Consumer Attitudes Towards Counterfeit Goods: The Case of Canadian and Chinese Consumers

by

Amy A. Faria

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ABSTRACT

CONSUMER ATTITUDES TOWARDS COUNTERFEIT GOODS: THE CASE OF CANADIAN AND CHINESE CONSUMERS

Amy A. Faria
University of Guelph, 2013

Advisors:
Dr. Anne Wilcock
Dr. Scott Colwell

Ethical implications in business practices and consumers’ purchase decisions have been debated throughout the years and often differ across cultures. The research objectives of this study were to understand whether cultural indicators influence consumer attitudes towards counterfeiting. Which cultural factors/indicators have an effect on attitudes and how strong are these indicators? In this study, moral intensity, materialism, subjective norm, ethnic identity, values, and belief systems were explored. Focus groups, one consisting of Canadian consumers and the other of Chinese consumers, were conducted to explore cultural indicators. A follow-up survey tested the relative strength of the cultural indicators: moral intensity, materialism, and subjective norm, within each of the two ethnic groups and the correlation of these indicators with attitude. Subjective norm had a significantly larger effect in the Chinese group than the Canadian group on attitudes towards counterfeit goods. Moral intensity and materialism did not significantly affect attitudes.
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Our words should be carefully chosen for people will hear them and be influenced by them for good or for ill. - Buddhist proverb

Serenity and generosity are qualities of the heart. Insight and concentration are qualities of the mind. Compassion and wisdom are qualities of the true nature. – Buddhist proverb

In searching for the words to thank and acknowledge the support of those around me through this time and the work that has been put into this research, I found enlightenment from two Buddhist proverbs. It was the generosity, insight, compassion and wisdom from my committee members, advisors, family and friends that carried me through this process.

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Mom and Dad, you were the first to teach me that without work and dedication, we would have nothing and this has carried me through all that I have ever aspired to do- for this, and everything else you have done for me, I thank you. Dreaming always turned into reality with your support and encouragement, and for that, I am truly grateful. Cindy, Jason, and Michael … thank you for always being there for me no matter what, and for dealing with a little sister for the past seven years- and yes, I am done!
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CHAPTER 1: INTRODUCTION

Counterfeiting has been a growing concern for several countries as technological advancements and globalization have increased (Gentry et al., 2006; Bloch et al., 1993). Globally, sales of counterfeit goods were approximately $300 billion in 2009 and are expected to increase annually due to strong demand (Gentry et al., 2006; Organization for Economic Cooperation and Development, 2007). This unauthorized manufacturing and selling of goods has many business implications; not only has it been the cause of companies in the U.S losing $60 billion in sales per year, but it also has been shown to damage brand reputation that can also lead to the demise of a company (Bloch et al., 1993). Furthermore, societal impacts of counterfeiting include job losses in local communities, denying human rights, and support of organized crime and terror, which have been evident in many communities around the world (Bloch et al., 1993; Wee et al., 1995; Nill and Shultz, 1996; Wilke and Zaichkowsky, 1999; International Anti-Counterfeiting Coalition, 2008; Wood, 2003; Koklic, 2011; Santos and Ribeiro, 2006; Bian and Veloutsou, 2007).

This is a need to understand as to how and why counterfeiting had seen such a tremendous impact. This study was conducted to identify consumer attitudes and product attributes that stimulate consumers’ purchasing behaviour. The factors of moral intensity, materialism, and subjective norm have shown inconsistent results within the literature; cultural differences have been attributed to this inconsistency. Little research has been dedicated to understanding how and why perceptions differ across cultures.

Three hypotheses were developed based on findings within the literature. In hypothesis one, the negative effect of moral intensity on attitude towards counterfeiting was predicted to be
stronger among Canadian consumers than Chinese consumers. In hypothesis two, the positive effect of materialism on attitude towards counterfeiting was predicted to be stronger among Chinese consumers than Canadian consumers. Hypothesis three predicted that the positive effect of subjective norm on attitude towards counterfeiting would be stronger among Chinese consumers than Canadian consumers. These hypotheses were explored in phase one of the research by conducting two focus groups, one with Chinese participants and another with Canadian participants. In phase two of the research, the hypotheses were tested using a multigroup regression approach.

The purpose of this study was to better understand and identify cultural antecedents that have an impact on consumer perceptions and intent to purchase counterfeit goods. This study fills a gap within the counterfeiting literature in understanding how moral intensity, materialism, and subjective norm impact attitudes towards counterfeiting across a sample of Canadian and Chinese consumers. The findings are also beneficial for industry professionals such as law enforcement, government, and manufacturers of authentic products in that they help identify approaches that can be used in anti-counterfeiting initiatives.


RESEARCH OBJECTIVES/ QUESTIONS

1. Does culture impact attitudes towards counterfeiting?
   Researchers have used the concept of culture to explain variances within their studies with little consensus (Furnham & Valgeirsson, 2007; Chakraborty et al., 1996; Harvey & Walls, 2003; Husted, 2000; Santos & Ribeiro, 2006; Bian & Veloutsou, 2007; Traphagan and Griffith, 1998; Swinyard et al.; 1990; Moores, 2008; Kwong et al., 2009).

2. Which cultural factors/ indicators have an effect on consumer attitudes towards counterfeit goods?
   Lack of research and consistency with regards to specific cultural indicators that contribute to attitudes towards counterfeit goods suggests the need for further investigation (Husted, 2000; Santos and Ribeiro, 2009; Bian & Veloutsou, 2007; Lee and Yoo, 2009). Do these indicators differ across two ethnic groups in Canada?

3. How strong are the indicators?
   Inconsistencies within the literature with regards to cultural indicators and their relationship towards determining consumer attitudes towards counterfeit goods suggest that some cultural indicators have more of an effect on attitudes towards counterfeiting than others.
CHAPTER 2: CONTRIBUTION TO LITERATURE

The purpose of this research was to further the understanding of how cultural variables impact consumer attitudes and intent to purchase counterfeit goods. The study focused on Canadian and Chinese consumers. Phase 1 was exploratory, with the primary purpose of understanding how culture influences consumer attitudes towards counterfeit goods in areas such as values, beliefs, customs, religion and national identity (Bartels, 1967). Such exploratory (focus group) research has not been used in previous research. The inclusion of two cultural groups allowed for exploration of cross-cultural interactions with regards to moral intensity, materialism, and subjective norm. Previously reported research on counterfeiting in North America has been primarily U.S.-based.

In Phase 2, the impact of cultural variables was quantified. Previous research on cross-cultural comparisons examined only one variable (Veloutsou and Bian, 2008). Considering other variables may explain additional variance in the data. In this research, three variables (moral intensity, materialism, and subjective norm) were considered in two different cultures. In many existing cross-culture studies, seizure data or piracy statistics have been used to draw conclusions with regards to consumer attitudes and purchase intent; this is limited in terms of fully understanding what, why, and how consumers behave (Ki et al., 2006; Lee and Yoo, 2009; Prosperio et al., 2005; Santos and Ribeiro, 2006; Husted, 2000). This research study gathered primary data from respondents rather than country-specific or seizure data and thereby provided a better understanding of attitudes and intent.

Counterfeit apparel is one of the leading counterfeit products in terms of consumption and manufacturing (Swami et al., 2009). The study of counterfeiting of apparel has been limited compared to software and music piracy, perhaps due to the fact that the act of piracy is more
common. Consumers hold different perceptions of counterfeit products from one product to the next (Swinyard, 1990). This differentiation between perceptions and different counterfeit products was explored in the qualitative phase of this research in order to determine which counterfeit product to use in the quantitative phase.

**Definitions**

In order to minimize confusion during the course of the research, it was important to define key concepts. The following definitions were used:

**Counterfeit:** There is little consensus in the literature on the definition of counterfeit. According to the Grocery Manufacturers Association and AT Kearney (2010), counterfeiting is defined as “the unauthorized representation of a registered trademark carried on goods similar to goods for which the trademark is registered, with a view to deceiving the purchaser into believing that he or she is buying the original goods” (GMA and Kearney, 2010, p. 2). It is important to note that to be considered counterfeit, a product does not need to be a registered trademark under law.

**Grey Goods:** Authentic products that are distributed by an unauthorized dealer. This research focused on non-deceptive counterfeit goods.

**Piracy:** Most often referred to as “the illegal copying of software for distribution, duplication, and resale” (PC Magazine, 2011). Any artistic work (e.g. software, music, art) for distribution, duplication, and resale. Copyrights and patents can only be pirated (Paradise, 1999) and are governed under separate laws and regulations.
Culture: Culture has two primary meanings: “1) a civilization including education, manners, arts and crafts and their products. 2) The way people think, feel, and act. The collective programming of the mind distinguishing the members of one group or category (nations, regions, within or cross nations, ethnicities, religions, occupations, organizations, or genders) of people from another” (Hofstede, 2011, p. 2). Holding a set of shared values, beliefs and behaviours (Hayton et al., 2002).
CHAPTER 3: LITERATURE REVIEW

Research on factors that influence consumers’ attitudes and intent to purchase counterfeit goods has yielded little consensus (Vida, 2007; De Matos et al., 2007; Swami et al., 2009; Marcketti & Shelley, 2009; Kim & Karpova, 2010; Koklic, 2011; Rahman et al., 2011; Cheng et al., 2011).

Two theories have been applied to the study of counterfeit products (Koklic, 2011): the Ethical Decision Making Theory (EDM) developed by Ferrell and Gresham (1985) (Vida, 2007; Koklic, 2011) and the Theory of Reasoned Action (TRA)/ Theory of Planned Behaviour (TPB) developed by Fishbein and Ajzen (1980) (Marcketti & Shelley, 2009; Kim & Karpova, 2010; Cheng et al., 2011). The EDM framework postulates that, when dealing with ethical issues, an individual’s decisions are based on three variables: individual factors, significant others, and opportunities (Ferrell and Gresham, 1985).

First, individual factors such as knowledge, values, beliefs, attitudes and intentions contribute to the evaluation of the behaviour. The concept of culture has very similar factors in that it is a collective set of values, beliefs and behaviours (Hofstede, 2011; Hayton, et al., 2002). Ferrell and Gresham (1985) suggest that social and cultural environment are exogenous variables and consider these factors to go beyond the scope of their framework. The authors do recognize that an individual’s beliefs serve as inputs to attitudes and intentions and it is within this stage that cultural differences would indeed influence ethical decision-making.

Secondly, behaviours are learned through interaction with significant others in the same group (Ferrell and Gresham, 1985). The subjective norm concept is similar in that it suggests there is social pressure to perform certain behaviour (Ajzen, 1991). Lastly, an individual’s opportunity to be involved in the behaviour is also a factor in the evaluation of an ethical
behaviour. This notion of opportunity deals with both rewards and punishments; for example, the absence of punishment for an action would increase the opportunity (Ferrell and Gresham, 1985). The lack of consequences in a given situation is one dimension of the moral intensity construct in evaluating whether the situation holds a moral imperative (Jones, 1991). In the case of counterfeiting, different laws and regulations across borders, the evaluation of moral intensity, and the ways in which consumers perceive these laws, would suit the EDM framework. External rewards, such as the degree to which a decision would bring esteem, status, social approval, and worth relate to the concept of materialism - the importance a consumer attaches to possessions (Belk, 1984).

Vida (2007) and Koklic (2011) explored parts of the EDM framework in the case of counterfeiting along with the effects of other variables beyond the framework. Both researchers used a Slovenian sample, which may have limited the opportunity to identify any variability, or confirm any of the EDM factors such as differences in individual factors (values and beliefs) or exposure to different opportunities, as the sample would have been governed by the same laws and regulations. Vida (2007) explored consumer purchase intentions of pirated software, watches, and branded t-shirts and found variability in the factors that were being measured: social consequences, attitudes towards piracy, religiosity, innovativeness, and gender. The researcher found that in all three cases, religiosity, social consequences, and attitudes towards piracy had a significant effect on intent to purchase. Gender influenced respondents’ attitudes towards piracy for t-shirts and computer software, with men having more positive attitudes towards counterfeiting practices (Vida, 2007). Koklic (2011) explored purchase intentions of consumers for counterfeit leisure goods, and found that moral intensity and perceived risk also had a significant effect on intent to purchase.
In terms of cultural theories, Hofstede’s cultural dimensions have been applied to software piracy rates (Husted, 2000; Santos and Ribeiro, 2006) with relatively inconsistent results. Husted (2000) developed hypotheses based on existing literature with regards to a country’s relationship to Hofstede’s dimensions and used archival data to compare this relationship to countries’ software piracy rates. It was found that the higher the level of economic development, the lower the rate of software piracy, the lower the level of income inequality (the larger the middle class) the greater the rate of software piracy, and the more individualistic (less collectivistic) a society, the lower the rate of software piracy (Husted, 2000). Santos and Ribeiro (2006) used seizure statistics of 15 countries within the European Union and compared these cases with Hofstede’s cultural dimensions. It was found that countries with lower levels of Power Distance and Uncertainty Avoidance tend to have higher incidence of counterfeiting, and that the dimension of masculinity had no correlation with seizure statistics (Santos and Ribeiro, 2006).

Individualism was found to be positively correlated with counterfeiting. This is in contrast to existing literature in that collectivistic countries are less sensitive to unethical consumption patterns (Husted, 2000; Smith and Hume, 2005; Butt and Butt, 2009; Jones, 1991; Singhapakdi and Rawwas, 1999; Swinyard, 1990; Vitell et al., 2008). This contradiction in the literature may be a result of the use of seizure statistics, which are only known cases of counterfeiting incidences and not measures of consumer attitudes. Seizure statistics may be simply a reliable measure of a country’s dedication towards enforcing and implementing counterfeit laws and regulations, and one may even conclude that the more individualistic a country, the higher its intolerance of counterfeiting. The Hofstede dimensions of long-term orientation (dealing with a society’s search for virtue and truth, which depends on the situation,
context and time) and indulgence versus restraint (levels of enjoyment of life) have not been explored within counterfeit literature.

These studies differed substantially in the specific variables that influence consumers’ attitudes towards counterfeiting. Some factors (moral intensity, materialism, subjective norm) demonstrate inconsistent results in terms of their relative strength and impact on attitudes. This inconsistency in the literature may be attributed to variables that are missing from models, as well as the sample (nationality) and product (pirated software versus counterfeit apparel and accessories) upon which studies are based (Eisend & Schuchert-Guler, 2006). To further complicate matters, the terms ‘counterfeit’ and ‘piracy’ have been used interchangeably in research when they are, in fact, different concepts; counterfeit and pirated products are perceived differently by consumers, have different impacts, and are enforced under different laws and regulations (Santos and Ribeiro, 2006).

There is a need to develop a comprehensive model of intent to purchase counterfeit goods that includes factors related to individuals’ personality traits, situational characteristics, product-related attributes, and cultural indicators (Eisend & Schuchert-Guler, 2006; Swami et al., 2009). Such a model would help to explain consumers’ perceptions of counterfeiting and provide a more comprehensive understanding of their attitudes. This, in turn, would assist with initiatives to combat counterfeiting. Research, though limited, on individuals’ personality traits, situational characteristics, and product-related attributes has been reported in separate studies with no integration, however, into a comprehensive model. Although culture has often been mentioned as contributing to consumer attitudes towards counterfeit goods and piracy (Furnham & Valgeirsson, 2007; Chakraborty et al., 1996; Harvey & Walls, 2003; Husted, 2000; Santos & Ribeiro, 2006; Bian & Veloutsou, 2007; Griffith, 1998; Swinyard et al.; 1990; Moores, 2008;
Kwong et al., 2009), cultural indicators have not been empirically tested to determine which indicators affect consumer attitudes towards counterfeiting. Cultural indicators have been examined in this research.

**Culture and Counterfeiting**

Hofstede (1990) emphasized that an individual subconsciously acquires cultural values from the society of which he/she is a member; these values contribute to individuals’ behaviours, and allow for variability in their perspectives and decisions. Previous research has focused exclusively on samples from a single culture (one nationality/ country/ region) (Veloutsou & Bian, 2008; Husted, 2000), making it impossible to make cross-cultural comparisons to explain the purchase of counterfeit goods. The issue of counterfeiting is global in nature and, as such has global impacts, crossing numerous cultural boundaries. This is not only in the demand and purchase of counterfeit goods, but also in production of such goods since most products have outsourced components.

The internet is a growing global marketplace for the selling and purchasing of both non-deceptive and deceptive counterfeit goods, with over 350 websites having been seized in the U.S alone in one year (Rob Holmes, CEO of IPCybercrime.com, 2011) and 132 domain names seized in one day (Simpson, 2012). This “battleground” allows for distributors to provide consumers with products directly from the source, eliminating the extra cost of a middleman. The rise in social media channels around the globe have made the internet an outlet, with American-based websites such as Facebook, Twitter, YouTube, and even Kijiji and eBay making it easier to distribute products (Rob Holmes, CEO if IPCybercrime.com, 2011). Other international social
media channels such as Badoo, Qzone, or Orkut are also increasing in popularity in their respective nations, contributing to the global impact of the counterfeiting industry.

The purpose of this study was to bridge the gap in the literature by providing a better understanding of the contribution of culture to consumer attitudes towards counterfeiting within two different ethnic groups in Canada. Inclusion of cultural differences may improve the amount of variance explained in existing models (Eisend & Schuchert-Guler, 2006; Swami et al., 2009; Kim & Karpova, 2010; Rahman et al., 2011; Maldonado & Hume, 2005).

**Why Study Canadian versus Chinese Consumers?**

Canadian and Chinese cultural groups have been reported to have different beliefs and values (Inglehart, 2003; Schwartz, 1987; Hofstede, 1975).

Asian and Western consumers hold different attitudes towards counterfeiting (Kwong et al., 2009); such attitudes are reflected in purchasing behaviours, with Chinese consumers being greater purchasers of counterfeits (Kwong et al., 2009; Wan et al., 2008). Despite such behaviours, it has been suggested that social costs are greater for Chinese consumers, who thus value counterfeit goods less but trust them more despite the lack of value (Bian and Veloutsou, 2007).

Most counterfeit goods have been traced to China (Alcock et al., 2003; Hung, 2003; Forney, 2005; Bian and Veloutsou, 2007). Despite China’s increasing involvement in the counterfeiting industry, most previous research has been conducted outside Asia (Koklic, 2011), with limited cross-cultural studies of cultural factors and counterfeiting.

Since China has experienced an increase in economic development as a result of its manufacturing boom, there has been an increase in demand among a growing number of Chinese
consumers for products produced overseas (e.g. automobiles, cosmetics, and apparel) (Wang et al., 2011). This preference for imported goods surfaces as a result of the need for brand status, which is associated with high quality and conspicuous consumption; it demonstrates a regard for foreign products as status symbols (Wang and Chen, 2004). However, when it comes to attitudes towards counterfeit goods, the desire to own a product that demonstrates prestige and is seen as a status symbol is more important than the quality of the good (Phau and Teah; 2009). As long as this status is achieved, consumers will be satisfied (Eisend and Schuchert-Guler, 2006; Chadha, 2007; Phau and Teah, 2009).

Factors to Explore

The four factors of moral intensity, materialism, perceived risk, and subjective norm may be culturally dependent and have been identified through a review of the literature (De Matos et al., 2007; Swami et al., 2009; Kim & Karpova, 2010; Koklic, 2011; Rahman et al., 2011; Cheng et al., 2011). These four factors are described below.

Moral Intensity

*Moral Intensity* defined as the extent of issue-related moral imperative in a situation (Jones, 1991, p.371), is considered an important variable in how individuals recognize moral issues, make decisions and establish moral intent or behaviour (Singhapakdi et al., 1999; Ferrell and Gresham, 1985; Hunt and Vitell, 1986). Jones (1991) coined moral intensity as a multidimensional construct with six dimensions: magnitude of consequences, social consensus, probability of effect (function of the probability that the act will take place and the probability that the act will cause harm/benefit), temporal immediacy (time between the act and its consequences), proximity (nearness of subject to the affected person), and concentration of effect
(the number of people affected by an act and its magnitude). Most recently, however, Singhapakdi et al. (1996) suggested that these moral intensity dimensions can be simplified into a three-dimensional construct: perceived harm, proximity and social consensus (Singhapakdi et al., 1996; Vitell and Patwardhan, 2008). The researchers developed a simplified scale that had been used in previous literature measuring moral intensity within different concepts such as accounting practices, marketing practices, bribery, the environment, and abuse (Vitell and Patwardhan, 2008; Smith and Hume, 2005; Singhapakdi et al., 1999; Ahmed et al., 2003).

Consumerism and moral reasoning covary with different cultural contexts (Simmons and Tan, 2002). For example, research has indicated that Asian consumers are less sensitive to unethical consumption practices with lower consideration of moral intensity than North American (Butt and Butt, 2009; Jones, 1991; Singhapakdi et al., 1999; Swinyard, 1990; Vitell and Patwardhan, 2008; Babakus et al., 2004). This may be due to the collectivistic nature of most Asian countries, i.e. the degree to which individuals are integrated into groups (Hofstede, 1975) and the supported concept of sharing each other’s work (Swinyard, 1990; Marron and Steel, 2000). It has been suggested that collectivistic cultures indicate a belief that “ethics” means simply operating within the law whereas individualistic cultures see laws as minimal requirements in developing attitudes towards ethical or unethical behaviours (Smith & Hume, 2005).

Within the area of counterfeiting, the concept of moral intensity (lawfulness) has been studied with relatively inconsistent results. Several researchers have found that consumer ethics and morality are strong predictors of attitude towards counterfeit products (Maldonado & Hume, 2005; Cordell et al., 1996; De Matos, 2007; Ang et al., 2001; Koklic, 2011; Swami et al., 2009; Furnham and Valgeirsson, 2007) whereas others have indicated the opposite (Kim and Karpova,
2010; Logsdon et al., 1994; Ha and Lennon, 2006). This inconsistency may be explained by the different regional samples that were used in the studies (Ha and Lennon, 2006) or samples consisting of only females (Kim and Karpova, 2010). Furthermore, Logsdon et al. (1994) explored moral judgment in relation to software piracy— a product that is thought to be perceived as an issue of low moral intensity. It may be that attitudes towards counterfeiting are product specific (Swinyard, 1990). Researchers have also found that feelings of shame and guilt, and knowledge that production of counterfeit goods is illegal are all forgotten when buying counterfeit goods (Augusto, Ituassu, and Rossi, 2007; Penz and Stottinger, 2005). This finding is based on counterfeiting in a general context (no specific counterfeit product was examined), pirated software, and counterfeit apparel. The lack of consistency among results suggests that moral intensity and consumerism vary with cultural contexts and can be situation specific (Singhapakdi et al., 1999; Simmons and Tan, 2002; Swami et al., 2009). It is important to note that counterfeiting laws and regulations differ among countries (e.g. it is illegal to purchase counterfeit goods in Europe but not in North America), which may partially explain the inconsistent results seen with regards to the influence of moral intensity.

Moral intensity has been found to be a more important indicator of attitude toward counterfeit goods than materialism and socio-economic variables (Swami et al., 2009). De Matos et al. (2007), however, found moral intensity to be the fourth most important indicator when considering variables such as perceived risk and subjective norm.

A major objective of this research was to understand which factors are the most important indicators of attitude towards counterfeiting among consumers in two cultural groups. It was therefore hypothesized that, within this sample:

\[ H_1: \text{The negative effect of moral intensity on attitude towards counterfeiting will be stronger among Canadian consumers than Chinese consumers} \]
Materialism

Materialism can be defined as the importance a consumer attaches to worldly possessions; the extent to which possessions assume a central place in one’s life (Belk, 1984, p.265). Belk (1984) suggested that the concept of materialism is composed of three subscales including possessiveness (level of control over one’s possessions), nongenerosity (unwillingness to share or give possessions), and envy; he later developed a one-item measure for overall materialism when all three items were combined (Belk, 1984). More recently, Richins (2004) developed a material values scale in which he suggests materialism consists of items that judge success, the centrality of possessions in one’s life, and the level to which possessions lead to happiness. Researchers have used Richins (2004) scale in previous cross-cultural studies (Dittmar, 2005); the shortened 9-item scale was used to measure materialism in this study as it considers all three dimensions with acceptable levels of reliability and validity for measuring materialism overall (Richins, 2004).

Cross-culturally, Asian consumers (Chinese and Thai) in major urban centers have been found to be more materialistic than consumers in Canada, the U.S, and Mexico (Ogden & Cheng, 2011; Eastman et al., 1997; Webster and Beatty, 1997). Ogden and Cheng (2011) suggest that this effect is due to the fact that Chinese consumers value their possessions because such possessions contribute to their status and “how well they are doing” (p.438). Webster and Beatty (1997) also found that U.S consumers place more importance on private possessions for the private self, whereas Thai consumers place more importance on possessions that reflect the public self; possessions that often reflect status. These findings are consistent with previous research in that brand status and the social comparison of goods in order to locate someone on
the social hierarchy is encouraged within Asian cultures (Chan & Prendergast, 2007). Therefore, brand status has been found to be a significant predictor of intent to purchase counterfeit goods by Asian consumers (Wee et al., 1995). Schaefer et al. (2004) found Chinese consumers were less materialistic than Americans but argued that this may be due to the fact that respondents in that study were from remote, and less developed areas of China rather than major urban centres.

Both brand status and face consciousness (the emphasis on prestige recognition and status (Wan et al., 2008)) have been reported to increase materialism (Chan and Prendergast, 2007; Wan et al., 2008; Taromina and Chong, 2010; Auerbach et al., 2010; Phau and Teah, 2009). Face consciousness, the notion of public respect, has been identified as one of the cultural values that affect Chinese consumer behaviour; it is central to collectivistic cultures as it represents acceptance and belonging (Bao et al., 2003; Li and Su, 2007; Wong and Ahuvia, 1998). The loss of face may increase risky behaviour such as purchasing counterfeit goods as it can provide a means to escape and contribute to an increase in materialism (Auerback et al., 2010).

Reliance on materialistic tendencies by Chinese consumers has contributed to China’s recent economic growth and the government’s attempt to enhance the country’s social and political status. A type of enhancement that supports reforming and revolutionizing social norms is attributed to the notion of “searching for life’s meaning” to seeking “the good life” (Rosen, 2004, p. 27; Leung, 2008; Ogden & Cheng, 2011).

Within the area of counterfeiting, less developed countries and collectivistic cultures have been reported to be more likely to purchase counterfeit goods (Kwong et al., 2009). In countries such as China, social reputation is important and brand name products are viewed as symbols of
success and a determinant of brand status; buying counterfeit goods that have brand names on them leads to the fulfillment of this need (Taromina and Chong, 2010; Wee et al., 1995).

Materialism has been reported to contribute to intent to purchase counterfeit goods (Han et al., 2010; Swami et al., 2009; Wee et al., 1995). The opposite has also been reported: materialism and status consumption are not associated with attitude toward purchasing counterfeits, and are therefore are not an indication of intent to purchase (Kim and Karpova, 2010). Those who view possessions as essential for happiness may value authentic more than counterfeit goods (Kim and Karpova, 2010). In this research sample:

H2: The positive effect of materialism on attitude towards counterfeiting will be stronger among Chinese consumers than Canadian consumers

Subjective Norm

Subjective norm, i.e. the perceived social pressure to perform (or not perform) a given behaviour (Ajzen, 1991, p.188), is a function of normative beliefs, which can be identified as the level to which important individuals or groups approve (disapprove) of performing a behaviour and motivations of the subject to adhere to the behaviour (Ajzen, 1991; Park, 2000). The concept of subjective norm has been adapted to numerous cases such as employee turnover rates (Abrams et al., 1998), eating behaviours both in a group setting and alone (Bagozzi et al., 2000) as well as the motivations to study for a test within an academic setting (Park, 2000). The likelihood of organ donation for family members across different cultures such as Chinese and Caucasian Americans has also been studied (Wu & Tang, 2009). In such adaptations, it has been found that subjective norm is a significantly stronger predictor of attitudes in a collectivistic setting (Park, 2000; Abrams et al., 1998; Bagozzi et al., 2000; Wu & Tang, 2009).
With reference to counterfeiting, it has been suggested that the more consumers perceive normative pressure from important others on the decision to buy counterfeit products, the stronger the intention to actually purchase them (Penz et al., 2005). Subjective norm has been reported to have a relationship with attitudes towards counterfeit goods (De Matos et al., 2007; Kim and Karpova, 2010; Rahman et al., 2011; Cheng et al., 2011; Shen et al., 2001; Ang et al., 2001; Burke, 2006). Since attitudes are formed through interactions with others (Kiecolt, 1988), those whose referents (relatives or friends) approve of their decision to buy counterfeit products hold more favorable attitudes (Ajzen, 1991). Researchers have also concluded that because friends or other referents could have conflicting opinions, one may rely more heavily on personal attitudes than on subjective norms (Warshaw, 1980). This may differ across cultures; less developed countries and collectivistic cultures have been reported to be more likely to purchase counterfeit goods (Kwong et al., 2009). In countries such as China, social reputation is important and brands are viewed as symbols of success. Therefore, the desire to possess brand name products is greater and buying counterfeit goods leads to the fulfillment of this desire (Taromina and Chong, 2010). Therefore, it was hypothesized that, within this sample:

H3: The positive effect of subjective norm on attitude towards counterfeiting will be stronger among Chinese consumers than Canadian consumers

**Attitude towards Counterfeiting and Purchase Intent**

The Theory of Reasoned Action suggests that “attitude is derived from a group of beliefs that one holds about the object of the behaviour and evaluations of the consequences of the beliefs” (Marcketti and Shelley, 2009, p. 328). In previous studies, attitudes towards counterfeiting have been a significant predictor of willingness to purchase. Having a negative (positive) attitude towards counterfeiting has been reported to have a negative (positive) effect
on the intent to purchase counterfeits (Swami et al., 2009; Furnham and Valgeirsson, 2007; Shen et al., 2001; Marcketti and Shelley, 2009; Kim and Karpova, 2010; Bian and Veloutsou, 2007; Koklic, 2011).

**Acculturation and Ethnic Identity**

For the purposes of this research, it is important to understand and measure the level of acculturation and ethnic identity of participants in order to achieve a clear understanding of how culture affects attitudes and behaviours. *Acculturation*, the process of cultural change that occurs when individuals from different cultural backgrounds come into contact with each other (Celenk and Van de Vijver, 2011, p. 3), has an impact on an individual’s values, beliefs, attitudes and behaviours (Barry 2001; Celenk and Van de Vijver, 2011). Due to the complexity of the construct, numerous attempts and theories about how to measure acculturation and identify its elements have been reported. Recently, Celenk and Van de Vijer (2011) emphasized that acculturation consists of three factors: conditions (resources behind acculturation such as perceived discrimination), orientations (to keep or adopt to cultures), and outcomes (consequences of the acculturation process). Most acculturation measures to date measure one or two of these factors, but not all three. A complex concept such as acculturation must be measured by all three of its elements in order to understand the acculturation process and its impact on attitudes, behaviours and values (Celenk and Vande Vijer, 2011; Alegria 2009; Lopez-Class et al., 2011; Cabassa, 2003).

In the adaptation of consumer behaviour to acculturation, the subfield of *consumer acculturation* has emerged and it is suggested that it has two orientations, the propensity for immigrants to keep their culture of origin or to adopt to the host culture with various degrees
(Swaidan et al., 2006; Alkhazraji et al., 1997; Souiden and Ladhari, 2011; Lerman et al., 2009; Cleveland and Chang, 2009; Cleveland and Laroche, 2007).

The concept of *Ethnic Identity*, “a self-designation which relays a person’s commitment and strength of association to a particular group” (Ogden et al., 2004, p.2; Cleveland et al., 2009), also influences and shapes acculturation (Ogden et al., 2004), sharing similar measures and complexities (Cleveland and Laroche, 2007; Hamlett et al., 2008; Ogden et al., 2004). Ethnic identity refers to commitment to the norms of an ethnic group and influences internal beliefs, attitudes and behaviours (Cleveland et al., 2009; Ogden et al., 2004) in contrast to acculturation, which refers to the process or change of cultural factors (Ogden et al., 2004; Celenk and Van de Vijer, 2011). Thus, measures that include both ethnic identity and acculturation are required (Cleveland and Chang, 2009; Ogden et al., 2004).

Many scales have been used to measure acculturation and ethnic identity in consumer behaviour. The objective of these scales ranges from understanding its impact on consumer complaining behaviour (Souiden and Ladhari, 2011), tolerance of unethical consumer activities (Swaidan et al., 2006), predicting brand choice (Maldonado and Tansuhaj, 2001), and dining-out experiences (Bojanic, and Xu, 2006).

Bojanic and Xu (2006) used the ARMSA-II scale (Cuellar et al., 1995) to understand dining-out behaviour of Chinese immigrants in the United States. This measure includes both acculturation and ethnic identity items. (Bojanic and Xu, 2006; Cleveland and Chang, 2009; Ogden et al., 2004). The researchers used the results to do a cluster analysis, identifying three clusters for which acculturation scores were significantly different from one another (high adaptation to host culture, low adaptation to host culture, and keep original culture). The authors found that consumers from the high assimilation group dined out significantly more often than
those in the other two groups (Bojanic, and Xu, 2006). The ARMSA-II scale adapted by Bojanic and Xu (2006) measures both acculturation and ethnic identity in a comprehensive and efficient manner compared to the lengthy scales used in previous research with Asian participants (Rajagopal et al., 2009; Cuellar et al., 1995). This acculturation scale consists of 17 items measured on a 5-point agreement scale (1= significantly disagree, 2= disagree, 3= neither agree/disagree, 4=agree, 5=strongly agree):

• **Integration:**
  - I enjoy speaking English
  - Most of my friends are of Canadian origin
  - Most of my friends are of Chinese Origin
  - I enjoy watching English language television
  - I enjoy English language movies

• **Identification:**
  - I like to identify myself as a Chinese-Canadian
  - I like to identify myself as Chinese
  - I like to identify myself as Canadian

• **Acculturation:**
  - I have difficulty accepting certain attitudes held by Canadians
  - I have difficulty accepting some behaviors exhibited by Canadians
  - I have difficulty accepting some values held by Canadians
  - I have difficulty accepting certain attitudes held by Chinese
  - I have difficulty accepting some behaviours exhibited by Chinese
  - I have difficulty accepting some values held by Chinese
  - I have difficulties accepting certain attitudes held by Chinese-Canadians
  - I have difficulties accepting some behaviours exhibited by Chinese-Canadians
  - I have difficulties accepting some values held by Chinese-Canadians
CHAPTER 4: METHODOLOGY OF QUALITATIVE/EXPLORATORY PHASE

This chapter provides a description of the qualitative methodology (Figure 1).

![Figure 1: Qualitative Research Methodology](image)

**Introduction**

In the qualitative phase, focus groups were used to validate cultural factors that influence attitudes towards counterfeit goods and identify the factors that would be used in the quantitative phase.

Focus groups are a specific tool used to generate a conversation on a particular topic amongst a group of four to twelve participants. A moderator or interviewer poses general predetermined questions to the group. An observer may be present to not only validate the findings, but also support the moderator by taking notes and listening for common themes. Social science focus groups are less structured than in-depth interviews, focusing mainly on participants’ attitudes and opinions rather than a researcher’s specific agenda; this is appropriate for general exploration of a topic (Warren and Karner, 2010). They are seen as efficient tools to analyze and understand social processes (Hollander, 2004) and are efficient in collecting data from a larger sample (Warren and Karner, 2010).
Data gathered by focus groups are converted into transcripts in which common themes are identified (Berg, 2007). These themes are then used to demonstrate that by interpreting the data and relating it to theory within literature supporting findings can be made.

Purpose

Two focus groups, one consisting of Canadian participants, and the second consisting of Chinese participants, were conducted. The objective of the focus groups was to explore the importance of cultural factors identified in the literature and identify any other factors that contribute to consumer attitudes towards counterfeiting. Participants’ perceptions of existing anti-counterfeiting posters and their ability to identify counterfeit products were also explored. Findings were then tested in the quantitative phase of the research.

Data Collection

The focus groups allowed for the exploration of multiple areas and concepts.

Subjects and Settings

Two focus groups were conducted with University of Guelph students. The Chinese focus group consisted of six international undergraduate and graduate students from diverse regions in China. The Canadian focus group consisted of seven Canadian undergraduate students. All had knowingly purchased counterfeit products in the past. A student sample was suitable for this preliminary phase as students of both nationalities are frequent purchasers and users of counterfeit products (Cordell et al., 1996; Chakraborty et al., 1996; Chakraborty et al., 1997; Prendergast et al., 2002).

The methodology was approved by the University of Guelph Research Ethics Board (appendix A).
Participants in the Chinese focus group were identified by contacting the Taiwanese and Chinese Student Associations at the University of Guelph, both of which include international students from China. Since there was minimal response from these groups, word-of-mouth communication within the international (Chinese) student social groups at the University was used. All participants were from Mainland China.

The second focus group consisted of Canadian undergraduate students. They were recruited by contacting students enrolled in an undergraduate marketing management undergraduate class via e-mail (appendix B). The participants were Canadian citizens, and at least second generation Canadian, in order to minimize cultural determinants or influences.

Each focus group was held in a well-equipped room at the University of Guelph and lasted about one hour. Each was audio recorded and notes were taken by both the moderator and an observer. In addition, a translator was present for the Chinese focus group. Focus group questions were based on existing literature on cultural factors. The questions were pretested prior to use (appendix C).

Data Transcription and Analysis

The recordings from the two focus groups were transcribed verbatim using digital recorders. Notes from both the observer and moderator were used to supplement the transcribed data and generate a manuscript for each of the focus groups. They generated a total of 24 single-spaced pages, which were verified for accuracy by the moderator, observer, and translator. The data were analyzed by identifying common themes. The transcripts of the Chinese and Canadian groups were subsequently compared.

In transcribing the data, words repeated or used as filler were eliminated, as they did not add value or strength to opinions made or attitudes expressed. Grammatical errors were not
corrected and punctuation was used (e.g. brackets (…)) to indicate that an amount of the recording was not used or reported as it was deemed irrelevant by the moderator, observer, and translator. Comments made by the moderator and questions posed were italicized, while comments by participants were recorded in a manner that ensured participants’ anonymity.

Content Analysis

According to Devers (1999) and Lincoln and Guba (1989), there are four criteria used to accurately assess and enhance qualitative research. The four criteria: credibility, transferability, dependability, and confirmability are discussed below.

Credibility/ internal validity is achieved by using triangulation, i.e. multiple investigators or data sources, to provide support of evidence gathered (Devers, 1999). In a “subject review”, the researcher engages in dialogue with the participants within the focus group and assesses the credibility of the findings in order to be able to confidently interpret and present the evidence as accurate (Devers, 1999). In this research, participant and moderator feedback after the focus groups was used to assess the credibility of the findings.

Transferability or the external validity of qualitative research findings is assessed by comparing themes and findings within similar contexts (Hirschman, 1986). The transferability of the research findings within this study is confirmed because the findings are similar to those in cross-cultural psychology and consumer behaviour.

Dependability/ reliability ensures that the methods used in qualitative research are complete and accurate, and demonstrate clarity in all data analysis processes (Devers, 1999; Lincoln and Guba, 1985). This is accomplished by having a third party review the documents. In this study, having accurate recordings of the focus groups as well as audio and written notes also contributed to dependability.
Confirmability/ objectivity is achieved by assessing and identifying biases in the execution of the research and interpretation of the findings as the researcher is the research instrument in qualitative research (Devers, 1999). Confirmability was assessed in this study by using multiple researchers, i.e. a moderator, observer, and translator, all of whom were familiar with qualitative methods and provided feedback on potential biases during execution of the focus groups as well as the data interpretation. Once the transcripts of both focus groups were complete, the observer compared the transcripts as well as conclusions made with focus group notes and audio recordings to ensure comments were accurate.

Content analysis was used to analyze each transcript in order to identify themes. The transcripts from Chinese and Canadian focus groups were then compared. The moderator, translator, and observer reviewed the themes that arose from the transcripts in order to confirm interpretation of the data. Transferability of the results was assessed by comparing the data with research published in disciplines such as psychology and cultural studies; this was beneficial in validating the findings. The fact that the researchers were familiar with and experienced in conducting qualitative research improved the confirmability of the results.

Assumptions and Limitations

There were several assumptions and limitations in the qualitative phase of this study. First, although one of the criteria for participation in this study was that the students had purchased counterfeit goods in the past, there was no way to confirm this. Because of the small number of participants in the focus groups, the opinions and attitudes expressed cannot be generalized to either all Chinese or all Canadian consumers. This is a limitation of qualitative research. Also, it was assumed that respondents answered questions honestly and to the best of their ability. Lastly, due to the nature of the topic and the presence of other individuals in the
room, participants may not have fully expressed their opinions; however, this concern was not evident at the end of both focus groups when participants were asked whether or not their discussions were limited due to the sensitive nature of the topic. No qualitative data software tool was used to identify patterns and themes, as the data gathered were limited in context. This qualitative research was designed to form the basis for phase two of this study in order to validate hypotheses, so these limitations and assumptions were accepted.
CHAPTER 5: RESULTS OF QUALITATIVE/EXPLORATORY PHASE

Areas that were explored included environment and nature of purchase, identity/choice of social categories that the purchase of counterfeit products reflects, impacts of the purchase, and market structure and policy of the counterfeit market. These have all been identified as areas to explore when conducting cross-cultural research (Cornwell and Drennan, 2004).

Findings and Discussion

The following themes emerged from the focus groups: general purchasing behaviours towards counterfeit goods, perceived knowledge, seeking counterfeit goods, factors that play a role in attitudes, cultural characteristics, materialism, subjective norm, moral intensity, and risks. Findings from concluding activities such as the product identification and advertisement poster analysis are also presented. Refer to appendix D and appendix E for the full transcripts of both the Canadian and Chinese focus groups.

A comparison between the Chinese and Canadian focus group data illustrates that cultural indicators such as materialism, moral intensity, and subjective norm have an impact on consumer attitudes towards counterfeit goods. These indicators differ between the Chinese and Canadian focus group participants. Differences in attitudes and purchasing behaviours were also evident between the two cultural groups; the Chinese focus group participants have a more positive attitude toward counterfeits than do the Canadian participants. The Chinese participants said that they purchase counterfeit goods online whereas the Canadians stated that they impulsively purchase these goods as part of a travel or novelty experience. The Canadian participants’ attitudes towards counterfeit goods, unlike the Chinese participants, did not transfer into
purchasing behaviour, perhaps due to the impulsive nature of their purchases. The themes are summarized in Table 1 and discussed in detail below.

**Table 1: Summary of Focus Group Themes**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Chinese</th>
<th>Canadian</th>
</tr>
</thead>
</table>
| **General Purchasing Behaviour** | - Buy Counterfeit (CF) shoes/boots online with specific websites (taobao.com, meilishuo.com): functional aspect is the same and CF is cheaper than authentic  
- Friends’ suggestion influences their purchases; they use ratings to control risk. Malls are usually for foreigners  
- Purchase goods to fulfill self-efficacy | - Purchase CF as part of an experience when traveling or as a joke  
- Mostly belts and Rolex purchases overseas  
- If purchasing, would buy online (eBay) or on vacation in another country  
- Easier to purchase CFs in other countries  
- CF purchases are impulse buys as they are disposable products  
- Attitudes do not transfer to purchasing behaviours |
| **Perceived Knowledge** | - Know of specific malls, websites to purchase CF  
- Notice a difference in China vs. Canada: like to compare things in China, not in Canada | - Feel informed in ways to identify CFs  
- Have negative attitude towards CFs  
- Notice the difference between China and Canada, China being more accepting of such markets |
| **Seeking CF Goods**    | - Depends on the product. If they see the authentic one, and want to buy the CF version, then will look on websites for CF  
- Actively compare CF vs. authentic before purchasing for quality of design, similarity to original, most updated trend (constantly purchase to fulfill materialistic need) | - Don’t actively seek CF version of products but will purchase for the novelty factor if encountered during travels |
<table>
<thead>
<tr>
<th>Themes</th>
<th>Chinese</th>
<th>Canadian</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Factors that Play a role</strong></td>
<td>Quality of different CF (similarity to authentic)</td>
<td>Price and quality: quality defined as durability and functionality of product</td>
</tr>
<tr>
<td></td>
<td>Compare the design, logo</td>
<td>CFs are impulse purchases, availability</td>
</tr>
<tr>
<td></td>
<td>Trend: is it the most updated version?</td>
<td>Characteristics of a CF purchaser: someone who would want to fit into a higher social class (assumptions)</td>
</tr>
<tr>
<td></td>
<td>Characteristics of a CF purchaser: Show-offs, susceptible to peer pressure, buy to increase confidence</td>
<td></td>
</tr>
<tr>
<td><strong>Cultural Characteristics</strong></td>
<td>People judge based on appearance and social class; social identity is defined through materialistic means (Social Class identity)</td>
<td>Varies by region. Laws, which come from the culture, differ by region</td>
</tr>
<tr>
<td></td>
<td>Culture and religion play a major role in decisions</td>
<td>Chinese market has less of a stigma and resistance to purchase and sell CFs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cultures that value expensive things are more likely to purchase CFs; Canada is not one of them</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Buy authentic and not CF because of the feeling of accomplishment in earning the authentic product</td>
</tr>
<tr>
<td><strong>Materialism</strong></td>
<td>Highly materialistic, perhaps due to the absence of religious beliefs</td>
<td>Sense of pride of earning something that is authentic, no sense of reward for CF goods</td>
</tr>
<tr>
<td></td>
<td>Purchase for pleasure to make a statement (would purchase CF if can’t afford authentic)</td>
<td>Don’t admire those with designer clothing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Buy products mostly for themselves, not others</td>
</tr>
<tr>
<td><strong>Subjective Norm</strong></td>
<td>Family and friends contribute to decision making, even for CFs</td>
<td>Don’t purchase things to impress others, but ask for opinion</td>
</tr>
<tr>
<td></td>
<td>If friends or family don’t buy it, they don’t</td>
<td>Friends or others involved in purchase decision mostly for the experience</td>
</tr>
<tr>
<td><strong>Moral Intensity</strong></td>
<td>Buying CF, ethics is not a problem</td>
<td>Not ethical to buy or sell CF</td>
</tr>
<tr>
<td></td>
<td>Most prevalent issue is deceptive CF goods but are aware of other harms</td>
<td>Stricter laws in Canada to protect brands and consumers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Understand that there is an ethical issue but don’t think of this factor when purchasing on impulse or for novelty</td>
</tr>
</tbody>
</table>
Table 1: Summary of Focus Group Themes (Continued)

<table>
<thead>
<tr>
<th>Themes</th>
<th>Chinese</th>
<th>Canadian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks</td>
<td>- Social risk, most dominant risk</td>
<td>- Funds terrorism, creates black market and destroys brand equity, consumers’ health risks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Don’t think of these risks when purchasing them (attitudes don’t transfer to purchasing behaviour)</td>
</tr>
<tr>
<td>Product</td>
<td>Can identify which products are CF vs. authentic</td>
<td>Have difficulty identifying which products are CF</td>
</tr>
<tr>
<td>Identification</td>
<td>- Look for origin, and quality</td>
<td>- Look at quality, information on labels</td>
</tr>
<tr>
<td></td>
<td>- Would buy CF shoes/boots more than any other products</td>
<td>- Would not buy any CF for use</td>
</tr>
<tr>
<td>Conclusion</td>
<td>Not a sensitive issue, excited to talk about it</td>
<td>Didn’t feel uncomfortable discussing topic, not a sensitive issue to openly discuss</td>
</tr>
</tbody>
</table>

General Purchasing Behaviour

The general purchasing behaviours of participants in the Chinese and Canadian focus groups differed. The differences were apparent in both the products that were purchased and the motivations underlying the purchasing behaviour.

Chinese focus group participants tended to purchase counterfeit goods mostly online and would purchase the counterfeit version of a product if the performance was the same that of as the authentic product, and was recommended by friends. This was a recurring theme throughout the discussion.

I remember [the] most recent purchasing experience was before I came to Canada. My friends said if you’re going to Canada better buy a pair of winter boots and will protect my feet, but the authorized product is very expensive…2000 RMB…so the functional aspect of the product is the same so compare the price between the counterfeit product and the real product I chose the counterfeit one. So I focus on functional aspect. [CHP01]
Other participants added:

Price is one thing. Another thing is my friend told me this product that she bought before so she knew it was counterfeit, so I knew when I was buying it that it was a counterfeit. [CHP03]

There are several ways to control risk of purchasing counterfeit products, such as using friends’ suggestions, someone who has made the purchase before. On the Chinese version for Amazon, there are some criteria to evaluate the credit of the sellers and can review the selling and purchase history. Yes, there are some ways to change and manipulate that but it’s still good to review. [CHP01]

The products that were purchased (e.g. UGG® boots) were products whose performance was considered to be similar to that of the authentic product, but for which the price was lower.

In the Canadian focus group, participants stated that they had previously purchased counterfeit products as part of an experience when traveling, or as a joke. Products that were purchased were mainly what the participants considered to be novelty items such as belts and counterfeit Rolex watches.

[I] bought a fake Louis Vuitton belt. It was obnoxious, bought it to be ironic, it was crappy. Thin, plastic wrapped around cardboard belt, and the quality was terrible. I bought it at a street vendor in Italy, you can’t really touch it until you bought it. [CNP05]

In explaining their purchasing experience, another Canadian focus group participant explained his motivation to purchase, which was common to all participants...

I bought a fake Rolex in New York. I bought it for a joke. Bought it with everyone on a school trip, as part of the experience. [CNP03]

Canadian and Chinese consumers were shown to have differing consumption behaviours and motivational factors, when asked to express their experiences with counterfeit goods.

The product that was referred to the most in discussion of purchasing counterfeit goods in both groups was counterfeit designer clothing. Due to this association, counterfeit designer apparel was used in the quantitative phase.
Perceived Knowledge

Participants in the two focus groups stated that the attitudes towards counterfeit goods differs in different countries, with China and Canada used as common examples. The following was a comment made by a Canadian focus group participant:

I am going to China this summer and I have every intention to buy all the fake goods there that I can (...). It’s all made there. My parents have been there a handful of times (...). There are these people there that if you haggle them enough (...) they would bring you into these back rooms and my mom was convinced that those were legitimate goods, grey market goods, and you can tell the difference of quality when you touch them, they were heavier etc. [CNP05]

Drawing on their experience of living in both Canada and China, Chinese participants identified the difference in the perceptions towards counterfeits among the consumers in two countries …

If you’re rich people who can afford the real product, or even not rich people, they focus on brand. For people who don’t care about brand…they just don’t care. Besides the function being the same, they don’t care as much. In Canada, people don’t like to compare things so it depends on what kind of product they like (not brand image). [CHP04]

Participants in both groups were asked how knowledgeable about counterfeit goods they considered themselves to be. Both groups felt comfortable in saying they were reasonably knowledgeable about the topic. Chinese participants, interestingly, spoke about being aware of places they could purchase counterfeit goods online and what products were available. In the Canadian group, the discussion about knowledge of counterfeit goods focused on the ability to identify counterfeit products along with identifying the impact that counterfeiting has on the economy, businesses, and society.

Seeking Counterfeit Goods

Differences were discussed in ways that Canadian and Chinese consumers seek counterfeit goods. The Chinese participants were found to actively seek the counterfeit version of
products and compare it to its authentic counterpart before purchasing. Factors that were often used for comparison included the quality of the design, similarity to the original, and whether the counterfeit was the most current version of a product.

I will look for authentic one. After that, if I really want to buy counterfeit one, I will go to authorized website to see real products and then search other websites to buy counterfeit products and make sure the patterns are similar. [CHP03]

A participant in the Chinese group further explained …

I think it depends on how familiar you are with the products (…). If we are making the purchase of the UGG boots physically, unless we are looking for the most updated version, what we need is to go back to the authentic or the official website, otherwise there are so many classic versions of them, there is no need for us to compare the authentic versus the counterfeit, we already know the differences and how they are supposed to look. We just know how old the designs are by certain factors and we compare them. [CHP02]

This behaviour discussed by the Chinese focus group participants was different from that of the Canadian participants. No Canadian participant said he/she actively sought counterfeit versions of products. All said they would purchase counterfeit products only if they were encountered during travels and those tended to be impulse purchases.

Product Factors that Play a Role

Product factors that play a role in purchasing counterfeit products differed between the two cultural groups. Chinese consumers seemed to be concerned about differences in the logo, design, current style, and the quality between the counterfeit and authentic versions.

If I’m buying prestigious products that I cannot afford in the foreseeable future, then there is no need to compare (to) the real product. I would just compare different counterfeit versions of that product. And the main driving force is the quality and that they can be useable and the similarity between the real one and the fake one. [CHP03]
I look at the trend. Is this the most updated one? If it’s not, is it a classic one? Otherwise it’s pointless, I wouldn’t buy it. [CHP01]

As quality was a factor that emerged in both groups, the differences came in the ways in which the two groups defined what quality meant to them. Chinese participants defined quality as …

Some counterfeit s are really fake, everybody can tell it’s fake. It’s shameful to let others know you are carrying counterfeit. So you check how closely it looks to authentic one. It’s not really the duration of the whole product, but it’s more about the similarity between the counterfeit and the authentic one. [CHP01]

Canadian participants, on the other hand, expressed price and quality as factors that would play a role if they were to purchase counterfeit goods, but defined quality as …

Durability, and functionality. If I were to buy a counterfeit product, I wouldn’t want it to stop working or something after a few days. However, being a counterfeit, I would expect it to be a lower quality product than the authentic. [CNP02]

A participant in the Canadian group also expressed that, due to the impulse nature of counterfeit purchases, product factors don’t actively come into consideration …

(They’re) impulsive buys, because you know they are kind of disposable. It’s kind of more like I buy them for fun if anything, kind of like entertainment. [CNP05]

Both groups had similar ideas when describing consumers who would purchase counterfeit goods. They talked about such individuals as people who would want to “show off” and fit into a higher social class. Chinese participants also stated that peer pressure was a substantial indicator in purchasing counterfeit products.
Peer pressure. Your classmates or friends […] they all buy Chanel purse. When you go and hang out with them, they ask and push you “why don’t you buy Chanel purse?” Or you just want to be the same as them? [CHP06]

This is consistent with the idea of subjective norm and will be discussed in later sections.

*Cultural Characteristics*

Participants in both the Chinese and Canadian focus groups commented that they believed that cultural characteristics had an impact on attitudes towards counterfeit goods and subsequent behaviours.

Chinese participants stated that in the Chinese culture, the desire for materialistic goods and social identity are important and some consumers purchase counterfeit goods to be able to fulfill this need.

Back in China, most people judge based on your appearance. What are you wearing? What you are carrying? Diamonds? Jewelry? Instead of looking at if you’re comfortable with yourself. As long as I am dressing in a comfortable way. In Canada or the United States, there are people who make good money but still spend little money on fashion or what they buy. However, back in China it’s social identity to distinguish yourself between other groups and other classes. They think that I am that rich and prestigious that I deserve these things and I also need to announce to other people and other classes that I belong to a high class identity. [CHP01]

The absence of religion in China also emerged as a factor and will be discussed in a later section.

Canadian participants discussed the impact of cultural characteristics on both legislation and consumer behaviour and the differences that exist between Canada and other countries.

The laws come from the culture right, so I think there is just an ignorance towards it in the culture. Maybe not necessarily an ignorance towards it, but less of a stigma to say you bought that and it’s fake and it’s just a crappy good. [CNP06]
Other participants stated that Canadians, unlike other nationalities that have more positive attitudes towards counterfeit goods, have only a moderate desire for luxury goods.

I think a culture that values expensive things would more likely purchase counterfeits but Canadians don’t. [CNP01]

Canadian participants also agreed that it is part of the Canadian culture, unlike most cultures, to gain a sense of pride in their purchases of authentic products. The notion of avoiding misrepresenting a brand became clear within the group as well…

I don’t like misrepresenting a brand. I don’t buy something expensive (…). I buy a designer good because I know it’s the real thing, I rather buy the real thing because I know it’s real. If it’s real then I know I worked hard for that and I earned this nice product. [CNP03]

Both Chinese and Canadian groups identified the desire for materialistic goods as a leading factor that contributes to consumer purchases of counterfeit goods. As Chinese consumers embrace the need to purchase luxury items in order to address the acceptance into a social class, Canadians were more concerned about not purchasing counterfeit goods as their culture focuses less on identifying oneself with a social class and more on earnings and a sense of pride.

Materialism

As previously discussed, materialism was identified as a predominant factor in how culture plays a role in attitudes towards counterfeit goods and purchasing behaviours. Within the Chinese focus group, materialism was an important factor in purchasing counterfeit products.

In China, there is a saying: the girl wants to marry a man who has the car and the house. If a man cannot afford the luxury car or house then he cannot meet or date a girl, or he has less confidence to date a girl. [CHP06]
Materialism was seen to be a cause of the absence of religious beliefs in China and their belief in a sole leader …

[It] is the concern of absence of religious belief. We don’t have the religious personal belief or leaders of the whole nation. Which used to not be the case, back 20 or 30 years ago (…) One side, it was because of the constraints of the time, the era, and cannot be able to buy because (of) other kinds of needs. But on the other hand, it was about your belief, even though we lost any kind of religious belief like Confucianism or other religions. But we believe now in a sole leader, whatever he suggests or announce. He has the validity to convince people and that is your mental support. But I think right now people are more materialistic that we just believe in yourself and fortunes, and other than that nothing else can be counted for. [CHP01]

Chinese focus group participants continued to discuss materialism in terms of how they admired those who owned expensive goods and often purchased products such as purses and apparel to make a statement. This was also seen amongst the Canadian focus group participants but only for high priced products such as cars and houses.

Compared to Chinese focus group participants, Canadian participants expressed a lower level of materialism. Canadians sought a sense of pride with their purchases and did not see counterfeit goods as fulfilling a materialistic need.

I like a sense of pride of earning something that is a little bit above and beyond, proud to buy something that is authentic. There’s no sense of reward from fake goods. [CAP08]

I agree, cause I would consider myself to be like moderately materialistic and I still wouldn’t buy a counterfeit product because the whole point of being materialistic is to be able to afford the real thing and flaunt a real thing, so it kind of undermines the whole concept of being materialistic. [CAP07]
Canadian participants differed from their Chinese counterparts in their motivations underlying the concept of materialism in general. Canadian participants discussed the purchasing of material goods for personal gratification, whereas the Chinese group focused on purchasing products to impress others and fit into a specific social class.

Subjective Norm

Themes that emerged with regards to subjective norm were consistent with what has been reported in the cross-cultural literature (De Matos et al., 2007; Kim and Karpova, 2010; Rahman et al., 2011; Cheng et al., 2011; Shen et al., 2001; Ang et al., 2001; Burke, 2006). Chinese participants involved their family and friends in their life decisions and this often carried over to their counterfeit purchases. It was clear that if a friend did not recommend, purchase, or approve of a counterfeit product, then the likelihood that they would purchase the product was low.

I am easy influenced by people around me (…). Friends, if a friend says this product is good for you and another says that this other product is good for you, then I am so confused (…) and I don’t know which one to purchase. [CHP02]

Friends within the Chinese group often recommend specific websites where counterfeit versions of products could be found and examined for purchase.

Canadian participants often stated that they generally purchased products for themselves, and not to impress others but would ask for others’ opinions in situations in which a friend is more knowledgeable about a type of product or in confirming their opinion about a product…

(I would ask) my friends’ (opinions) (…) probably more for the things that they would see me in - a purse or clothes I’m wearing. But I won’t buy things to impress them, just to get their opinion to see if they look good on me. Not everyday things. [CAP04]
When Canadian participants discussed purchasing counterfeit products and the nature of the purchase experience (traveling or novelty factor), friends and family members were seen as only part of the experience. Canadian participants said they would not purchase counterfeit goods because those around them had recommended the counterfeit products. They also stated that they would not ask someone about a counterfeit good, again, due to the impulsive nature and motivation of the counterfeit purchases.

*Moral Intensity*

The concept of moral intensity differed between the Chinese and Canadian participants. Purchasing counterfeit products was not seen as an ethical issue by Chinese participants:

I think if you want to buy counterfeit product, (ethics) is not your problem.

[CHP02]

The most prevalent issue that was seen in purchasing counterfeit goods was the concept of deceptive counterfeit goods where the seller purposely deceives the consumer into believing that a product is authentic …

I think since we all have purchased it, it’s hard to say (that there is an ethical issue) because it exists. I think it’s wrong when it's counterfeit and you tell people it’s real and you deceive people. Or if it’s bad quality counterfeit trying to pretend to be high quality counterfeit. [CHP01]

Participants in the Chinese group were not aware of any legislation regarding the sale or purchase of counterfeit goods in China. They became aware of the illegality of counterfeits during their time in Canada.
The role of morality differed between Chinese and Canadian participants in that the latter group believed the selling and purchasing of counterfeit goods was unethical. Canadian participants agreed that “it’s not ethical at all”, and purchasing counterfeit goods was wrong. Canadian participants were aware that there were specific laws and regulations set out by the Canadian government whose role was primarily to “protect brands, companies’ intellectual rights, and consumers”. Also, most expressed that these laws and regulations also benefit the government …

If you’re buying a counterfeit good, you’re buying out the middleman so you are buying out the government so they are not getting a cut, because there is no tax on it. [CAP05]

I know there is no regulating body that controls that stuff. I know Nike still uses sweatshop in China. But who regulates laws like the labor and the wages, everything in those countries is not regulated when making counterfeit goods. [CAP04]

A theme that also emerged within the Canadian focus group was that although participants were aware and believed that there are ethical issues with the sale and purchase of counterfeit goods, these attitudes and beliefs did not translate into their purchase behaviour. This was believed to be due to the fact that when purchasing counterfeit products, it is often an impulse purchase for the novelty factor.

**Risks**

The risks identified by the two groups differed, but this issue was not explored in depth. The predominant risk that emerged within the Chinese group was the social risk of purchasing counterfeit goods, “we care most about what others (think) about (us)”. Other factors such as environmental, business or health risk did not emerge at this time.
The Canadian participants identified several risks they associated with counterfeiting such as its ability to fund terrorism, create black markets, have negative impacts on brand equity for businesses, and create numerous health risks for consumers.

It messes the market, you create a black market and it’s terrible for consumers because there is no protection there and it’s terrible for sellers cause it completely destroys brand equity. [CAP05]

Consumers are a big one. Also kids’ stuff, if they lick something like a toy that harms them, (and) if they use crappy materials to make them. [CAP01]

Similar to the theme identified with the concept of moral intensity, the attitudes of the Canadian focus group participants with regards to risks did not translate into their purchase intentions. They stated that although they were aware of these risks, they did not become part of the thought process when purchasing counterfeit products.

Concluding Focus Group Activities

Product Identification

Participants were asked to take part in a product identification activity during the focus groups. Several products that included apparel (yoga pants, sweater, baseball cap), jewelry (necklace, bracelet, rings), and electronics (cell phone, mp3 player, headsets) were displayed on a table and focus group participants were asked if they were able to identify which products were counterfeit and which were authentic. Products that were on display were both authentic and counterfeit. This activity was used as the basis for a discussion to help understand which counterfeit products the participants would purchase as well as the factors that they would look for during the purchase decision.

Several themes emerged. The Chinese participants were more accurate with their answers and better able to identify the counterfeit products than were participants in the Canadian focus
group. The Chinese participants looked for country of origin and quality when identifying the counterfeit products. When asked which products they would purchase as counterfeit, the Chinese participants stated that they would be more likely to purchase counterfeit shoes than any other product …

Shoes are quick consumption goods; they can be worn out quickly. You need lots of shoes to match your outfit or apparel. For purses, you don’t need to match every set of apparel with each purse so you need less of them. [CHP02]

The Canadian participants indicated they would not purchase counterfeit versions of products; if they did, they would be smaller items …

I might buy a counterfeit if it’s something small, something I buy that is useful, like a wallet. Just a wallet to let me hold stuff in, something that I really don’t have to show off but it’s useful and functional. [CAP06]

Assessment of Counterfeit Advertisements

A second activity was added at the end of the focus group to gather information and opinions on current anti-counterfeiting posters supported by the Canadian government. The primary objective of the posters is to educate consumers on issues related to counterfeit goods. See appendix F for the posters. All participants were asked to critique the three different poster advertisements. The consensus among participants in both groups was that the advertisement with the photograph of the young child was the best of the three in that it was more eye-catching and something they could relate to more than the others.

The Chinese participants did not make any comments about the details of the posters. The Canadian focus group participants, on the other hand, considered the images on the posters
outdated. They thought the posters contained too much information for most consumers to take time to read. The participants thought the posters should have more vibrant colour schemes, updated photos, and more appealing information with less clutter.

**Implications**

The focus groups provided insights from the perspective of a small sample of Chinese and Canadian consumers regarding attitudes towards counterfeit goods and purchase behaviours. Perceptions of the four cultural factors of moral intensity, materialism, perceived risk, and subjective norms, as well as risk were discussed. The impact of these cultural indicators on the attitudes and purchasing decisions of participants in the two groups was discussed. The translation of attitudes into purchase behaviour was also explored by the participants.

Differing themes emerged with regards to the general purchasing behaviour of counterfeit goods amongst the Chinese and Canadian focus group participants:

- Chinese focus group participants purchased counterfeit goods online in order to fulfill a materialistic need while the Canadian participants purchased counterfeit products as part of a travel experience, for the novelty factor, and mostly as impulse purchases.
- Chinese focus group participants were more likely to purchase counterfeit shoes or boots, while Canadian participants were more likely to purchase novelty items such as belts or Rolex watches.
- While attitudes were consistent with purchase intentions among participants in the Chinese focus group, Canadian participants’ negative attitudes did not transfer to their purchase intentions, perhaps due to the spontaneous nature of the purchase decision.
Participants in both cultural groups considered price and quality in their purchase decisions. Chinese and Canadian participants defined quality differently; Chinese saw quality as a counterfeit good being similar to the authentic, and Canadians defined quality as a product that is durable and functional.

Cultural characteristics and cultural factors such as materialism, moral intensity, and subjective norm emerged as important factors in consumer attitudes towards counterfeit goods. The most marked difference between participants in the Chinese and Canadian focus groups was the concept of materialism. Chinese participants were materialistically driven to purchase counterfeit goods, motivated by their value of pride, which was identified as an element of their sense of materialism; Canadian focus group participants were seen as less materialistic in their motivation to purchase counterfeit goods. Compared to Canadian participants, Chinese participants also had higher regard for subjective norm and the involvement of friends and family members in their purchasing decisions. Differences also emerged when discussing the factor of moral intensity where the Chinese focus group did not perceive purchasing counterfeit goods as an ethical issue while the Canadian focus group viewed this behaviour as unethical. Canadian focus group participants identified a number of risks. These included health risks and market/business risks. The Chinese focus group participants identified social risk as the largest risk in purchasing counterfeit goods. These attitudes, however, did not translate into Canadian participants’ purchasing behaviours; the Canadians said that they would still purchase counterfeit novelty items.

The data collected were consistent with current theory related to the three cultural factors of materialism, moral intensity, and subjective norm. For example, Asians have been consistently reported to be more materialistic than North Americans (Ogden and Chen, 2011; Eastmen et al.,
1997; Webster and Beatty, 1997), with brand status as a contributing factor (Chan and Prendergast, 2007; Wan et al., 2008; Taromina and Chong, 2010; Auerbach et al., 2010; Phau and Teah, 2009). With regards to moral intensity, the qualitative findings of this research were supported by the literature that states that Asian consumers are less sensitive to unethical consumption practices, and have lower consideration of moral intensity (Butt and Butt, 2009; Vitell and Patwardhan, 2008; Babakus et al., 2004; Jones, 1991; Singhapakdi et al., 1999; Swinyard, 1990). The subjective norm literature consistently states that those whose social groups approve of their decision to buy counterfeit products have a more favorable attitude and stronger intent to purchase such goods (Ajzen, 1991; Penz and Stottinger, 2005); this theme clearly emerged in the qualitative study.

Differences between Chinese and Canadian focus group participants were found among the cultural factors of moral intensity, subjective norm, and materialism as well as their purchasing behaviours and attitudes. The focus groups identified two counterfeit products that participants in both groups would be most likely to purchase - shoes and boots (Chinese) and novelty items such as belts and Rolex watches (Canadian).

Summary

The purpose of this exploratory phase was to assess the relevance of cultural factors identified in the literature to counterfeiting as well as to explore consumer attitudes towards counterfeit goods and purchasing behaviours (with reference to counterfeit goods) of a small number of Canadian and Chinese consumers.

Two focus groups were conducted with a convenience sample of six international Chinese students, and eight Canadian students at the University of Guelph. Focus groups were audio recorded and transcribed, generating 24 pages of single-space transcripts. The
transcriptions and notes taken were reviewed for accuracy by the moderator and observer. Content analysis was used in order to identify recurring themes within each group and between the two cultural groups.

Credibility of the findings was achieved by using multiple investigators, including a moderator, observer, and translator to confirm the accuracy of the transcribed data. All parties reviewed the transcripts and themes that were identified.

Transferability of the research findings relates closely to contexts similar to those found in cross-cultural psychology and consumer behaviour. Through the discussion of the findings, transferability with other theories and concepts was assessed. In this research study, the use of audio recordings as well as written notes helped to ensure reliability and dependability of the data.

Confirmability was assessed in the qualitative phase by using multiple researchers, including a moderator, observer, and translator who were familiar with qualitative methods. These parties were able to provide feedback on any possible biases during the focus groups, data interpretation and drawing of conclusions.

The findings of this qualitative phase indicate that cultural indicators such as materialism, moral intensity, and subjective norm have an impact on consumer attitudes towards counterfeit goods. These three factors differed between the Chinese and Canadian focus group participants. Differences in attitudes and purchasing behaviours were also evident between the two cultural groups in that Chinese participants had more positive attitudes toward counterfeits, and purchased counterfeit products online whereas Canadian focus group participants held more negative attitudes towards counterfeit goods, and stated that they purchased these goods on impulse, as part of a travel experience. Unlike Chinese participants, Canadian participants’
attitudes towards counterfeit goods did not transfer into purchasing behaviour, perhaps due to the nature of their counterfeit purchases.

These findings support development of the hypotheses for the quantitative phase of this research.
CHAPTER 6: METHODOLOGY OF QUANTITATIVE PHASE

This chapter discusses the quantitative methodology (Figure 2).

Figure 2: Quantitative Research Methodology

Introduction

Quantitative methods include many different designs that can be used to measure and demonstrate relationships between factors at a particular time (cross-sectional) or over an extended period (longitudinal). Cross-sectional research is often used to describe characteristics that exist within a particular group or population; it allows the formulation of conclusions about possible relationships without manipulating specific variables (Cherry, 2012). Quantitative methods are often used to determine the prevalence of a variable such as attitude in a given group at a given time (Cherry, 2012). In consumer behaviour and other social sciences, variables in cross-sectional research can be analyzed by collecting data by administering surveys. Once collected, raw data are entered and screened for issues that impact analysis such as missing data, outliers, linearity, nonnormality, and restriction in the range of data (Schumacker and Lomax, 2010). This chapter will discuss the quantitative phase of this research that is cross-sectional in nature.
Pre-existing measures of moral intensity, materialism, and subjective norm were used in this study (Singhapakdi et al., 1996; Richins, 2004; De Matos et al., 2007; Kim and Karpova, 2010; Bruner et al., 2005; Shamdasani, Stanaland, and Tan, 2001). A theory-based model was developed and then tested using multigroup regression. Multigroup regression is a form of moderation that considers two categorical variables treated as two separate sets of data and a given model is tested for each group. This is used to identify whether the independent variables identified in the model and their relationship with the dependent variable differ due to the moderator variable. Culture was the moderator variable in this research, with Canadian and Chinese categorical variables.

In the quantitative phase of this research, the following hypotheses (which were discussed in detail in Chapter 3) were tested:

H$_1$: The negative effect of moral intensity on attitude towards counterfeiting will be stronger among Canadian consumers than Chinese consumers

H$_2$: The positive effect of materialism on attitude towards counterfeiting will be stronger among Chinese consumers than Canadian consumers

H$_3$: The positive effect of subjective norm on attitude towards counterfeiting will be stronger among Chinese consumers than Canadian consumers

**Study Context & Purpose**

The purpose of the quantitative phase was to attempt to understand the contribution of culture to attitudes towards counterfeiting of Canadian and Chinese participants. Existing models do not include culture; inclusion of cultural differences may improve the amount of variance explained by existing models (Eisend & Schuchert-Guler, 2006; Swami et al., 2009; Kim & Karpova, 2010; Rahman et al., 2011; Maldonado & Hume, 2005). The purpose of phase two was to identify the strength of the indicators (materialism, moral intensity and subjective norm)
on Canadian and Chinese attitudes towards counterfeit goods and to identify differences between them. Multigroup regression was used to measure whether differences identified in the exploratory phase were significant.

**Data Collection Method**

The questionnaire (appendix G) included multiple sections. The first section outlined the most commonly used definitions of counterfeit goods, grey market goods, and piracy, and emphasized that the focus was on counterfeit designer clothing in order to clarify terminology and minimize common misconceptions. The second section included demographic questions based on citizenship status, ethnic background, generation status, language, age, gender and profession. The moral intensity, materialism, and subjective norm items followed, as well as attitude measures, and purchase intent. There were additional measures such as purchase frequency, product knowledge, and cognitive purchase involvement added to the questionnaire. Preexisting scales were used for these measures in order to gather quantifiable data for possible use in future research; analysis of this data is beyond the scope of this study. The purchase frequency construct allowed for the measurement of how often participants knowingly purchase counterfeit goods (Bruner et al., 2005). Product knowledge measured the participants’ familiarity and experience with the given product, with the preexisting scale reporting a reliability of 0.890 in previous studies (Roehm and Sternthal, 2001). The construct of cognitive purchase involvement measured the degree to which the participant’s involvement with a particular purchase is “thinking-related” rather than “feeling-related” (Putrevu and Lord, 1994; Shamdasani et al., 2001). The a reliability reported in this scale from previous studies was acceptable, ranging from 0.740-0.830 (Putrevu and Lord, 1994; Shamdasani et al., 2001). Finally, for the
Chinese participants, there were questions about ethnic identity and acculturation; this construct and its measures are discussed on pages 26-28. The counterfeit product that was used was counterfeit designer clothing, identified in the exploratory phase (see pg.42).

A Canadian online survey tool, Fluidsurvey, was used. Pretesting the survey was done in two phases; the first, with a small group of market research professionals who were familiar with Canadian, Asian, and cultural research, and the second pretest by a larger group of graduate students. Pretest results led to rewording of a few questions and the removal of one attitude item.

In order to reach a large, diverse sample of Canadians, a link to the survey was posted on social media sites such as Facebook and LinkedIn groups such as University Alumni groups including the Marketing and Consumer Studies Alumni group, University of Guelph Alumni, and the College of Management and Economics Alumni group. For the Chinese group, the survey link was posted on LinkedIn groups such as the Chinese Cultural Center of Youth, Toronto Chinese Community Church Networking Group, Ivey Chinese Alumni Toronto, Toronto Chinese Presbyterian Church, University of Toronto Alumni Great China, and Toronto Chinese IT Professionals. Cultural centers such as The Cross-Cultural Community Services Association, and local businesses (who did not wish to be identified) within Toronto were also approached in an effort to attract participants. As a result, there were 88 Canadian and 44 Chinese participants. Demographics describing the participants of both groups are below:
Table 2: Demographics

<table>
<thead>
<tr>
<th>Age</th>
<th>Canadian Sample</th>
<th>Chinese Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numbers</td>
<td>Percentage Distribution (Raw number %)</td>
</tr>
<tr>
<td>18-28 years old</td>
<td>9</td>
<td>10%</td>
</tr>
<tr>
<td>29-39 years old</td>
<td>18</td>
<td>21%</td>
</tr>
<tr>
<td>40-50 years old</td>
<td>9</td>
<td>10%</td>
</tr>
<tr>
<td>51+ years old</td>
<td>7</td>
<td>8%</td>
</tr>
<tr>
<td>Unanswered</td>
<td>45</td>
<td>51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Canadian Sample</th>
<th>Chinese Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>38</td>
<td>43%</td>
</tr>
<tr>
<td>Female</td>
<td>50</td>
<td>57%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Canadian Sample</th>
<th>Chinese Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional (Doctor, Teacher, Lawyer, etc.)</td>
<td>20</td>
<td>23%</td>
</tr>
<tr>
<td>Student</td>
<td>10</td>
<td>11%</td>
</tr>
<tr>
<td>Business</td>
<td>28</td>
<td>32%</td>
</tr>
<tr>
<td>Other</td>
<td>30</td>
<td>34%</td>
</tr>
</tbody>
</table>

Measurement Scales

The hypotheses required the measurement of three constructs: moral intensity, materialism, and subjective norm. The research used adjusted versions of items and scales that had been developed in previous research in order to reliably measure these hypotheses and their constructs. Items were randomized.

Moral Intensity

Moral intensity was defined by Jones (1991) as having six dimensions: magnitude of consequences, social consensus, probability of effect (function of the probability that the act will take place and the probability that the act will cause harm/ benefit), temporal immediacy (time
between the act and its consequences), proximity (nearness of the subject to the affected person), and concentration of effect (the number of people affected by an act and its magnitude). Moral intensity was measured by using preexistent measures of Singhapakdi et al.’s (1996). These researchers developed a simplified scale that has been used to measure moral intensity within applications such as accounting practices, marketing practices, the environment, bribery and abuse (Vitell and Patwardhan, 2008; Smith and Hume, 2005; Singhapakdi et al., 1999; Ahmed et al., 2003). This scale was chosen because of its common use and its high $\alpha$ reliability values when used. According to Vitell and Patwardhan (2008), the $\alpha$ reliability for moral intensity ranged from 0.829 – 0.868 in their study of accounting practices; similar reliability scores were reported in other studies.

Moral intensity was measured using the six items described in Table 3. Some items were measured on a seven-point Likert scale (1= strongly disagree, 7=strongly agree), while others were changed to seven-point semiotic differentials in order to adapt to the concept being measured. Item 1 measured the magnitude of consequences dimension, keeping the seven-point Likert scale the same but modifying the wording from addressing a marketer’s action to the concept of counterfeiting. Item 2 measured the probability of effect dimension on a seven-point semiotic differential scale; similarly, it was adjusted to fit the topic of counterfeit products. This item was adjusted to a semiotic differential scale in order to minimize the bias that an agreement scale might have generated due to the nature of the preexisting item. Item 3, measuring the temporal immediacy dimension, and item 4, measuring the concentration of effect dimension, were measured on a seven-point semiotic differential scale rather than the original agreement scale in order for the question to be easier for the participants to understand. The same change was made to item 5, measuring social consensus dimension, which was also reworded for
simplicity. The preexisting proximity dimension was measured using two items on a semiotic differential scale in order to provide a clear understanding of what the concept is measuring. Pretesting these items confirmed that the changes made to these items were acceptable.

Studies involving cross-cultural groups often suffer from a bias of items being developed from the researcher’s personal value system; in order to minimizing this bias, the respondents were told to think about counterfeiting in the context of their cultural and personal perspectives prior to answering the moral intensity items. This approach has been used in previous research in order to address such researcher bias (Ahmed et al., 2003). The culture construct was measured by including Chinese immigrants and international students for the Chinese group and Canadian citizens beyond first generation for the Canadian group.

### Table 3: Moral Intensity Items

<table>
<thead>
<tr>
<th>Singhapakdi et al. (1996) Preexisting Items</th>
<th>Adjusted items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>“Harm”</strong></td>
<td></td>
</tr>
<tr>
<td><em>Magnitude of Consequences:</em> The overall harm (if any) done as a result of the (marketer)’s action would be very small</td>
<td><em>Item 1 (Magnitude of Consequences):</em> The overall harm (if any) done as a result of counterfeiting would be very small (1 = Strongly disagree; 7 = Strongly agree)</td>
</tr>
<tr>
<td><em>Probability of Effect:</em> There is a very small likelihood that the (marketer)’s action will actually cause any harm</td>
<td><em>Item 2 (Probability of Effect):</em> The likelihood that counterfeit products cause harm is (Not at all likely to Extremely likely)</td>
</tr>
<tr>
<td><em>Temporal Immediacy:</em> The (marketer)’s action will not cause any harm in an immediate future</td>
<td><em>Item 3 (Temporal Immediacy):</em> Counterfeit products cause harm in the (Immediate future to Distant future)</td>
</tr>
<tr>
<td><em>Concentration of Effect:</em> The (marketer)’s action will harm very few people (if any).</td>
<td><em>Item 4 (Concentration of Effect):</em> Counterfeit products harm (No one to A lot of people)</td>
</tr>
<tr>
<td><strong>“Social Pressure”</strong></td>
<td></td>
</tr>
<tr>
<td><em>Social Consensus:</em> Most people would agree that the (marketer)’s action is wrong</td>
<td><em>Item 5 (Social Consensus):</em> People think that counterfeit products are (Not acceptable - Acceptable)</td>
</tr>
</tbody>
</table>
Table 3: Moral Intensity Items (Continued)

<table>
<thead>
<tr>
<th>Singhapakdi et al. (1996) Preexisting Items</th>
<th>Adjusted items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proximity:</strong> If the (marketer) is a personal friend of the (victim), the action is wrong</td>
<td>Item 6 (Proximity): Buying a counterfeit product from a friend is (Not acceptable - Acceptable)</td>
</tr>
<tr>
<td></td>
<td>Item 7 (Proximity): Buying a counterfeit product from a person I don’t know is (Not acceptable to Acceptable)</td>
</tr>
</tbody>
</table>

Materialism

The construct of materialism was defined by using Richins’ (2004) theory where materialism consists of items that judge success, the centrality of possessions in one’s life, and the level to which possessions lead to happiness. The construct was measured by using the material values scale developed by Richins (2004). Researchers have used this scale in previous cross-cultural studies (Eastman et al., 1997; Webster and Beatty, 1997; Dittmar, 2005; Ogden and Cheng, 2011) and it is the most widely used validated measure in consumer research (Dittmar, 2005; Wong, Rindfleisch, and Burroughs, 2003). The construct was also chosen given the high $\alpha$ reliability demonstrated across previous studies; for example, Ogden and Cheng (2011) reported an $\alpha$ reliability of 0.700-0.802 for items in their research on materialism amongst cultural dimensions. This high reliability measure was consistent with previous research. The shortened nine-item, seven-point Likert scale (1= Strongly disagree, 7= Strongly agree) was used to measure materialism in this study because it considers all three dimensions with acceptable levels of reliability and validity for measuring materialism overall (Richins, 2004). Items were adjusted to be relevant to designer clothing and can be seen in Table 4.
Table 4: Materialism Items

<table>
<thead>
<tr>
<th>Richins (2004) Preexisting Item</th>
<th>Adjusted Item</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>“Success”</strong></td>
<td></td>
</tr>
<tr>
<td>Item 1: I admire people who own expensive homes, cars, and clothes</td>
<td>Item 1: I admire people who own expensive designer clothing</td>
</tr>
<tr>
<td>Item 2: The things I own say a lot about how well I’m doing in life</td>
<td>Item 2: The designer clothing I own says a lot about how well I’m doing in life</td>
</tr>
<tr>
<td>Item 3: I like to own things that impress people</td>
<td>Item 3: I like to own designer clothing to impress people</td>
</tr>
<tr>
<td><strong>“Centrality”</strong></td>
<td></td>
</tr>
<tr>
<td>Item 4: I’m concerned about having material possessions</td>
<td>Item 4: I’m concerned about having material possessions, especially designer clothing</td>
</tr>
<tr>
<td>Item 5: Buying luxury products gives me pleasure</td>
<td>Item 5: Buying luxury products gives me pleasure</td>
</tr>
<tr>
<td>Item 6: I like to have luxury in my life</td>
<td>Item 6: I like to have luxury in my life</td>
</tr>
<tr>
<td><strong>“Happiness”</strong></td>
<td></td>
</tr>
<tr>
<td>Item 7: My life would be better if I owned luxury products that I don’t currently have</td>
<td>Item 7: My life would be better if I owned luxury products that I don’t currently have</td>
</tr>
<tr>
<td>Item 8: I’d be happier if I could afford to buy more things</td>
<td>Item 8: I’d be happier if I could afford to buy more designer clothing</td>
</tr>
<tr>
<td>Item 9: It bothers me that I can’t afford to buy all the things (products) I’d like</td>
<td>Item 9: It bothers me that I can’t afford to buy all the designer clothing I’d like</td>
</tr>
</tbody>
</table>

Subjective Norm

The construct of subjective norm was defined by the function of normative beliefs, which can be described as the level to which important individuals or groups approve (disapprove) of performing a behaviour and motivations of the subject to adhere to the behaviour (Ajzen, 1991; Park, 2000). The construct was measured by using pre-existing scales that differ in the number of items but are similar in their content (Fitzmaurice, 2005; Bagozzi et al., 2000, Kim and Karpova, 2010; De Matos et al., 2007; Courneya, 1995; Ajzen, 1991; Abrams et al., 1998). In previous counterfeiting literature, both two-item and three-item scales were used to measure subjective norm (De Matos et al., 2007; Kim and Karpova, 2010). A four-item measure on a 7-
point scale (1=Strongly disagree, 7=Strongly agree) of subjective norm was used in this study because this has been commonly done to achieve a more accurate measure (Fitzmaurice, 2005; Courneya, 1995; Abrams et al., 1998). This construct was chosen based on its high α reliability measures in previous studies; for example, Fitzmaurice (2005) reported α reliability ranging from 0.870 to 0.910. Similar α scores were reported in previous research. The items were adjusted in order to provide a clearer understanding of the concept and the specific activity that is being considered.

Table 5: Subjective Norm Items

<table>
<thead>
<tr>
<th>Items Used in Previous Research</th>
<th>Adjusted item</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item 1</strong>: Most people important to me think that I should do this activity (Fitzmaurice, 2005; Kim and Karpova, 2010; Courneya, 1995; Bagozzi et al., 2000)</td>
<td><strong>Item 1</strong>: Close friends or family would approve of me buying counterfeit products</td>
</tr>
<tr>
<td><strong>Item 2</strong>: Close friends and family think it is a good idea for me to do this activity (Fitzmaurice, 2005; Kim and Karpova, 2010)</td>
<td><strong>Item 2</strong>: Close friends or family could influence me to buy counterfeit products</td>
</tr>
<tr>
<td><strong>Item 3</strong>: Important people in my life want me to do this activity (Fitzmaurice, 2005; Bagozzi et al., 2000)</td>
<td><strong>Item 3</strong>: Important people in my life encourage me to buy counterfeit products</td>
</tr>
<tr>
<td><strong>Item 4</strong>: I feel pressure from people who are important to me to come to an exercise class (Courneya, 1995)</td>
<td><strong>Item 4</strong>: I feel pressure from people who are important to me to purchase counterfeit products</td>
</tr>
<tr>
<td><strong>Item 5</strong>: I feel pressure from society in general to come to an exercise class (Courneya, 1995)</td>
<td><strong>Item 5</strong>: I feel pressure from society in general to buy counterfeit products</td>
</tr>
</tbody>
</table>

**Attitude**

The construct of attitude towards counterfeiting was defined by the participants’ perceptions of counterfeit designer clothing and was measured by using pre-existing scales. There is no direct origin of some semantic differential measures that were used to measure attitude (Bruner et al., 2005). This construct was chosen based on its high α reliability in previous studies, which ranged from 0.90-0.970 (Bruner et al., 2005). A second attitude scale developed by Shamdasani, Stanaland, and Tan (2001) was used to measure attitude toward the brand/
product category using a semantic differential scale due to its high $\alpha$ reliability of 0.950. The eight items used to measure attitude towards counterfeit products in this study are presented in Table 6.

<table>
<thead>
<tr>
<th>Attitude Item ( )</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 1: Overall I have a …</td>
<td>Negative attitude towards counterfeiting/ Positive attitude towards counterfeiting</td>
</tr>
<tr>
<td>Item 2: Overall, counterfeit designer clothing is of …</td>
<td>Low quality/ High quality</td>
</tr>
<tr>
<td>Item 3: Overall, counterfeit designer clothing is …</td>
<td>Not worth owning/ Worth owning</td>
</tr>
<tr>
<td>Item 4: Overall, counterfeit designer clothing is of …</td>
<td>Little value for the money/ High value for the money</td>
</tr>
<tr>
<td>Item 5: Counterfeiting is …</td>
<td>Socially irresponsible/ Socially responsible</td>
</tr>
<tr>
<td>Item 6: Overall, I …</td>
<td>Dislike counterfeit designer clothing/ Like counterfeit designer clothing</td>
</tr>
<tr>
<td>Item 7: Counterfeit designer clothing is …</td>
<td>Unpleasant/ Pleasant</td>
</tr>
<tr>
<td>Item 8: Overall, I …</td>
<td>Approve of counterfeit designer clothing/ Disapprove of counterfeit designer clothing</td>
</tr>
</tbody>
</table>

Data Analysis

Responses to the on-line survey were exported to an Excel file and screened for missing data values and outliers. A total of 80 responses were eliminated from further analysis not used due to missing data values. Mplus 6.8 was used to run multigroup regression analysis. Multigroup regression was used in order to test whether culture moderates the relationship between each of the three independent variables of moral intensity, materialism and subjective norm and the dependent variable, attitude. A regression model was specified for each cultural group in order to test for this moderation. The regression coefficients were then tested in order to understand whether there were any significant differences from one coefficient to the next,
testing the three hypotheses. Mplus software was used because it allows for testing the Wald test parameter constraint and allows for testing two regression coefficients and their differences. The Wald test of difference tests whether the difference between the two coefficients is zero. A significant p-value means there is a difference between the two coefficients, and a non-significant value indicates that there is no difference between the two regression coefficients (UCLA: Academic Technology Services, 2012).

**Factor Analysis**

Item analysis was conducted in order to measure each item’s correlation as well as the alpha rating if item was deleted (Gliem and Gliem, 2003). See *appendix H* for descriptive statistics per factor and *appendix I* for correlation matrices of each factor. All factors were derived according to the factor loadings. Factor loadings should fall above $\lambda = 0.707$ to ensure the item’s reliability as it indicates that the construct variance is explained by the item. Analysis was done using eigenvalues greater than 1 and component matrices were not rotated to improve interpretation. *Table 7: Factor Analysis, Moral Intensity*, demonstrates sufficient factor loadings for Items MI 2, MI4, and MI 6 and MI 7 on the first component; therefore, this component is labeled Effect & Proximity indicating that it is highly reliable in measuring how harmful participants believe counterfeit products are, as well as how important the relationship between the buyer and the seller is to the purchaser of the counterfeit good. Component two demonstrates that it reliably measures social consensus as demonstrated by their factor loadings.
<table>
<thead>
<tr>
<th>Item</th>
<th>Component</th>
<th>Effect &amp; Proximity</th>
<th>Social Consensus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MI1</strong>&lt;br&gt; Magnitude of Consequences: The overall harm (if any) done as a result of the (marketer)’s action would be very small</td>
<td></td>
<td>.697</td>
<td>.200</td>
</tr>
<tr>
<td><strong>MI2</strong>&lt;br&gt; Probability of Effect: There is a very small likelihood that the (marketer)’s action will actually cause any harm</td>
<td></td>
<td>-.718</td>
<td>.427</td>
</tr>
<tr>
<td><strong>MI3</strong>&lt;br&gt; Temporal Immediacy: The (marketer)’s action will not cause any harm in an immediate future</td>
<td></td>
<td>.562</td>
<td>.262</td>
</tr>
<tr>
<td><strong>MI4</strong>&lt;br&gt; Concentration of Effect: The (marketer)’s action will harm very few people (if any).</td>
<td></td>
<td>-.767</td>
<td>.235</td>
</tr>
<tr>
<td><strong>MI5</strong>&lt;br&gt; Social Consensus: Most people would agree that the (marketer)’s action is wrong</td>
<td></td>
<td>-.295</td>
<td>.782</td>
</tr>
<tr>
<td><strong>MI6</strong>&lt;br&gt; (Proximity): Buying a counterfeit product from a friend is (Not acceptable- Acceptable</td>
<td></td>
<td>.758</td>
<td>.185</td>
</tr>
<tr>
<td><strong>MI7</strong>&lt;br&gt; (Proximity): Buying a counterfeit product from a person I don’t know is</td>
<td></td>
<td>.747</td>
<td>.389</td>
</tr>
</tbody>
</table>
Table 8: Factor Analysis, Materialism, demonstrates sufficient factor loadings for Items M1, M2, M3, M6, M7, and M8 on the first component; therefore, this component is labeled Designer Clothing & Luxury indicating that it is highly reliable in measuring how designer clothing and luxury items are important to participants.

<table>
<thead>
<tr>
<th>Item</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Designer Clothing &amp; Luxury</td>
</tr>
<tr>
<td>M1</td>
<td>.716</td>
</tr>
<tr>
<td>I admire people who own expensive designer clothing</td>
<td></td>
</tr>
<tr>
<td>M2</td>
<td>.816</td>
</tr>
<tr>
<td>The designer clothing I own says a lot about how well I’m doing in life</td>
<td></td>
</tr>
<tr>
<td>M3</td>
<td>.782</td>
</tr>
<tr>
<td>I like to own designer clothing to impress people</td>
<td></td>
</tr>
<tr>
<td>M4</td>
<td>-.507</td>
</tr>
<tr>
<td>I’m concerned about having material possessions, especially designer clothing</td>
<td></td>
</tr>
<tr>
<td>M5</td>
<td>.698</td>
</tr>
<tr>
<td>Buying luxury products gives me pleasure</td>
<td></td>
</tr>
<tr>
<td>M6</td>
<td>.702</td>
</tr>
<tr>
<td>I like to have luxury in my life</td>
<td></td>
</tr>
<tr>
<td>M7</td>
<td>.809</td>
</tr>
<tr>
<td>My life would be better if I owned luxury products that I don’t currently have</td>
<td></td>
</tr>
<tr>
<td>M8</td>
<td>.844</td>
</tr>
<tr>
<td>I’d be happier if I could afford to buy more designer clothing</td>
<td></td>
</tr>
<tr>
<td>M9</td>
<td>.530</td>
</tr>
<tr>
<td>It bothers me that I can’t afford to buy all the designer clothing I’d like</td>
<td></td>
</tr>
</tbody>
</table>
Table 9: Factor Analysis, Subjective Norm, demonstrates sufficient factor loadings for Items S2, S4, and S5 on one component; therefore, this component is labeled Social Pressure indicating that it is highly reliable in measuring how social pressure and its impact on participants.

<table>
<thead>
<tr>
<th>Item</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1</td>
<td>.551</td>
</tr>
<tr>
<td>S2</td>
<td>.880</td>
</tr>
<tr>
<td>S3</td>
<td>.698</td>
</tr>
<tr>
<td>S4</td>
<td>.885</td>
</tr>
<tr>
<td>S5</td>
<td>.797</td>
</tr>
</tbody>
</table>

Table 10: Factor Analysis, Attitude A, demonstrates sufficient factor loadings for Items A2, A3, A4 on the first component; therefore, this component is Product Value indicating that it is highly reliable in measuring how value, worth, and quality in counterfeit products are in measuring attitude.
### Table 10: Factor Analysis, Attitude A.

<table>
<thead>
<tr>
<th>Item</th>
<th>Component</th>
<th>Product Value</th>
<th>Undetermined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A1</strong> Overall I have a … Negative attitude towards counterfeiting/ Positive attitude towards counterfeiting</td>
<td></td>
<td>.484</td>
<td>.685</td>
</tr>
<tr>
<td><strong>A2</strong> Overall, counterfeit designer clothing is of … Low quality/ High quality</td>
<td></td>
<td>.756</td>
<td>-.448</td>
</tr>
<tr>
<td><strong>A3</strong> Overall, counterfeit designer clothing is … Not worth owning/ Worth owning</td>
<td></td>
<td>.854</td>
<td>-.084</td>
</tr>
<tr>
<td><strong>A4</strong> Overall, counterfeit designer clothing is of… Little value for the money/ High value for the money</td>
<td></td>
<td>.788</td>
<td>-.354</td>
</tr>
<tr>
<td><strong>A5</strong> Counterfeiting is … Socially irresponsible/ Socially responsible</td>
<td></td>
<td>.561</td>
<td>.638</td>
</tr>
</tbody>
</table>

*Table 11: Factor Analysis, Attitude B, demonstrates sufficient factor loadings for Items A1 and A2 one component; therefore, this component is labeled Pleasing indicating that it is highly reliable in measuring pleasurable participants believe counterfeit products are.*

### Table 11: Factor Analysis, Attitude B.

<table>
<thead>
<tr>
<th>Item</th>
<th>Pleasing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A1</strong> Overall, I … Dislike counterfeit designer clothing/ Like counterfeit designer clothing</td>
<td>.905</td>
</tr>
<tr>
<td><strong>A2</strong> Counterfeit designer clothing is… Unpleasant/ Pleasant</td>
<td>.901</td>
</tr>
<tr>
<td><strong>A3</strong> Overall, I … Approve of counterfeit designer clothing/ Disapprove of counterfeit designer clothing</td>
<td>.631</td>
</tr>
</tbody>
</table>
CHAPTER 7: RESULTS OF QUANTITATIVE PHASE

Measure Reliability/ Internal Consistency

Cronbach’s alpha is used to measure a scale’s reliability and internal consistency (Reynaldo, J. and Santos A., 1999; Gliem and Gliem, 2003). Cronbach’s alpha measures should be above 0.70 (considered nunnally), as the closer to 1.0, the greater the internal consistency and the correlations among test items increase (Reynaldo, J. and Santos A., 1999; Gliem and Gliem, 2003). Most measures were considered nunnally and are therefore considered reliable. One measure, attitude amongst the Chinese group, scored below 0.70 but was still used in the analysis, as it was a pre-existing measure. Cronbach’s alpha factors were calculated by using SPSS software for multi-item scales. Table 12 summarizes the Cronbach’s alpha measures for both the Canadian and Chinese groups.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Canadian</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral Intensity</td>
<td>0.76</td>
<td>0.72</td>
</tr>
<tr>
<td>Materialism</td>
<td>0.89</td>
<td>0.80</td>
</tr>
<tr>
<td>Subjective Norm</td>
<td>0.76</td>
<td>0.83</td>
</tr>
<tr>
<td>Attitude</td>
<td>0.89</td>
<td>0.68</td>
</tr>
</tbody>
</table>

These measures for the two groups were consistent across the three independent variables, showing each scale was reliable. Moral intensity had an acceptable Cronbach’s alpha of 0.76 for the Canadian sample, and 0.72 for the Chinese sample, indicating moral intensity items were generally equally reliable and of acceptable internal consistency for both groups. Materialism, having a Cronbach’s alpha of 0.89 for the Canadian group and 0.80 for the Chinese, demonstrates higher reliability for items of the scale for the Canadian group. Subjective norm had an alpha measure of 0.76 for the Canadian group with a greater reliability of 0.83 for the Chinese group. Attitude measures differed in their reliability between the two sample groups,
with a Cronbach’s alpha of 0.89 for the Canadian group and 0.68 for the Chinese group; this did not meet the 0.70 point but was still used in the analysis because it was a pre-existing measure.

A composite average of items was created, and means and variances of the factors were measured for further analysis in order to identify any significant differences between the two groups. Refer to appendix J: Means and Variances, for these descriptive statistics.

**Multigroup Regression Results**

Mplus 6.8 was used to run multigroup regression analysis, and results are summarized in Table 13 and Figure 3 – 4. A summary of the Wald $\chi^2$ test results can be found in Table 14.

Hypothesis one stated that the negative effect of moral intensity on attitudes towards counterfeiting would be stronger among Canadian consumers than Chinese consumers. Results indicate that moral intensity had a greater influence on Canadian participants than Chinese participants with a $\beta_1 = -0.001$ for the Canadian group and a $\beta_1 = 0.053$ for the Chinese group, showing no significance. Given that the Wald test was not significant [$\chi^2 (1df)= 0.07, p= 0.79$], hypothesis one was not supported. The high p-value indicates that there is no difference in the path of moral intensity and participants’ attitudes towards counterfeit goods between the two groups.

Hypothesis two stated that the positive effect of materialism on attitude towards counterfeiting would be stronger among Chinese consumers than Canadian consumers. Results indicate that the Canadian group had a $\beta_2 = 0.234$ and a $\beta_2 = 0.294$ for the Chinese group. Given that the Wald test was not significant [$\chi^2 (1df)= 0.01, p= 0.92$], hypothesis two was not supported. This indicates that materialism does not significantly predict attitudes of counterfeit goods in either cultural group.
Hypothesis three stated that the positive effect of subjective norm on attitude towards counterfeiting would be stronger among Chinese consumers than Canadian consumers. Results show that the Canadian group had a $\beta_3 = 0.053$ and a $\beta_3 = 0.593$ for the Chinese group. Given that the Wald test was significant [$\chi^2 (1\text{df})= 7.2, p= 0.01$], hypothesis three was supported, showing a significant difference between the Chinese and Canadian groups. The path of subjective norm significantly predicts attitudes towards counterfeit goods between Canadian and Chinese consumers; demonstrating that subjective norm is stronger amongst Chinese participants.

<table>
<thead>
<tr>
<th>Attitude on Factors</th>
<th>Canadian</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral Intensity</td>
<td>-0.001</td>
<td>0.053</td>
</tr>
<tr>
<td></td>
<td>p= 0.994</td>
<td>p= 0.695</td>
</tr>
<tr>
<td>Materialism</td>
<td>0.234</td>
<td>0.294</td>
</tr>
<tr>
<td></td>
<td>p= 0.059</td>
<td>p= 0.029</td>
</tr>
<tr>
<td>Subjective Norm</td>
<td>0.053</td>
<td>0.593</td>
</tr>
<tr>
<td></td>
<td>p= 0.731</td>
<td>p= 0.000</td>
</tr>
<tr>
<td>R- Square</td>
<td>0.058</td>
<td>0.596</td>
</tr>
<tr>
<td></td>
<td>p= 0.280</td>
<td>p= 0.000</td>
</tr>
</tbody>
</table>
Figure 3: Canadian Model Results

Figure 4: Chinese Model Results

Table 14: Wald Test of Difference

<table>
<thead>
<tr>
<th>Factor</th>
<th>Wald Test of Difference</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral Intensity</td>
<td>0.07</td>
<td>0.79</td>
</tr>
<tr>
<td>Materialism</td>
<td>0.01</td>
<td>0.92</td>
</tr>
<tr>
<td>Subjective Norm</td>
<td>7.20</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Discussion

The results will be discussed in detail in this section.

Moral Intensity

According to the literature, Asian consumers are less sensitive to unethical consumption practices, with lower consideration of moral intensity than North Americans (Butt and Butt, 2009; Jones, 1991; Singhapakdi et al., 1999; Swinyard, 1990; Vitell and Patwardhan, 2008; Babakus et al., 2004). This may be due to the collectivistic nature of most Asian countries; the degree to which individuals are integrated into groups (Hofstede, 1975). It has been suggested
that collectivistic cultures believe that “ethics” means simply complying with the law whereas individualistic cultures see laws as the minimal requirements in developing attitudes towards ethical or unethical behaviours (Smith & Hume, 2005). This concept also emerged in the qualitative phase of the research.

Within the area of counterfeiting, the concept of moral intensity has been studied with relatively inconsistent results (Maldonado & Hume, 2005; Cordell et al., 1996; De Matos, 2007; Ang et al., 2001; Koklic, 2011; Swami et al., 2009; Furnham and Valgeirsson, 2007; Kim and Karpova, 2010; Logsdon et al., 1994; Ha and Lennon, 1996). This inconsistency may be explained, at least in part, by the different regional samples that were used in the different studies (Ha and Lennon, 1996; Kim and Karpova, 2010).

Hypothesis one focused on the negative effect of moral intensity on consumer attitudes towards counterfeiting and stated that this would be stronger within the Canadian group than the Chinese group. However, this hypothesis was not supported, as a significant difference was not found (Wald test of difference with 1 df= 0.07, p= 0.79). Although there is a difference between the two groups, it is not statistically significant. In contrast to what is found in the literature, the data demonstrate that the Chinese respondents had a higher regard for moral intensity than the Canadian respondents, with a lower variance.

Materialism

Cross-culturally, Asian consumers (Chinese and Thai) in major urban centers have been found to be more materialistic than consumers in Canada, the U.S, and Mexico (Ogden & Cheng, 2011; Eastman et al., 1997; Webster and Beatty, 1997). Ogden and Cheng (2011) suggest that this effect is due to the fact that Chinese value their possessions in relation to how such possessions attribute to their status and “how well they are doing” (p.438). Previous research
suggests that brand status and the social comparison of goods in order to locate someone on the social hierarchy within Asian cultures is encouraged (Chan & Prendergast, 2007); not surprisingly, brand status has been found to be a significant predictor of intent of Asian consumers to purchase counterfeit products (Wee et al., 1995). This importance of brand status was also evident in the qualitative phase of this research. Within the area of counterfeiting, consumers in less developed countries and collectivistic cultures have been reported to be more likely to purchase counterfeit goods (Kwong et al., 2009). In countries such as China, social reputation is important and brands are viewed as symbols of success; a desire to possess brands is greater and buying counterfeit goods leads to the fulfillment of this need (Taromina and Chong, 2010; Wee et al., 1995).

The positive effect of materialism on attitudes towards counterfeiting and its greater strength among Chinese consumers was the focus of hypothesis two. Results indicate that there were differences between the groups, although they were not statistically significant (Wald test of difference with 1 df= 0.01, p= 0.92); therefore, hypothesis two was not supported. Mean values for the Chinese group were directionally higher than for the Canadian group.

Subjective Norm

Throughout the literature, it has been found that subjective norm is a strong predictor of positive attitudes towards counterfeit goods in a collectivistic setting (Park, 2000; Abrams et al., 1998; Bagozzi et al., 2000; Wu & Tang, 2009). With regards to counterfeiting, it has been suggested that the more consumers perceive normative pressure from important others on the decision to buy counterfeit products, the stronger the intention to actually purchase them (Penz et al., 2005). Subjective norm has been reported to be related to attitudes towards counterfeit goods.
(De Matos et al., 2007; Kim and Karpova, 2010; Rahman et al., 2011; Cheng et al., 2011; Shen et al., 2001; Ang et al., 2001; Burke, 2006). This may differ across cultures; consumers in less developed countries and collectivistic cultures have been reported to be more likely to purchase counterfeit goods (Kwong et al., 2009).

Hypothesis three stated that the positive effect of subjective norm on attitudes would be greater in the Chinese sample than the Canadian sample. This hypothesis is supported (Wald test of difference with 1 df = 7.20, p= 0.01). Subjective norm has a greater influence on consumer attitudes towards counterfeiting with the Chinese sample than the Canadian sample. This result implies that Chinese consumers’ attitudes towards counterfeiting are more greatly influenced by family and friends than is true of Canadians.

**Assumptions and Limitations**

As in any research, there are assumptions and limitations that must be considered. Respondent error and administrative error may occur. Attempts were made to limit such errors. Response bias, the falsification of responses or unconscious misrepresentation of responses occurs when respondents provide incorrect answers to survey questions either intentionally or unintentionally. In this study, the questionnaire was designed to minimize such biases in that questions were randomized by section and they were opinion-based questions rather than questions gathering facts or information.

A limitation to this research study is sample size. Due to the difficulties in finding recent Chinese immigrants who were willing to take part in the survey, there was a substantially different sample size between the Canadian and small Chinese sample. This caused the analysis to be underpowered to detect any significant differences with relatively low Cronbach’s alpha measures for the attitude variable. Within the Chinese group, no attempt was made to control for
regional differences. Hong Kong, Taiwan, Shanghai, for example, have different cultures and this may have affected the results.

A limitation of this research was the large number of missing data points and outliers. There was no pattern in terms of what was missing, nor was there a substantial amount of missing data, and so no specific variables were deleted (only 11 data values were missing across both data sets). The analysis was then run and responses that had any missing values at all were not used but still retained for other responses. This was a major limitation as missing data points can limit the strength of the results. The data set was also checked for outliers, i.e. “extreme values” that were at least three standard deviations above or below the mean (Princeton University, 2007; Tabachnick & Fidell, 1989; Pallant, 2001).

Homoscedasticity and normality of the data are also main assumptions in using multiple regression analysis. Homoscedasticity refers to the assumption that the dependent variable in this research – attitude has similar variance across the values for the given independent variable (Tabachnick & Fidell, 1989). The assumption of a normal distribution amongst the data were also made using multigroup regression where a bell-shaped function, centered around the mean, indicated the data was less likely to have extreme values or outliers. Homoscedasticity and normality in the data were checked in SPSS by generating stepwise graphs and scatterplots for both groups and then visually examined. The histogram generated in SPSS indicated a normal distribution in both data sets. Homoscedasticity was also examined using SPSS by generating a scatterplot of the dependent variable across the regression standardized residual onto the regression standardized predicted value. Once generated, the graph reflected no specific pattern in the data, indicating the assumption is present (Princeton University, 2007; Tabachnick & Fidell, 1989). This serves as an indication that no major deviation from normality has occurred
and a multiple regression analysis can be run (Pallant, 2001). This is an alternative to heteroscedasticity, which indicates that the error variances are not the same and this may cause an underestimation of the variance and standard errors of the coefficients leading to a type 1 error (rejecting a null hypothesis that should be accepted).

Multicollinearity is also an assumption in using moderating methods, which indicates that the independent variables being considered are highly correlated, having a correlation of 0.90 or greater (Tabachnick & Fidell, 1989). Avoiding multicollinearity among independent variables ensures that each variable is a distinct construct and its use in the analysis is justified (Thomas, 2010). Multicollinearity was determined by calculating correlations among the independent variables of moral intensity, materialism, and subjective norm in Mplus. There was not a high correlation when any of the three independent variables were compared across the Chinese and Canadian groups. This issue minimized by using multigroup regression because the independent variables and the moderator are not used to create a cross product of the two variables with this method.

A common limitation of cross-sectional research is that parameters are assumed to be constant over time and across the groups being considered. “The failure to account for time-varying effects limits the scope for understanding the true nature of the relationship being investigated” (Bowen and Wiersema, 1999 p. 626). Causal relationships are also cannot be assumed in cross-sectional research, limiting understanding of the concept (Cherry, 2012). Cross-sectional research also fails to take into account the potential historical experiences of a group of people (that may impact their attitudes) people born in a specific region are limited to their experiences within that location (Cherry, 2012; Bowen and Wiersema, 1999).
CHAPTER 8: CONCLUSION

Summary of Thesis

This study explored factors such as moral intensity, materialism, subjective norm, ethnic identity, values, belief systems, and customs. Two focus groups, one consisting of Canadian consumers and the other Chinese consumers, were conducted to explore cultural indicators that contribute to each group’s perceptions of counterfeit products, their purchase intentions, and an understanding of the level and types of risks they believe are inherent in purchase decisions. These focus groups were also designed to understand whether culture impacts attitudes towards counterfeiting. Results were supported by findings within the literature and aided in the development of three hypotheses, measuring the effect of each of moral intensity, materialism, and subjective norm on attitude towards counterfeiting. It was found that Canadian and Chinese participants held different beliefs; Chinese participants were found to hold highly materialistic values and were greatly influenced by subjective norm, where Canadian participants believed that counterfeiting was unethical. The qualitative findings were used to develop the survey for phase two by providing a better understanding of which factors to measure as well as the importance of simplifying questions due to the complex nature of the topic.

A follow-up survey tested the relative strength of cultural indicators within each of the two ethnic groups and the correlation of these indicators with attitude. The survey was conducted in a large metropolitan center (Toronto, Ontario), which has a large Chinese immigrant population and experiences high levels of counterfeit purchases. Hypotheses one and two, stating materialism and moral intensity have significantly greater effects on Chinese than Canadian participants’ attitudes was not supported; however, the small sample size underpowered the detection of differences with the samples. Subjective norm was found to have a significant
difference between the two samples, reflecting the idea that family and friends have a large influence on attitudes towards counterfeiting, a factor often found in collectivistic cultures (Park, 2000; Abrams et al., 1998; Bagozzi et al., 2000; Wu & Tang, 2009). The results of this research provide insights into the influence of culture on the purchase of counterfeit products by Canadian and Chinese consumers. This, in turn, will provide guidance in the development of effective strategies to address the issue.

**Implications of Findings**

This research filled a gap within the literature related to consumer attitudes towards counterfeit goods among Canadian and Chinese consumers and how cultural factors such as moral intensity, materialism, and subjective norm influence such attitudes.

The findings of this research are valuable to several parties. They will assist law enforcement and government bodies to better understand Canadian and Chinese consumer attitudes towards counterfeiting so that these groups can target their efforts to combat counterfeiting by addressing factors such as subjective norm that drive attitudes. Manufacturers of authentic products may be able to better understand how and why consumers are driven to purchase counterfeit products rather than the originals and how these drivers, namely subjective norm, differ between Chinese and Canadian consumers. Manufacturers may be better able to identify target markets when launching anti-counterfeiting campaigns and anti-counterfeiting efforts.

**Recommendations for Future Research**

This research was focused on counterfeit designer clothing. It is recommended that future research be focused on different product categories in order to broaden the understanding
of how culture influences consumer attitudes towards counterfeiting. A repeat of the study using a larger sample would also be beneficial in order to strengthen any results found. Other areas of interest would be to understand and analyze data on how acculturation and ethnic identity have impacted the Chinese group and how these factors affect attitudes and behaviours. Using a larger sample size would strengthen the results of the model, increasing the likelihood of finding significant differences supporting the hypotheses.

Another area that would increase the understanding of consumer attitudes towards counterfeiting would be to measure brand distinctiveness awareness of a brand or product category and the extent to which it stands out in the mind of the consumer. Future research should also be aimed at understanding consumers’ familiarity with the product category of counterfeiting and assessing consumers’ experience with the product category.
REFERENCES


APPENDICES
A: Research Ethics Board Approval

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<th>RESEARCH ETHICS BOARD</th>
<th>Certification of Ethical Acceptability of Research Involving Human Participants</th>
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The members of the University of Guelph Research Ethics Board have examined the protocol which describes the participation of the human subjects in the above-named research project and considers the procedures, as described by the applicant, to conform to the University's ethical standards and the Tri-Council Policy Statement.

The REB requires that you adhere to the protocol as last reviewed and approved by the REB. The REB must approve any modifications before they can be implemented. If you wish to modify your research project, please complete the Change Request Form. If there is a change in your source of funding, or a previously unfunded project receives funding, you must report this as a change to the protocol.

Adverse or unexpected events must be reported to the REB as soon as possible with an indication of how these events affect, in the view of the Responsible Faculty, the safety of the participants, and the continuation of the protocol.

If research participants are in the care of a health facility, at a school, or other institution or community organization, it is the responsibility of the Principal Investigator to ensure that the ethical guidelines and approvals of those facilities or institutions are obtained and filed with the REB prior to the initiation of any research protocols.

The Tri-council Policy Statement requires that ongoing research be monitored by, at a minimum, a final report and, if the approval period is longer than one year, annual reports. Continued approval is contingent on timely submission of reports.

**Membership of the Research Ethics Board:** B. Beresford, Ext.; F. Caldwell, Physician; K. Cooley, Alt. Health Care; J. Clark, PoliSci (alt); J. Devlin, OAC; J. Dwyer, FRAN; M. Dwyer, Legal; D. Dyck, CBS; D. Emslie, Physician (alt); H. Gilmour, Legal (alt); G. Holloway, CBS (alt); B. Ferguson, CME (alt); S. Henson, OAC (alt); L. Kuczynski, Chair;
J. Minogue, EHS; I. Newby-Clark, Psychology (alt); L. Niel, OVC (alt); A. Papadopoulos, OVC; B. Power, Ext.; L. Robinson, CBS; V. Shalla, SOAN (alt); L. Son Hing, Psychology; J. Srbely, CBS (alt); T. Turner, SOAN; E. van Duren, CME.

Approved:  

per  
Chair, Research Ethics Board  

Date: ______________________
**B: Focus Group Recruitment E-mails**

**Focus Group Recruitment E-mail: Chinese Group**

**Subject line:** Culture and Counterfeiting Study

Are you a recent Chinese immigrant/international student at the University of Guelph? Recent Chinese immigrants/international students are needed to take part in focus groups in the Marketing & Consumer Studies Department as part of an M.Sc Thesis by graduate student Amy Faria, and Advisors Dr. Anne Wilcock, and Dr. Scott Colwell.

The purpose of the study is to understand how culture affects attitudes towards counterfeit products (the unauthorized representation of a registered trademark carried on goods similar to goods for which the trademark is registered with a view to deceiving the purchaser into believing that he/she is buying the original goods, i.e. fake goods). We are also trying to understand which factors influence such attitudes and purchasing behaviour of such products.

The focus groups will consist of 3-5 participants and will last a maximum of 1.5 hours. A translator will be present, if needed. If you choose to participate in the study, your name will be entered to win a prize (or you will receive a $10-$20 gift card) as a token of thanks in participating.

If you are interested in taking part, please contact Amy Faria (afaria@uoguelph.ca) as soon as possible to sign up in a timeslot. Spaces will go quickly!

I hope to hear from you soon,

Amy Faria  
M.Sc. Candidate  
Marketing & Consumer Studies  
University of Guelph

**Focus Group Recruitment E-mail: Canadian Group**

**Subject line:** Culture and Counterfeiting Study

Are you a Canadian citizen at the University of Guelph? Canadian citizens and students who ethnically identify themselves as Canadians are needed to take part in focus groups in the Marketing & Consumer Studies Department as part of an M.Sc Thesis by graduate student Amy Faria, and Advisors Dr. Anne Wilcock, and Dr. Scott Colwell.

The purpose of the study is to understand how culture affects attitudes towards counterfeit products (the unauthorized representation of a registered trademark carried on goods similar to goods for which the trademark is registered with a view to deceiving the purchaser into believing
that he/she is buying the original goods, i.e. fake goods). We are also trying to understand which factors influence such attitudes and purchasing behaviour of such products.

The focus groups will consist of 3-5 participants and will last a maximum of 1.5 hours. If you choose to participate in the study, your name will be entered to win a prize (or you will receive a $10-$20 gift card) as a token of thanks in participating.

If you are interested in taking part, please contact Amy Faria (afaria@uoguelph.ca) as soon as possible to sign up in a timeslot. Spaces will go quickly!

I hope to hear from you soon,

Amy Faria
M.Sc. Candidate
Marketing & Consumer Studies
University of Guelph
C: Focus Group/ In-Depth Interview Moderating Guide

Focus Group/ In-Depth Interview Moderating Guide/ Questions

Introduction

- Introductions and distribute consent form, give participants time to read it and ask if there are any questions. If no questions, have participants sign consent form.

- Clarification of counterfeit definitions, Have you ever purchased counterfeit goods before?
  - Can you talk about what made you purchase or not purchase them?
  - Think about your last purchase of a counterfeit item. What kind of counterfeit product was it? Where did you purchase it?

Perceived Knowledge

- How informed would you say you are about counterfeit products?
- Do participants’ attitudes translate to purchase behaviours?

Experiences

- Please describe your experiences (include product)
- Could you explain the environment/ situation?
- Where would you or where do you usually go to purchase counterfeit products?
- What were some of your thoughts in most recent counterfeit purchase? How did you feel at that time? How did you feel after your purchase? How do you feel when you are using the product?

Seeking Counterfeit Goods

- Do you specifically look for counterfeit versions of products?
  - Do you actively seek counterfeit products or do you purchase them at times you happen to come across them?
  - Which websites (if any) have you or would you check to shop online for counterfeit goods? (Probe for trust, etc.)
  - Where else would you go/ get counterfeit goods?

Things that play a role

- Are there specific things that you can identify that play a role in your decision to purchase counterfeit products?
- Are there specific situational characteristics that play a role?
- Are there any individual/ personal characteristics that you think play a role?
Cultural Characteristics
- Are there any specific cultural characteristics that play a role in purchasing decisions when it comes to counterfeit products?
- Do you think your national identity, loyalties, customs, values, and/or religion play a role?
- Do you think about any of these issues when you purchase a product? A counterfeit product? Why or why not?
- Do you think these cultural factors shape your behaviours overall? Purchasing behaviours? Purchasing counterfeits?
- What specifically about these factors do you think about?

Materialism
- Does materialism play a role in your decision to purchase counterfeit products? How?
- Do you admire people who own expensive things?
- Do you think you purchase things to make a statement? To impress people?
- Does buying things give you pleasure? Do you like luxury in your life?
- Does buying products make you happy?
- Do you think buying counterfeit goods helps with your image? Or the message you want to portray to people?
- When you purchase counterfeit goods does it make you happy? Does it meet your (materialistic) needs?

Subjective Norm
- How do people in your life contribute to your decisions? Purchasing decisions?
- What impact do they have on your decision to purchase counterfeit goods?
- If others around you (family and/or friends) purchase counterfeit product(s), does that impact your decision to purchase them?
- What about society (people other than family members/ friends) as a whole?

Moral Intensity
- How important a decision is it for you to purchase counterfeits? Does it require a lot of thought?
- How do morality/morals/ethics fit into your decision? Do they impact your decision?
- Overall harm (if any)
- Does it cause harm of any type?
- Who does it harm (if any)? Why?
- Is buying counterfeit goods wrong? Why or why not? Is selling counterfeit goods wrong?
- Are you aware of any regulations or policies relating to the selling of counterfeit products? Purchasing?
**Risks**

- Would you purchase a counterfeit product for a family member? Friend? Colleague? Other?
- Are there any risks associated with buying counterfeits (social, physical, environmental, economical, business)?

**Product Identification**

*Show a few examples of counterfeit products (apparel, child toy, cleaning product, memory stick)*

- What would you buy? Is there anything you wouldn’t buy a counterfeit version of? Why?

**Conclusion**

- Do you think that the issue of counterfeit is a sensitive issue to discuss?
- Do you feel or have you felt that the presence of other people in this focus group constrained you in any way from honestly expressing your opinions on the topic of counterfeit?
**D: Canadian Focus Group Transcript**

**Introduction**

*Introductions and distribute consent form, give participants time to read it and ask if there are any questions. If no questions, have participants sign consent form.*

8 participants, marketing management major, 5 male, 3 female

*Clarification of counterfeit definitions, Have you ever purchased counterfeit goods before?*

Person 1 & 2: probably

Person 7 & 8: yes

*Can you talk about what made you purchase or not purchase them? Think about your last purchase of a counterfeit item. What kind of counterfeit product was it? Where did you purchase it?*

Person 7: it was cheap, it was available, in a market, outdoor flea market, bought DVDs

Person 5: bought a fake Louis Vuitton belt, it was obnoxious, bought it to be ironic, it was crappy, thin plastic wrapped around cardboard belt, and quality was terrible. Bought it at a street vendor in Italy, you can’t really touch it until you bought it.

Person 3: I bought a fake Rolex in New York, I bought it for a joke. Bought it with everyone on a school trip as part of the experience.

Person 1: bought Nintendo belt, thought it was cool.

**Perceived Knowledge**

*How informed would you say you are about counterfeit products?*

Person 8: very informed, it’s pretty easy to tell fakes. If I buy real product, there is a piece of paper that tells verification, each one has a serial code. If it’s a very expensive designer good, each one has their own verification code or something to say whether it is real or not. You can feel the quality too.

*Do participants’ attitudes translate to purchase behaviours?*

Person 4: I have a negative attitude. My mom bought me a fake LV bag when she was on vacation and I never used it

Why?
I feel like carrying a fake LV bag is not me, I know I would never be able to afford LV and I think everyone I know, knows that so everyone I know would know that and it just doesn’t give off the image that I want to impose on myself.

Person 5: I am going to China this summer and I have every intention to buy all the fake goods there that I can

*Why is it different in China then in Canada?*

It’s all made there. My parents been there a handful of times (...) there are these people there that if you haggle them enough that they would bring you into these back rooms and my mom was convinced that those were legitimate goods, grey market goods, and you can tell in the difference of quality when you touch them, they were heavier etc.

If I was deceived, and I went to go buy a Rolex and it was fake, then yeah I’d be pretty upset.

*Experiences*

*Where would you or where do you usually go to purchase counterfeit products?*

Person 2: buy fake online. eBay

Person 5: flea market, vendors that don’t have any liability or any physical presence, can move their store from place to place so if they get caught, they can pack up fast

Person 8: when I am on vacation, they just try to get tourists cause they tend to carry cash and try to take advantage of them

*Do you think it’s easier to purchase counterfeit product in Canada or other countries?*

I went to Egypt everyone was wearing counterfeit Armani T-shirts and you know everyone bought them for like $2.00, in Canada, you don’t see a lot of venues.

*What were some of your thoughts in most recent counterfeit purchase? How did you feel at that time? How did you feel after your purchase? How do you feel when you are using the product?*

Person 8: impulse buy, because you know they are kind of disposable. Its kind of more like I buy them for fun if anything, kind of like entertainment

*Seeking Counterfeit Goods*

*Do you specifically look for counterfeit versions of products?*

No. (everyone shaking head)
**Things that play a role**

Are there specific things that you can identify that play a role in your decision to purchase counterfeit products?

Price and quality

*What do you mean by quality?*

Durability, and functionality. If I were to buy a counterfeit product, I would want it to stop working or something after a few days. However, being a counterfeit, I would expect it to be a lower quality product than the authentic.

Person 5: impulsive buy, availability at the right time at the right moment. (don’t actively seek CF version of products)

*Are there any individual/personal characteristics that you think play a role?*

Person 4: someone who wants to fit in with higher class, would be my assumption

**Cultural Characteristics**

Are there any specific cultural characteristics that play a role in purchasing decisions when it comes to counterfeit products?

Person 8: varies by region, China if you go to the wrong kind of store, you will buy fake shampoo that might have health effects. It depends on the country. In Egypt, everyone was wearing fake designer clothing, and you know the designer would not make anything that looked like that, bluntly fake.

*Is it the law that is making it different or is it specific cultural characteristics?*

I think it’s the laws that make it different.

But the laws come from the culture right, so I think there is just an ignorance towards it in the culture. Maybe not necessarily an ignorance towards it, but less of a stigma to say, you bought that and its fake and its just a crappy good.

Where you are in a culture where everyone buys them, then it’s more likely you will buy them to fit in with the culture there.

*Canadian culture that would not make you or make you purchase it?*

Person 1: I think Canadians don’t like expensive things a lot

*Canadian as an individual who is 2nd generation Canadian citizen, how you take that or how you define what specific values we hold as Canadians that’s up for your discretion. How do you think those values come into play when purchasing CF goods?*
I think a culture that values expensive things would more likely purchase CFs but Canadians don’t.

I don’t like misrepresenting a brand. I don’t buy something expensive … I buy a designer good cause I know it’s the real thing, I rather buy the real thing cause I know its real. If its real then I know I worked hard for that and I earned this nice product.

_Do you think buying CF is ethical?_

It’s not ethical at all.

(One disagree)

In the countries that do have a lot of CF that’s because everything around them evolves around the grey market cause that’s where they make their money, that is there market. That is not our market cause we have like stricter laws about that stuff

_Do you know why we have stricter laws about that stuff?_

Protectionism

_For who?_

Brands, companies’ intellectual rights

Consumers as well.

If you’re buying a CF good, you’re buying out thee middle man so you are buying out the government so they are not getting a cut, no tax on it.

**Materialism**

_Does materialism play a role in your decision to purchase counterfeit products? How?_

Person 8: I like a sense of pride of earning something that is a little bit above and beyond, proud to buy something that is authentic. There’s no sense of reward from fake good

I agree, cause I would consider myself to be like moderately materialistic and I still wouldn’t buy a CF product because the whole point of being materialistic is to be able to afford the real thing and flaunt a real thing, so it kind of undermines the whole concept of being materialistic.

_Do you admire people who own expensive things?_

Person 8: nod

Person 7: oh yeah, but I just wonder what they do, how they got their money.

Person 8: clothing, not necessarily, I don’t admire them for that (all agree)

_Do you think you purchase things to make a statement? To impress people? Clothing?_
Person 5: I buy it for myself not for what other people would think

Person 7 & 8: I would say a little bit of both. If I’m trying to impress someone like in a work scenario, then yes I would go out and want to buy this shirt cause it looks nice. Where if it’s just casual, I would buy it for myself.

*Does buying things give you pleasure? Do you like luxury in your life?*

Person 8: yes

Person 7: yeah..feel good to spend the money you earn (age factor)

*When you purchase counterfeit goods does it make you happy? Does it meet your (materialistic) needs?*

Person 7: no

**Subjective Norm**

*How do people in your life contribute to your decisions? Purchasing decisions?*

Person 4: my friends more than family, probably more for the things that they would see me in, a purse or clothes I’m wearing. But I wont buy things to impress them, just to get their opinion to see if they look good on me. Not everyday things

Person 3: yeah I bought the fake Rolex for fun right…I never worn it. I was in grade 8. It was kind of like..mingle with the craziness of NYC, for the experience.

Person 7: I also think about the quality of something. If I don’t know the quality or much about the product, like if it’s a luxury good, I would go ask a friend who I believe has more knowledge about the product, like I ask john about apple products.

*Would you ask someone about a CF good?*

No

**Moral Intensity**

*How important a decision is it for you to purchase counterfeits? Does it require a lot of thought?*

No, it’s an impulse

*How do morality/morals/ethics fit into your decision? Do they impact your decision?*

Person 8: no,

Person 7: no,
Person 3: shake and smiling

So you understand there is an ethical issue with it, from what we discussed before, however when you’re buying it, you’re really not thinking that through?

Yes, I agree

Overall harm (if any)?

Person 1: It funds terrorism

Person 5: it messes the market, you create a black market and its terrible for consumers cause there is no protection there and its terrible for sellers cause it completely destroys brand equity.

They’re CFing premium goods which have a large markup, they aren’t CFing old navy, so its more desirable.

Person 1: Consumers is a big one. Also kids’ stuff, if they lick something like a toy that harms them if they use crappy materials to make them

Thinking about all the harms that we discussed, do those come into play when you’re buying them?

No, I don’t think of the terrorism

I just think I am one consumer, and everyone else is buying it, my one purchase won't effect anything, so it justifies it

Person 1: I don’t think about this when I buy counterfeit. I’m just buying a belt.

Is buying counterfeit goods wrong? Why or why not? Is selling counterfeit goods wrong?

Person 1 & 2: it’s wrong

Person 2: you screw over the people that sell the product

Person 3: it funds terrorism

Person 4: I know there is no regulating body that controls that stuff. I know Nike still uses sweatshop in China…but who regulates laws like the labor and the wages, everything in those countries is not regulated when making counterfeit goods.

Are you aware of any regulations or policies relating to the selling of counterfeit products? Purchasing?

No, but they know its wrong

Risks

Would you purchase a counterfeit product for a family member? Friend? Colleague? Other?
No

Person 8: maybe as a joke..hey! I got you a Rolex, just kidding, I got it for $5.

Why?

Just for humor, a novelty factor

Person 8: yeah I bought it for a friend for the same reason. But I wouldn’t buy it as a serious gift

Person 5: I’m going to china this summer and I have everyone intention of buy fake things as a joke.

Product Identification

Show a few examples of counterfeit products (apparel, child toy, cleaning product, memory stick)

What would you buy? Is there anything you wouldn’t buy a counterfeit version of? Why?

(People discussing…are these jewelries expensive..yeah they are your mom’s jewelry)

Person 6: I buy counterfeit if it’s something small..something I buy that is useful..i.e. wallet..just wallet let me hold stuff in, something that I really don’t have to show off but its useful and functional

The idea of counterfeit is to try to give off the idea that look I can afford something, so I think people who buy them care about that, but personally, I wouldn’t.

Can anyone identify what’s counterfeit and what’s not? (difficult for them to accurately identify CFs, don’t have specific factors to look for besides quality)

Person 3: I don’t know about the hat…

Person 8: yeah this one the stitching is no good

Conclusion

Do you think that the issue of counterfeit is a sensitive issue to discuss?

Person 6: pretty comfortable

Do you feel or have you felt that the presence of other people in this focus group constrained you in any way from honestly expressing your opinions on the topic of counterfeit?

No not at all
**Ad Activity:**

These are real advertisements that Canadian government have supported, what are your thoughts?

Peron 5: very cluttered, not very well done

Person 3: laughing when looking at ad

Person 1: outdated

Person 1: the pictures are not grabbing

Person 7: yeah. not grabbing

Change everything?

Yeah…pretty much

better picture, updated.

Updated?

Person 3: the money in there…how old is this?

Content?

Person 2: it’s boring..too wordy. If I was walking by, I wouldn’t stop and say I’m going to read it.

Person 6: it depends on the location..if it’s the subway I think people will read the ad

Person 7: yeah I pretty much read anything to pass time.
E: Chinese Focus Group Transcript

Introduction

Clarification of counterfeit definitions, Have you ever purchased counterfeit goods before?

Person 1: yes, (others said yes too). At one time or another, all have knowingly purchased counterfeit goods.

Before we begin, we need to clarify the definition of a counterfeit good. As seen on the definition handout so we are all on the same page, if you have any questions, please let me know.

Can you talk about what made you purchase or not purchase them? Think about a time where you knew it was a counterfeit good, what made you purchase it or not purchase it?

Person 2: I remember most recent purchasing experience was before I came to Canada, my friends said if you’re going to Canada better buy a pair of winter boots and will protect my feet, but the authorized product is very expensive…2000 RMB…so the functional aspect of the product is the same so compare the price between the counterfeit product and the real product I chose the counterfeit one. So I focus on functional aspect

So at that time did you see the counterfeit as having the same functional attributes as the non-counterfeit?

Person 2: I just saw the picture on the Internet so they look similar online…so I think they have the same function, I didn’t have the opportunity to see the real product

Bought it online but you knew it was a counterfeit?

Yes, price was low so I knew it was counterfeit

Was that an indicator of how you knew it was a counterfeit because the price was low?

Price is one thing. Another thing is my friend told me this product that she bought before so she knew it was counterfeit, so I knew when I was buying it that it was a counterfeit.

Was anyone ever in a situation where they knew it was a counterfeit and did not buy it?

Person 1: I use to buy purse counterfeit products because it was cheaper and I think the utilitarian function for the purse is the same, similar to the real one that was back two years but now that I have purchased several of them I know the difference between the fake and the real one, you can compare yourself while using that and you kind of realize the differences between the real one and the real one. Now if I know it’s counterfeit, I don’t buy it anymore because of the differences in quality.

Any other reason why you don’t buy it?
It’s symbolic for purchasing of real products, I think its more you’re confident or attitude about yourself and you are kind of cheating yourself by buying counterfeit and I think gradually with your maturity, your realization of financial capability, it comes to a point where you realize it won’t help you to fulfill your efficacy your self identity, even though the utilitarian aspect is the same.

*Think about your last purchase of a counterfeit item. What kind of counterfeit product was it? Where did you purchase it?*

Person 3: I only purchase counterfeit once, 3 years ago. I asked my cousin to order me counterfeit Ugg boots online and mail them to me from china to Canada.

**Perceived Knowledge**

*How informed would you say you are about counterfeit products? Do you know a lot or something you don’t know a lot about them in general?*

Person 3: I know there are shopping malls called “show sway” famous known for selling counterfeit products, in Beijing China so you know the areas before hand where they sell counterfeit products.

*Do you think Chinese are more acceptable to purchasing counterfeit goods now that you have had the opportunity to live both in Canada and in China? Do you notice any difference?*

Person 4: I think it depends on people if you’re rich people who can afford the real product, or even not rich people, they focus on brand. For people who don’t care about brand…they just don’t care. Besides the function being the same, they don’t care as much. In Canada people don’t like to compare things so it depends on what kind of product they like

Person 1: I think the trend is changing. I think it has been reported China is the first consumption nation of luxury goods…more people are getting much richer and higher affordability, more people are buying the real thing. And people are slowly moving away from buying the counterfeits

*Gaining more wealth so they buy real stuff?*

Person 1: yes I think so

**Experiences**

*Could you explain the environment/ situation?*

Person 3: don’t remember…it’s around Canadian embassy. A tourist thing. A lot of foreigners go, its mainstream market

*Where would you or where do you usually go to purchase counterfeit products?*
Online

What risks or things you think about when purchasing online?

Person 1: there are several ways to control risk of purchasing counterfeit product products. Such as using friends’ suggestions, someone who has made the purchase before. On the Chinese version for Amazon, there are some criteria to evaluate the credit of the sellers and can review the selling and purchase history, yes there are some ways to change and manipulate that but its still good to review. Or use Chinese online retail store there’s ratings to show if the seller is credible

Where would you or where do you usually go to purchase counterfeit products?

Person 2: online, person 6: online

How about if you’re back home in China? Would you still purchase online or would you go to a specific market?

Person 2: in my hometown I don’t go to mall to buy counterfeit, big mall does not have counterfeit product. If I really need to buy counterfeit product for functional reasons, I will buy it online

Person 6: another reason I want to buy counterfeit is the geography factor. Because in my hometown in the big mall I can’t find the Ugg boot and the only way I can get them is online. If I want to get them I would have to go to Shanghai or Beijing so the only way I can get them is if I got to the big cities so I usually buy online

Any specific websites that you would go to? Would you use Canadian website to buy counterfeit products? (Everyone shakes head) (List created on separate piece of paper) (No Canadian or American websites used)

Person 1: there are also forums that have the link to evaluate the websites for counterfeit products

Seeking Counterfeit Goods

Do you specifically look for counterfeit versions of products?

Person 2: I will look for authentic one, after that, if I really want to buy counterfeit one I will go to authorized website to see real products and then search other websites to buy counterfeit products and make sure the patterns are similar.

Any products that you would look for the counterfeit version of that product right away?

Person 1: I think it depends on how familiar you are with the products….if we are making the purchase of the Ugg boots physically, unless we are looking for the most updated version, what we need is to go back to the authentic or the official website, otherwise there are so many classic
version of them, there is no need for us to compare the authentic versus the counterfeit, we already know the differences and how they are suppose to look. We just know how old the designs are buy certain factors and we compare them.

You just know that? The designs?

Yes

**Things that play a role**

Are there specific things that you can identify that play a role in your decision to purchase counterfeit products? What factors come out that you are thinking about when buying them?

Person 1: if I’m buying prestigious products that I cannot afford in the foreseeable future…then there is no need to compare the real product, I would just compare different counterfeit versions of that product. And the main driving force is the qualities and that they can be useable and the similarity between the real one and the fake one.

Person 6: Another fact is the design, the logo. There are some special things that you cannot fake. So I compare the logo or the design of the product

Person 1: I look at the trend. Is this the most updated one. If it’s not, is it a classic one? Otherwise its pointless, I wouldn’t buy it.

You said quality; can you define what you mean by quality?

Person 1: some counterfeit are really fake, everybody can tell it’s fake. It’s shameful to let others know you are carrying counterfeit (person 6 nods in agreement) check how closely it looks to authentic one. It’s not really the duration of the whole product, but it’s more about the similarity between the counterfeit and the authentic one.

Are there any individual/ personal characteristics that you think play a role? Who are the consumers that buy counterfeit good?

Person 6: they want show off

Person 1: less confident, I think of myself… When I was young, I kind of feel more confident when I carry a new purse or new boot. However when I think, I think right now I won’t purchase counterfeit product. I think whether it makes you more confident in yourself?

Person 6: peer pressure. Your classmates or friends that they all buy Chanel purse. When you go and hang out with them they ask and push you why don’t you buy Chanel purse? Or you just want to be the same as them.
Cultural Characteristics

Are there any specific cultural characteristics that play a role in purchasing decisions when it comes to counterfeit products? Your national identity, loyalties, customs, values, and/or religion/your beliefs play a role?

Person 1: I’m not sure, but definitely I think the way that people judge certain class of people. Back in china, most people judge based on your appearance. What are you wearing? What you are carrying? Diamonds? Jewelry? Instead of looking at if you’re comfortable with yourself. As long as I am dressing in a comfortable way. In Canada or the United States, there are people who make good money but still spend little money on fashion or what they buy. However, Back in china it’s social identity to distinguish you to distinguish yourself between other groups and other classes. They think that I am that rich and prestigious that I deserve these things and I also need to announce to other people and other classes that I belong to a high class identity, so that’s the thing too.

Do you feel that people buy counterfeits to be able to identify themselves with certain social classes?

Person 1: as person 6 said, peer pressure. My brother in law born in 91, there’s popular saying in undergrad in china, there are three most identified necessities: 1) iPad 2) iPhone 3) DSL camera. Three necessity in order to identify yourself...and don’t want to be identified as “out” but to be “in” with the time.

Do you think these cultural factors shape your behaviours overall? Purchasing behaviours?

Person 4: I think it definitely plays a big role. As in how you grow up. I don’t know what else. Food. Different culture has different food and actually….culture and I believe religion, (person 6 nods), impacts behaviour

Do you think about your cultural values on a daily basis?

Person 2: I think I’m aware of my cultural influence after I came to Canada. Before I came to Canada, it’s like a routine, I don’t think about these. I was born this way. But after I came to Canada, I compare behavioural with my foreign friends or classmates

Is that a general consensus?

Yeah
Materialism

Does materialism play a role in your decision to purchase counterfeit products? How?

Person 6: yes, in china. There was saying, the girl wants to marry man who has the car and the house. If a man cannot afford the luxury car or house then he cannot meet or date a girl. Or he has less confidence to date a girl.

It sounds weird, or crazy to you but that’s the truth.

Person 1: being more materialism oriented is the concern of absence of religious belief. We don’t have the religious personal belief or leaders of the whole nation. Which use to not be the case, back 20 or 30 years ago. Like just a decade after the foundation of the whole country, that we have identified a prestigious leader and I think before that, people would have not considered luxury goods or being materialistic. One side, it was because of the constraints of the time, the era and cannot be able to buy cause you needed to identify with other kinds of needs. But on the other hand, it was about your belief, even though we kind of lost any kind of religious belief like Confucianism or other religions. But we believe now in a sole leader, whatever he suggests or announce, he has the validity to convince people and that is kind of your mental support. But I think right now people are more materialistic that we just believe in yourself and fortunes, and other than that nothing else can be counted fort be able to survive.

Do you admire people who own expensive things?

Person 6: if the person has the ability to afford them the luxury good can match their social identity …and have money that match their goods….I admire them. But there are some people who use up their month’s salary just to buy a luxury good, purse or clothes. I think I don’t admire those people.

Do you think you purchase things to make a statement? To impress people?

Person 1: for me, it’s changed. I admit for several years ago not to long, I want to make a statement by purchasing luxury counterfeit goods. But now I would purchase the real good if I can afford and I would be really reluctant to purchase the counterfeit good to make the statement or to distinguish from other people or to impress other people.

Person 6: I think it depends on the product. For example, a few months ago, I needed the Ugg boots cause I wanted the warm boots, so I choose Ugg. But Since I have several purse but…sometimes I want buy Chanel purse to make statement. So it depends its sometimes functional and sometimes to make statement

Does buying things give you pleasure? Do you like luxury in your life?

Person 6: it gives me pleasure, but I lose it after I make the purchase.

Why?

You just loose the attractiveness to you, people always want to purchase things you cannot get easily.
Do you think buying counterfeit goods helps with your image? Or the message you want to portray to people?

Person 2: I think sometimes even you care...counterfeit good. And the people around you don’t. For example, my friend she graduated from Australia, her boyfriend gave her a LV purse as her birthday gift. When I first saw it...I asked her is it real or counterfeit? Because I can’t distinguish them. She asked me if I have a real one what do you think? I told her there’s no difference, no matter what you have. Even if you have real one I won’t think you’re in high class. Or vice versa if you buy fake I won’t think anything of you.

Subjective Norm

Do you buy counterfeit for gift to others?

Person 2: no

Why is that?

If you buy a gift for somebody else, it has to come from your heart., you cannot buy a fake one. Need to buy real one.

How does family/friends influence you? Contribute to your decisions in general?

Person 2: I am easy influenced by people around me ... friends, if a friend say this product is good for you and another say that this product is good for you, then I am so confused what to do and I don’t know which one to purchase

Person 6: I consider their advice and suggestions, then make my own decision. Their suggestions have some impact on my decisions

Person 1: it depends on your life stage, if you’re forming your own family, or if you’re single, or married...it depends on your life stage. I think before I got married that definitely friends and family play an important role, but still count myself as having a big say. However, right now I am married, I take into consideration my husband play a big role.

Person 3: I think it depends on what type of decision you have to make, for small things I ask friends, for schooling I ask opinions and suggestions from my parents as they have more experience to me they are more reliable and they know me better and can provide better suggestions for my future.

What impact do they have on your decision to purchase counterfeit goods?

Person 2: if my friend did not recommend me to buy that product specifically. I wont’ but ... I would not be aware that there is a kind of product called Ugg boots

Friend recommend website? Or product?

Person 2: she sends me the website
Would you feel yes they do have impact on your decision?

Person: yes

Let's say you're looking for counterfeit purse...you see one online. Your friends don't know about it...would you buy it?

Person 6: no

How about if your friends bought it?

Person 6: yes I might buy it

Does everyone feel that way?

Yes

Would you consider other people's suggestions to buy counterfeit goods?

Person 2: yes

Do you trust them?

Person 2: yes...if enough customer ratings then I can trust it

Person 1: there are a lot of information and categories online that show the credibility of the seller or the product. For example, if you're labeled as a diamond class, then you have a really good record of buying and selling stuff online. And that makes them more credible. If you're crown class etc. you can be trusted.

Moral Intensity

How important a decision is it for you to purchase counterfeits? Does it require a lot of thought?

Person 6: I hesitate for a long time to decide which one to buy..

Why?

I will ask some people who has the product or have the product and also I would do more research about the comments, and compare price and functional that make up the decision.

How do morality/morals/ethics fit into your decision? Do they impact your decision?

Person 2: I think if you want to buy counterfeit product (ethics) is not your problem

Overall harm (if any)?

Person 1: yeah definitely...socially.

Person 4: you never know what material they use. It might be bad for your health, body.
Person 2: the duration and durability of counterfeit product is much shorter than the real one.

*Is that a risk you take?*

Person 2: before I purchase it I will realize that’s a risk I am taking.

*Is buying counterfeit goods wrong? Why or why not? Is selling counterfeit goods wrong?*

Person 1: I think since we all have purchased it. It’s hard to say cause it exists. I think it’s wrong when it’s counterfeit and you tell people it’s real and you deceive people. Or if it’s bad quality counterfeit trying to pretend to be high quality counterfeit.

*So would you say that the only thing that is wrong with counterfeits is whether or not they deceive people to say that it is real when it is not? The deception is the issue?*

I wouldn’t say it is the only thing wrong with it, but I think it is the more prevalent issue

*What else would be wrong with selling it?*

Person 6: if the goods have poor quality that’s a problem

Person 1: I think it’s hard. The image, the brand identity, for the real product…they have the intellectual property…it’s a harm for them, a misconduct for the real businesses

*Are you aware of any regulations or policies relating to the selling of counterfeit products? Purchasing?*

Person 6: In China, I don’t think about that. But after coming to Canada, I have these thoughts. But no specific regulations I know of.

*Risks*

*Are there any risks associated with buying counterfeits (social, physical, environmental, economical, business)?*

Person 6: nod

Person 6: we care what others care about ourselves.

*Product Identification*

*Show a few examples of counterfeit products (apparel, child toy, cleaning product, memory stick)*

*Can you identify what’s counterfeit and what’s not?*

Person 3: the DVD is counterfeit

Person 2: the bracelet is not real
Person 3: The pant is made in china. Probably counterfeit. Oh but….

Person 3: I look at the quality, the cutting…how it was made…the origin

*Is the purse fake?*

Person 6: nod

*How about tiffany?*

Person 1: I think it’s fake

Person 3: it doesn’t look nice…I can burn end of the bag

Person 1: the quality of the package is bad.

*How about the phone?*

Person 2: roger’s phone

*What are you looking for?*

Origin, the quality, where it was made

*What would you buy? Is there anything you wouldn’t buy a counterfeit version of? Why?*

Person 1: jewelry definitely I would not buy counterfeit. Jewelry has 2 folds of meaning, some fashion jewelry; the most important thing is the design. The other meaning is to preserve the value, and then it makes no sense to buy the fake one.

*Would you buy counterfeit pants?*

Person 2: maybe…functional aspect

*How about purse?*

Person 6: no

*How about shoes?*

Person 2: yes

*Why shoes and not others?*

Person 6: because I have less shoes than purse.

Person 1: Shoes are quick consumption goods; they can be worn-out quickly. You need lots of shoes to match your outfit or apparel. For purses, you don’t need to match every set of apparel with each purse so you need less of them. Cost efficiency stuff too.
Conclusion

Do you think that the issue of counterfeit is a sensitive issue to discuss?

Person 4: sensitive to what?
Sensitive to discuss?
Feel comfortable to discuss
Person 6: I feel excited to talk about it.
Other people being here . . . still makes you feel comfortable talking about this?
Person 6: nod, yes

Poster Activity:

Are the marketing ads effective?

Person 4: It depends. This one says it will harm your family, this one say funding crime, which does not directly affect you. The one with crime is further away from me. I think the kid one was more effective to me.

Person 6: I think the one with handcuff more effective. It’s like a warning.

Do you like the ads? Would you use them? Change anything?

Person 6: I would post some law or registration on the poster

Person 1: the cash one looks misleading, you think of other concepts, it might look like stock trading…the one with kid looks better and attracts your attention more.
F: Anti-Counterfeiting Posters

Poster 1:

How do I know if the product I’m buying is counterfeit?

*Some indicators to watch for:*

- ✔ the price is much lower than average
- ✔ spelling mistakes on the product or packaging
- ✔ products normally sold in packages being sold individually
- ✔ shoddy appearance of the product or package
- ✔ products (particularly electrical products) that have no name brand

Counterfeit products are commonly thought to be fake designer goods or illegally copied music, movies or software.

But counterfeiters also make pharmaceuticals, food, liquor, toys and electrical products that can harm or kill you or your loved ones.

Dealing in counterfeit products is a crime that can carry severe penalties – fines of up to $1 million and imprisonment of up to five years.

Poster 2:

How do I know if the product I’m buying is counterfeit?

*Some indicators to watch for:*
Internationally, thousands of deaths have been linked to counterfeit products. Baby formula, children’s toys, shampoo, cosmetics, pharmaceuticals, batteries and automobile parts have all been counterfeited and sold to North American consumers as legitimate brand names.

Don’t risk the health and welfare of your loved ones by purchasing these products.

**Poster 3:**

How do I know if the product I’m buying is counterfeit?

*Some indicators to watch for:*

- ✔️ the price is much lower than average
- ✔️ spelling mistakes on the product or packaging
- ✔️ products normally sold in packages being sold individually
- ✔️ shoddy appearance of the product or package
- ✔️ products (particularly electrical products) that have no name brand
When you buy counterfeit purses, t-shirts or CD’s at Your local flea market or other retailer, do you know where your money goes?

Organized Crime is now involved in the trade of counterfeit products. By buying counterfeit products, you could be funding organized crime.

**Poster 4:**

How do I know if the product I’m buying is counterfeit?

*Some indicators to watch for:*

- ✔️ the price is much lower than average
- ✔️ spelling mistakes on the product or packaging
- ✔️ products normally sold in packages being sold individually
- ✔️ shoddy appearance of the product or package
- ✔️ products (particularly electrical products) that have no name brand
The trade in counterfeit products has an enormous negative impact on honest businesses and on Canada’s economy. Thousands of jobs are lost when legitimate companies lose sales to counterfeiters.

Counterfeiters often don’t pay taxes.

This means counterfeiting is stealing hundreds of millions of dollars from all levels of government, which robs funding from education, health care and employment.
Thank you for participating in this research study conducted by Dr. Anne Wilcock, Dr. Scott Colwell, and Amy Faria from the Department of Marketing & Consumer Studies at the University of Guelph. The results of this study will form the basis for Amy Faria’s M.Sc. research and will be used for academic purposes only.

If you have any questions or concerns about the research, please feel free to contact Dr. Anne Wilcock at 519-824-4120 x53824 or Dr. Scott Colwell at 519-824-4120 x53095.

PURPOSE OF THE STUDY

The purpose of this study is to understand how culture affects attitudes towards counterfeit products (the unauthorized representation of a registered trademark carried on goods similar to goods for which the trademark is registered with a view to deceiving the purchaser into believing that he/she is buying the original goods, i.e. fake goods). A second objective is to understand the factors that influence such attitudes as well as consumer purchases of such products.

PROCEDURES

If you volunteer to participate in this study, we ask you to do the following:

1. Click “continue” at the bottom of the webpage (INSERT WEBSITE) after you have read this consent form.
2. Read the definitions of counterfeit goods, pirated goods, and grey market goods and use only the definition of counterfeit goods when answering the questions.
3. After you have read and understood the definitions, click “continue”.
4. You will then be asked to answer a series of questions. This will take about 20 minutes.
5. After you have completed the survey, you may enter your name and contact information in a draw for a prize as a token of our thanks for your participation.

POTENTIAL RISKS AND DISCOMFORTS

There are no foreseeable risks, discomfort or inconveniences to participating in this research.
POTENTIAL BENEFITS

There is no personal benefit to your participation in the survey. Academic research and industry professionals will benefit from understanding how culture influences attitudes and purchase of counterfeit products.

PAYMENT FOR PARTICIPATION

As a token of our appreciation for your participation, you may enter your name in a draw for a prize worth $50-$300. The chances to win depend on how many people participate in this study. You can enter your name in the draw after you have submitted your answers to the questionnaire. There will be no monetary payment for participating in this study.

CONFIDENTIALITY

Every effort will be made to ensure confidentiality of any information that identifies you.

Your participation in this study is completely voluntary and confidential. Your name and contact information will not be attached to the survey data, and will be used only to notify you if you win a prize in the draw. Your contact information cannot be traced to your data; therefore, the data will remain anonymous. No IP addresses will be collected. Data will be kept until such time as the final report is written (a maximum of 5 years). All information collected will be stored on a computer that requires a login password.

You can help to ensure confidentiality by taking the following precautions to clear all private data from the computer you are using to respond to the survey:
1. Clear the browsing history
2. Clear the cache
3. Clear the cookies
4. Clear the authenticated session
5. Logoff

If you are using Internet Explorer, the first four steps can be accomplished by going to ‘Tools’ and selecting ‘Delete Browsing History’. Your application may have a similar system.

PARTICIPATION AND WITHDRAWAL

If you volunteer to participate in this study, you may withdraw at any time without consequences of any kind. You may exercise the option of removing your data from the study. You may also refuse to answer any questions you don’t want to answer and still remain in the study. The investigator may withdraw you from this research if circumstances arise that warrant doing so.

Your participation in this study is completely voluntary and confidential. Your name and contact information will not be attached to the survey data, but will only be used to notify you if you have won the draw. Data will be kept until such time as the final report is written (maximum of 5 years). All information collected will be stored on a computer that requires a login password.
RIGHTS OF RESEARCH PARTICIPANTS

You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this study, which has been reviewed and received ethics clearance from the University of Guelph Research Ethics Board. If you have questions regarding your rights as a research participant, contact:

Director, Research Ethics  
University of Guelph  
437 University Centre  
Guelph, ON  N1G 2W1  
Telephone: (519) 824-4120, ext. 56606  
E-mail: sauld@uoguelph.ca  
Fax: (519) 821-5236

Print a copy of Consent/ Information Page

Clicking on the key below to proceed to the survey indicates that I have read the information about the study “Culture and Counterfeiting” and I have been given an opportunity to print this form. I understand that data cannot be withdrawn once the survey has been submitted since individual surveys will not be identifiable.

-A key to click will take the participant to the survey (Continue/ Proceed to Survey)
Definitions

Please read the following definitions carefully before proceeding.

**Grey Market Goods:** Authentic products that are distributed by an unauthorized dealer and/or a sale diverted from one country to another.

**Piracy:** The illegal copying of artistic works (e.g. software, music, art) for distribution, duplication, and resale.

**Counterfeit Goods:** The unauthorized representation of a registered trademark carried on goods similar to goods for which the trademark is registered with a view to deceiving the purchaser into believing that he/she is buying the original goods. (ie. fake goods)

Please consider only **counterfeit goods** (not grey market or pirated goods) when answering the following questions.

Specifically, please consider **counterfeit designer clothing**.

Demographics

D1. What is your citizenship status?

__ Canadian Citizen
__ Landed Immigrant
__ Other

D2. What is your ethnic background?

__ Caucasian
__ Native American
__ African American
__ Hispanic
__ Asian
__ Two or more of these
__ None of the above
__ Prefer not to say

D3. With which nationality do you most closely identify yourself? ____________________
D4. What is your generation status? Please check all that apply …

__ I was born in Canada
__ At least one of my parents was born in Canada
__ My grandparents were born in Canada
__ My great-grandparents were born in Canada
__ Not applicable (on work/ school visa)
__ I am a landed immigrant, and was born in another country

D5. At home, what is the first language you learned?

__ Chinese
__ English
__ French
__ Spanish
__ Other, please specify: __________

D6. What language do you speak most often at home?

__ Chinese
__ English
__ French
__ Spanish
__ Other, please specify: __________

D7. How long have you lived in Canada?

__ Less than 2 years
__ 2 – 5 years
__ 6 – 9 years
__ 10 – 14 years
__ 15 – 19 years
__ More than 20 years

D8. What is your year of birth? __________

D9. Gender:
__ Female
__ Male

D10. What is your Profession? ______________
While answering the following questions, please think about counterfeit products with regards to your cultural and personal perspectives.

1. The victim(s) of selling and purchasing counterfeit products is/are … check all that apply

- O The user of the product
- O The company that makes the authentic product
- O Society
- O Government
- O Business in general
- O The seller of the counterfeit product
- O The workers in the counterfeit manufacturing facility
- O There are no victims
- O Don’t know

**Think about the victims you indicated in Question 1 while answering Question 2 to Question 5.**

How much do you agree/ disagree with the following statements:

2. The overall harm done as a result of counterfeit products is minor:

1 Strongly disagree
2 Neither disagree nor agree
3 Agree
4 Strongly agree
5 Do not know
6 There is no harm
7 There is harm

3. The likelihood that counterfeit products cause harm is:

1 Not at all likely
2 Neither likely nor unlikely
3 Likely
4 Extremely likely
5 Do not know
6 There is no harm
7 There is harm

4. Counterfeit products cause harm in the …

1 Immediate future
2 Not at all likely
3 Not at all unlikely
4 Likely
5 Extremely likely
6 Do not know
7 There is no harm

5. Counterfeit products harm …

1 No one
2 Not at all likely
3 Not at all unlikely
4 Likely
5 Extremely likely
6 Do not know
7 There is harm
8 There is no harm
9 There is no harm

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6. People think that counterfeit products are …

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7. Buying a counterfeit product from a friend is…

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Acceptable</th>
<th>O</th>
<th>Do not know</th>
<th>O</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not acceptable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>O</td>
<td>Do not know</td>
<td>O</td>
<td>No opinion</td>
</tr>
</tbody>
</table>

8. Buying a counterfeit product from a person I don’t know is…

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Acceptable</th>
<th>O</th>
<th>Do not know</th>
<th>O</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not acceptable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>O</td>
<td>Do not know</td>
<td>O</td>
<td>No opinion</td>
</tr>
</tbody>
</table>

Now, thinking about material possessions and products in general, please answer Questions 9-Question 17

9. I admire people who own expensive designer clothing:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Strongly disagree | 2 | Neither disagree nor agree | 3 | Strongly agree |

10. The designer clothing I own says a lot about how well I am doing in life:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Strongly disagree | 2 | Neither disagree nor agree | 3 | Strongly agree |

11. I like to own designer clothing to impress people:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Strongly disagree | 2 | Neither disagree nor agree | 3 | Strongly agree |

12. (I try to keep my life simple, as far as possessions are concerned) I’m concerned about having material possessions:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Strongly disagree | 2 | Neither disagree nor agree | 3 | Strongly agree |
13. Buying luxury products gives me pleasure:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. I like to have luxury in my life:

<table>
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<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15. My life would be happier if I owned luxury products that I don’t currently have:

<table>
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<th></th>
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<th>3</th>
<th>4</th>
<th>5</th>
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<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

16. I’d be happier if I could afford to buy more designer clothing:

<table>
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<tr>
<th></th>
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<th>3</th>
<th>4</th>
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<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. It bothers me that I cannot afford to buy all the products that I would like:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Never</td>
<td>Always</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18. Close friends or family would approve of me buying counterfeit products:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td>Do not know</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19. Important people in my life encourage me to buy counterfeit products:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
20. Close friends or family could influence me to buy counterfeit products:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

21. I feel pressure from people who are important to me to purchase counterfeit products:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

22. I feel pressure from social peers to buy counterfeit products:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Neither disagree nor agree</td>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

23. a) Overall, I have a …

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative attitude towards counterfeiting</td>
<td>Positive attitude towards counterfeiting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b) Overall, counterfeit designer clothing is of …

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low quality</td>
<td>High quality</td>
<td>Do not know</td>
<td>No opinion</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c) Overall, counterfeit designer clothing is …

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not worth owning</td>
<td>Worth owning</td>
<td>Do not know</td>
<td>No opinion</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

d) Overall, counterfeit designer clothing is of …

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little value for the money</td>
<td>High value for the money</td>
<td>Do not know</td>
<td>No opinion</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
24.

a) Overall, I ...

1 2 3 4 5 6 7
Dislike counterfeit designer clothing

b) Counterfeit designer clothing is …

1 2 3 4 5 6 7
Unpleasant

25. If I found counterfeit clothing that I liked I would …

1 2 3 4 5 6 7
Definitely not buy it

26. If a product I wanted were available in the stores where I typically shop, and I knew it was counterfeit, I would …

1 2 3 4 5 6 7
Definitely not buy it

27. I …

1 2 3 4 5 6 7
Approve of counterfeit designer clothing

28. Overall, I …

1 2 3 4 5 6 7
Socially irresponsible

29. Counterfeiting is…

1 2 3 4 5 6 7
Socially irresponsible

Do not know

No opinion

30. Do you know?

1 2 3 4 5 6 7
Like counterfeit designer clothing

Do not know

No opinion

31. Overall, I …

1 2 3 4 5 6 7
Approve of counterfeit designer clothing

Disapprove of counterfeit designer clothing

No opinion

32. If a product I wanted were available in the stores where I typically shop, and I knew it was counterfeit, I would …

1 2 3 4 5 6 7
Definitely not buy it

Definitely buy it
27. Would you ever knowingly purchase a counterfeit product online?

- Yes
- No

28. Within the past 5 years, how many times have you knowingly purchased a counterfeit product online?

- Never
- 1-3 times
- 4-6 times
- 7 or more times

29. If a counterfeit product were available on a specific website that carries only counterfeit products and I knew it was counterfeit, I would …

1 2 3 4 5 6 7
Definitely not buy it Definitely buy it Not applicable

30. If someone I know is selling counterfeit products I wanted, I would …

1 2 3 4 5 6 7
Definitely not buy it Definitely buy it

31. Thinking about designer clothing, how much of a discount would you expect before you would knowingly purchase a counterfeit product rather than an authentic one?

- Less than 10% discount
- 11% - 20% discount
- 21% - 30% discount
- 31% - 40% discount
- 41% - 50% discount
- 51% - 60% discount
- More than 61% discount
- I would not purchase counterfeit over authentic, no matter how large the discount

32. If I were on vacation in a foreign region (e.g. China, Europe), and I came across counterfeit designer clothing, I would …

1 2 3 4 5 6 7
Definitely not buy it Definitely buy it Unsure
33. Not considering online purchases, how often do you knowingly purchase counterfeit designer clothing?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Never</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>Constantly</td>
</tr>
</tbody>
</table>

34. How familiar do you consider yourself to be with counterfeit designer clothing?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unfamiliar</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>Very familiar</td>
</tr>
</tbody>
</table>

When purchasing counterfeit products in general:

35. The decision is …

<table>
<thead>
<tr>
<th></th>
<th>1</th>
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<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unimportant</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>Very important</td>
</tr>
</tbody>
</table>

36. The decision …

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Requires little thought</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>Requires a lot of thought</td>
</tr>
</tbody>
</table>

37. When purchasing counterfeit designer clothing, there is …

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Little to lose</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>A lot to lose</td>
</tr>
</tbody>
</table>

38. The decision to purchase counterfeit designer clothing is …

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not mainly logical or objective</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>Mainly logical or objective</td>
</tr>
</tbody>
</table>
NOTE: The following Acculturation and Ethnic Identity questions were given to Chinese participants only.

Finally, please answer a few questions regarding your **nationality** and culture:

39. I enjoy speaking English:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
</tr>
</thead>
</table>

40. Most of my friends are of Canadian origin:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
</tr>
</thead>
</table>

41. Most of my friends are of Chinese origin:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
</tr>
</thead>
</table>

42. I enjoy watching English language television:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
<th>I don’t enjoy T.V</th>
</tr>
</thead>
</table>

43. I like to identify myself as a Chinese Canadian:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
</tr>
</thead>
</table>

44. I like to identify myself as Chinese:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
</tr>
</thead>
</table>

45. I like to identify myself as Canadian:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
</tr>
</thead>
</table>
46. I have difficulty accepting some attitudes held by Canadians:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

47. I have difficulty accepting some behaviours exhibited by Canadians:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

48. I have difficulty accepting some values held by Canadians:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

49. I have difficulty accepting some attitudes held by Chinese:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

50. I have difficulty accepting some behaviours exhibited by Chinese:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

51. I have difficulty accepting some values held by Chinese:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

52. I have difficulty accepting some attitudes held by Chinese Canadians:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

53. I have difficulty accepting some behaviours exhibited by Chinese Canadians:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>
54. I have difficulty accepting some values held by Chinese Canadians:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

**Debrief Form**

Dear Participant,

The survey you have just completed is designed to study consumer attitudes towards counterfeit goods and how attitudes influence intention to purchase products. Please do not share this information with others who may participate in the study at a later date. However, if you know of others that may wish to participate, feel free to pass on the link to the survey.

If you would like more information or have any questions or concerns, please feel free to contact us.

Thank you for your participation.

Anne Wilcock, PhD
Department of Marketing & Consumer Studies
University of Guelph
Guelph, Ontario N1G 2W1
wilcock@uoguelph.ca
519-824-4120 x53824

Scott Colwell, PhD
Department of Marketing & Consumer Studies
University of Guelph
Guelph, Ontario N1G 2W1
scolwell@uoguelph.ca
519-824-4120 x53095

Amy Faria, M.Sc. Candidate
Department of Marketing & Consumer Studies
University of Guelph
Guelph, Ontario N1G 2W1
afaria@uoguelph.ca
### Moral Intensity

<table>
<thead>
<tr>
<th>Item</th>
<th>Descriptive Statistics</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td><strong>MI1</strong> Magnitude of Consequences: The overall harm (if any) done as a result of the (marketer)’s action would be very small</td>
<td>3.68</td>
<td>1.862</td>
</tr>
<tr>
<td><strong>MI2</strong> Probability of Effect: There is a very small likelihood that the (marketer)’s action will actually cause any harm</td>
<td>5.46</td>
<td>1.442</td>
</tr>
<tr>
<td><strong>MI3</strong> Temporal Immediacy: The (marketer)’s action will not cause any harm in an immediate future</td>
<td>4.28</td>
<td>1.920</td>
</tr>
<tr>
<td><strong>MI4</strong> Concentration of Effect: The (marketer)’s action will harm very few people (if any).</td>
<td>5.21</td>
<td>1.413</td>
</tr>
<tr>
<td><strong>MI5</strong> Social Consensus: Most people would agree that the (marketer)’s action is wrong</td>
<td>5.01</td>
<td>1.713</td>
</tr>
<tr>
<td><strong>MI6</strong> (Proximity): Buying a counterfeit product from a friend is (Not acceptable- Acceptable</td>
<td>2.71</td>
<td>1.689</td>
</tr>
<tr>
<td><strong>MI7</strong> (Proximity): Buying a counterfeit product from a person I don’t know is</td>
<td>2.81</td>
<td>1.724</td>
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</table>
### Materialism

<table>
<thead>
<tr>
<th>Item</th>
<th>Descriptive Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>M1</strong> I admire people who own expensive designer clothing</td>
<td>Mean: 3.17, Std. Deviation: 1.654</td>
</tr>
<tr>
<td><strong>M2</strong> The designer clothing I own says a lot about how well I’m doing in life</td>
<td>Mean: 3.44, Std. Deviation: 1.731</td>
</tr>
<tr>
<td><strong>M3</strong> I like to own designer clothing to impress people</td>
<td>Mean: 2.92, Std. Deviation: 1.755</td>
</tr>
<tr>
<td><strong>M4</strong> I’m concerned about having material possessions, especially designer clothing</td>
<td>Mean: 4.95, Std. Deviation: 1.479</td>
</tr>
<tr>
<td><strong>M5</strong> Buying luxury products gives me pleasure</td>
<td>Mean: 3.46, Std. Deviation: 1.711</td>
</tr>
<tr>
<td><strong>M6</strong> I like to have luxury in my life</td>
<td>Mean: 4.08, Std. Deviation: 1.594</td>
</tr>
<tr>
<td><strong>M7</strong> My life would be better if I owned luxury products that I don’t currently have</td>
<td>Mean: 2.59, Std. Deviation: 1.684</td>
</tr>
<tr>
<td><strong>M8</strong> I’d be happier if I could afford to buy more designer clothing</td>
<td>Mean: 2.79, Std. Deviation: 1.782</td>
</tr>
<tr>
<td><strong>M9</strong> It bothers me that I can’t afford to buy all the designer clothing I’d like</td>
<td>Mean: 3.08, Std. Deviation: 1.452</td>
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</table>
### Subjective Norm

<table>
<thead>
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<tbody>
<tr>
<td><strong>S1</strong> Close friends or family would approve of me buying counterfeit products</td>
<td>Mean</td>
<td>Std. Deviation</td>
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<tr>
<td></td>
<td>3.39</td>
<td>1.657</td>
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</tr>
<tr>
<td><strong>S2</strong> Close friends or family could influence me to buy counterfeit products</td>
<td>Mean</td>
<td>Std. Deviation</td>
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<tr>
<td></td>
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<td>1.294</td>
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</tr>
<tr>
<td><strong>S3</strong> Important people in my life encourage me to buy counterfeit products</td>
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<td>Std. Deviation</td>
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<tr>
<td></td>
<td>2.46</td>
<td>1.616</td>
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</tr>
<tr>
<td><strong>S4</strong> I feel pressure from people who are important to me to purchase counterfeit products</td>
<td>Mean</td>
<td>Std. Deviation</td>
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</tr>
<tr>
<td></td>
<td>1.78</td>
<td>1.347</td>
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</tr>
<tr>
<td><strong>S5</strong> I feel pressure from society in general to buy counterfeit products</td>
<td>Mean</td>
<td>Std. Deviation</td>
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<tr>
<td></td>
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### Attitude A.

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<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>Std. Deviation</td>
</tr>
<tr>
<td><strong>A1</strong> Overall I have a … Negative attitude towards counterfeiting/ Positive attitude towards counterfeiting</td>
<td></td>
<td>2.90</td>
<td>1.504</td>
</tr>
<tr>
<td><strong>A2</strong> Overall, counterfeit designer clothing is of … Low quality/ High quality</td>
<td></td>
<td>1.81</td>
<td>1.045</td>
</tr>
<tr>
<td><strong>A3</strong> Overall, counterfeit designer clothing is … Not worth owning/ Worth owning</td>
<td></td>
<td>2.06</td>
<td>1.275</td>
</tr>
<tr>
<td><strong>A4</strong> Overall, counterfeit designer clothing is of... Little value for the money/ High value for the money</td>
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<td>1.321</td>
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<tr>
<td><strong>A5</strong> Counterfeiting is … Socially irresponsible/ Socially responsible</td>
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### Attitude B.

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<tr>
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<td></td>
<td>Mean</td>
<td>Std. Deviation</td>
</tr>
<tr>
<td><strong>A1</strong> Overall, I … Dislike counterfeit designer clothing/ Like counterfeit designer clothing</td>
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<td>1.339</td>
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<tr>
<td><strong>A2</strong> Counterfeit designer clothing is… Unpleasant/ Pleasant</td>
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<tr>
<td><strong>A3</strong> Overall, I … Approve of counterfeit designer clothing/ Disapprove of counterfeit designer clothing</td>
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<td>3.19</td>
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### I: Correlation Matrices Per Factor

**Moral Intensity**

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**Materialism**

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### Subjective Norm

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### Attitude A.

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### Means & Variances of Factors

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