You’re Not Fooling Anyone: How Social Feedback Affects Moral Disengagement and Purchase of Counterfeit Luxury Goods

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Counterfeit Luxury Industry

- Items manufactured to resemble a genuine brand but are sold at a lower price and are generally knowingly purchased (Lai and Zaichowsky 1999)
- Counterfeits account for 7% of global luxury sales (Tandon 2014)

Counterfeit Luxury Usage

- Most consumers are aware that:
  - They are purchasing a counterfeit imitation (Nia & Zaichkowsky 2000)
  - Counterfeits intend to deceive others (Eisend & Schuchert-Güler 2006)
  - Counterfeits are illegal to manufacturer and purchase
- Being moral and honest is important to individuals
  (e.g., Aquino and Reed 2010; Mazar, Amir and Ariely 2008)
Our Perspective: Luxury Counterfeit Usage

• Using luxury counterfeits is different from other moral issues or dilemmas

• Counterfeit luxury goods are used in a social context for social benefit (Wilcox, Kim, & Sen 2009)
  - Gain social approval in social situations
  - Communicate self-identity and self-present to others

• Social feedback drives consumer attitudes and behaviors regarding counterfeit luxury usage
  - Compliment: “I really like your ___. It looks cute on you.”
  - Question: “I really like your ___. Is it real?”

The Process of Moral Disengagement

• Moral disengagement
  When actions conflict with moral standards a person may morally disengage in order to make the behavior personally acceptable (Bandura et al 1996)
  - “It’s OK to buy a counterfeit now because I’m going to buy a real one in the future.”
  - “It’s OK to buy a counterfeit because I’m a student and don’t have the money to buy a real one anyway.”

• Social feedback influences moral disengagement
  - Questions – warning signal
    • Social Costs
    • Discourages Moral Disengagement
  - Compliments – all clear signal
    • No Social Costs
    • Encourages Moral Disengagement

Study 1: Social Feedback and Moral Disengagement

• Imagined that purchased counterfeit Tiffany bracelet while studying abroad

• Wore bracelet during filler tasks

• Imagined feedback scenario
  - Compliment: “I really like your Tiffany bracelet. It looks cute on you.”
  - Question: “I really like your Tiffany bracelet. Is it real?”
Study 1: Moral Disengagement Measure

1 (Strongly Agree) to 7 (Strongly Agree)

- It is okay to buy a counterfeit product especially when the authentic product is high priced
- It is okay to buy a counterfeit product as long as I also buy real authentic products
- It is okay to buy a counterfeit product as long as you are a student and have little money

Study 2: Luxury Counterfeit Purchases

Participants given $8 for participating in the study. They could use all, none, or some of this money to purchase raffle tickets costing $1 per ticket to win luxury products.

Study 3: Moral Disengagement and Purchase Intentions

- Real Feedback – Confederate
  - “I really like your Burberry scarf. It looks cute on you.”
  - “I really like your Burberry scarf. Is it real?”
- No feedback (Control)

Measures

- Moral Disengagement
- Counterfeit Purchase Intentions

Study 3: Purchase Intentions Measure

Purchase Intentions Measure:
How interested would you be in purchasing luxury counterfeit products in the future?
1 (extremely unlikely) to 9 (extremely likely)
Study 3: Counterfeit Purchase Intentions

![Chart showing purchase intentions between Control and Compliment conditions.]

Study 4: Likelihood of Social Sanctions

- Same procedure as Study 1
  - Wore Burberry scarf
- Imagined feedback scenario
  - Compliment: “I really like your Burberry scarf. It looks cute on you.”
  - Question: “I really like your Burberry scarf. Is it real?”
- Measures
  - Belief about how difficult/easy or average consumer to tell a genuine luxury item from a counterfeit luxury item (1=extremely easy to 9=extremely difficult)
  - Luxury counterfeit purchase intentions

Study 4: Counterfeit Purchase Intentions

![Bar chart showing purchase intentions for difficult and easy items.]

Study 5: Effectiveness of Anti-Counterfeit Appeals

- Moral Salience
- Social Costs

Purchase Intentions: 1 (strongly disagree) to 7 (strongly agree) Scale
- “I would be interested in purchasing counterfeit products.”
- “If I saw something that was good quality at a good price, I would be interested in buying a counterfeit product.”

Study 4: Results for Purchase Intentions

![Bar chart showing results for counterfeit users.]

Summary of Findings

- Social feedback affects the way consumers respond to using counterfeit luxury products
  - Compliment – more moral disengagement; more future counterfeit usage
  - Question – less moral disengagement; less future counterfeit usage
- Leveraging social feedback in anti-counterfeit ads may help reduce purchase
THANK YOU!