers who admitted having bought a fake at least once, but stated that they usually buy original brands).

Figure 2. The effect of manipulation on mediators, plus the moderation of the effect of the mediator on advocacy behavior



Results

Table 3 presents the results. Under the mediator variable model, we found a significant effect of consumers' awareness of brand counterfeiting on CBBE ($b = .35, p < .001$). Under the outcome variable model, we found a significant interaction effect between CBBE and consumers' emotional attachment to the brand on advocacy behaviour ($b = .25, p < .001$). Given this interaction, it makes sense to estimate the conditional indirect effects on the values of the moderator. As can be seen, two of the three conditional indirect effects show 95% bootstrap confidence intervals that are significantly different from zero, given the absence of zero from each bootstrap interval. The bootstrap interval corresponding to the low level of consumers' emotional attachment to the brand is not significant (see Table 3). Therefore, the mediating process responsible for producing the effect of the independent variable on consumers' advocacy behaviour, through CBBE, depends on the value of the moderator variable. This means that the mediating process that intervenes between the consumers' awareness of brand counterfeiting and the advocacy behaviour towards the original brand occurs for people with a medium or high level of emotional attachment to the brand: Advocacy behaviour will be greater for consumers the higher their emotional attachment is to the brand. The mediation process does not occur for consumers with a low level of emotional attachment to the brand. Thus, the results support H2. Moreover, the three covariate controls did not affect the analysed dependent variable (i.e., advocacy behaviour) and the mediator, with the exceptions of the typology of consumers, which influenced CBBE (see Table 3).

Table 3. Study 2: Conditional process model for CBBE as mediator, consumers' emotional attachments to the brand as moderator, and advocacy behavior as outcome

	Mediator variable model <i>CBBE</i>		Outcome variable model <i>Advocacy behavior</i>	
	coefficient (<i>b</i>)	t-value	coefficient (<i>b</i>)	t-value
X: awareness of brand counterfeiting	.35	5.22***		
C1: age	-.01	-.79		
C2: gender	-.08	-.49		
C3: typology of consumers	.26	2.90**		
M: CBBE			.56	4.00***
X: awareness of brand counterfeiting			.12	1.42
W: emotional attachments to the brand			.21	2.18*
M*W			.25	4.11***
C1: age			-.02	-1.93
C2: gender			.35	1.94
C3: typology of consumer			.05	.48
Direct effect of X on Y	Effect	SE	t	p
	.12	.08	1.42	.16
R-square = .61				
Conditional indirect effect(s) of X on Y at values of the moderator(s)				
Bootstrap 95% Confidence Intervals for Conditional Indirect Effect - Bias Corrected and Accelerated (BCa)				
	Consumers' emotional attachments to the brand	Effect	Lower	Upper
	-1.42	.07	-.02	.19
CBBE	.00	.19	.09	.35
	1.42	.32	.15	.51

*p<.05, **p<.01, ***p<.001; W = moderator, M = mediator, X = manipulation, C: control variable

General discussion

The first aim of the paper was to suggest a complete theoretical model capable of representing consumers' reactions to counterfeit phenomenon awareness related to specific luxury brands. By examining counterfeiting from the consumers' perspective and considering the CBBE brand equity theoretical model, the present work reveals a wider framework that can uncover important spill over effects in favour of the brands affected by counterfeiting. In particular, this study shows the ability of CBBE to sum up the impact of counterfeiting at different levels (i.e., the perceptual effects on salience and on imagery, the evaluative effects on judgements, the emotional effects on feelings and the behavioural effects on resonance),

showing a final effect on CBBE that is positive. This is another original result, since most literature focuses on investigating negative effects, answering the question about the extent to which consumers' awareness of brand counterfeiting can affect their evaluative and emotional responses towards the original luxury brand.

Moreover, the present study takes a step further by investigating the subsequent effect of CBBE (positively affected by consumers' awareness of brand counterfeiting) on socially relevant consumers' behaviours, showing its relevant role in defining the consumers' response to counterfeits. The aim is to overtake the perspective that considers only consumers' responses to counterfeiting at an individual level, examining instead the willingness of consumers to engage in protective, socially relevant behaviours in favour of the original brand. Consumer advocacy behaviours are thus considered in this research because they can disseminate positive effects within people's sphere of influence (e.g., word of mouth defending the original brand). In detail, this work demonstrates that CBBE mediates the effect of consumers' awareness of a luxury brand's counterfeits on subsequent consumers' advocacy behaviours towards that brand, answering the question raised about the consumers' behavioural responses to counterfeiting. The results provide evidence of the psychological mechanisms driving consumers to defend the original brand.

This research also shows that this mediational mechanism is moderated by consumers' emotional attachments to the luxury brand affected by counterfeiting. Moreover, evidence is provided in both studies of the effect that the typology of consumers (i.e., actual consumers of the original brand, potential consumers of the original brand and "hybrid" consumers) has on CBBE, as would be expected. In fact, the consumer-brand closeness (due, for example, to real possession of the brand) influences the consumers' knowledge about the brand and, thus, CBBE. This finding reveals an additional boundary condition for the proposed mechanisms underlying consumers' responses to counterfeiting that can better

delineate how and to what extent the typology of consumers (actual, potential or hybrid) is able to moderate the relationship between consumers' awareness of brand counterfeiting and CBBE. The role of this possible moderator deserves to be analysed in depth in future studies.

From a theoretical point of view, the most relevant contribution of this study is that its findings corroborate the adoption of a consumer-centric perspective. Actual, potential and “hybrid” consumers of the original brand show an interesting reaction to the counterfeiting phenomenon, consistent with the emergent post-modern consumers' viewpoint, that is, their willingness to advocate brand uniqueness. From this study, it emerges that genuine and potential consumers are protagonists. They are not passive spectators of the widespread of fake products in the market place rather, they are prone to protecting the original brand and thus their genuine relationship with it. In this way, they protect their expressions of identity and enjoy a memorable genuine brand experience (Aitken et al., 2008; Calder & Malthouse, 2005; Csikszentmihalyi, 1997). In other words, counterfeiting solicits the active participation of genuine consumers to co-create brand contents and values (Prahalad & Ramaswamy, 2000). Moreover the same reaction seems also to involve “hybrid” consumers who buy both original and counterfeited brands. This unexpected result could suggest that people who also had experienced of possessing a fake product strive for a genuine relationship with the original brand and are willing to advocate in favour of the desired brand. Results of the present study are consistent with the profile of hybrid consumers described by the previous qualitative study (Gistri et. al 2009): People who mainly own genuine luxury products integrate into their wardrobes some fake accessories. These consumers are probably the most able to detect and appreciate differences between original and counterfeits items and consequently to activate advocacy behaviours. The present results shed light on the possibility that those consumers are engaged in the protection of the genuine brand as well.

Thus, consumers' reaction to counterfeiting proves to be a major expression of the emergent change in the consumer's role, now considered that of a protagonist (Cova & Dalli, 2009). From this perspective, counterfeiting cannot be considered only an industrial, distributive and legal matter. All the ways of looking at counterfeiting adopting a firm-centric perspective underestimate the role played by consumers, especially in terms of active reactions against counterfeits. We examine consumers' actions of self-protection of the genuine product (autotelic task; Fuller, 2006) in response to the attempts of consumers of fakes to take possession of the brand experience (Gistri et al., 2009). These reactions of the consumers of the genuine brand favour the activation of brand advocacy, which proves to be an effective other side of the coin within the counterfeit phenomenon.

Managerial implications

These conceptual findings have several managerial implications on behalf of companies hurt by counterfeiting. Companies are often scared of this phenomenon due to its negative effects on their business volumes. The first important managerial implication of this research is that counterfeited brands might benefit from a positive brand equity effect due to counterfeiting itself. Thus, counterfeiting not only feeds the desirability of a brand, but also highlights the functional superiority of the original, it stimulates positive sensations linked to the brand and finally it reinforces customers' resonance. In other words, counterfeiting improves CBBE. This first result might be useful in enhancing communication activities.

Facing counterfeiting, companies usually consider consumers an audience that is sensitive to the company's strengths as proven by many legal actions, sequestrations and labelling innovations launched against counterfeiting. Companies often focus their communications on pride in their legal strength and then their superiority. This is a firm-centric approach. This paper suggests adopting a consumers' perspective instead, highlighting in brand communication activities the leverage effect of fake products on CBBE that resulted

in this study. The more a brand is copied, the more it is perceived to be desirable, superior to competitors and a source of pride and accomplishment for those consumers who own it.

Moreover, communication activities that stress these positive effects might stimulate another significant impact: They can encourage consumers' brand advocacy behaviours towards the original brand. This is a central objective for brands that are increasingly looking to involve actual and potential consumers. The advocacy answers of (actual and potential) consumers towards the artificial attempt of counterfeit consumers to co-create their brand experience (a fake one) should be considered a positive element by the brand facing counterfeiting.

Thus, companies may leave the proscenium to consumers. Indeed, this research suggests that consumers of fakes, by usurping the brand value, may lead the consumers of the original brand to protect themselves by advocating brand uniqueness. Nowadays, companies seem to miss the opportunity of these voluntary and passionate ambassadors. They might be the most effective endorsers of the functional and symbolic value of the brand experience through, for example, brand communities, tribal activities and advocacy initiatives.

Limitations and further research

This present study has limitations that suggest directions for further research. One limitation is its reliance on self-reported measures of behaviour, which may restrict the conclusions that can be drawn from the findings. It is important for actual advocacy behaviours towards brands affected by counterfeiting to be clearly and directly observed to provide an additional test of the proposed model.

Second, the proposed framework could be expanded to include additional processes and individual variables that explain other aspects of consumers' responses to counterfeits. For example, the individual characteristics and personalities of consumers (e.g., self-image, social status, fashion involvement) or consumer-brand relationship features (e.g., brand engagement, brand love) might prove useful for the investigation as additional moderators.

Third, the theoretical framework proposed herein could be tested on additional brands to strengthen our findings. We acknowledge that the current framework is focused on consumers' reactions to counterfeited luxury brands, and future research should examine the effects of counterfeiting on different, non-luxury brands, such as premium brands or medium-segment brands. At the same time, the analysis of consumers' reactions to counterfeits in favour of unbranded products could be of great interest.

Fourth, an interesting direction would be investigating the duration of the examined effects of counterfeiting awareness on consumers. For example, how long does the consumers' inclination to advocate the original brand last? How strong is it over time?

Finally, future studies should examine the role that a potentially important variable plays in explaining consumers' responses to counterfeiting in greater depth. Acknowledging the importance of the typology of consumers (actual/potential consumers of the original brand and "hybrid" consumers who buy both original and counterfeited brands), further research should consider the possible effects of this dimension on the mediating model proposed to explain consumers' responses to counterfeiting.

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