

**Coping with copies: The influence of risk perceptions  
in counterfeit luxury consumption in GCC countries**

**Abstract**

This research investigates counterfeit luxury consumption in the Gulf Cooperation Council (GCC) countries, where consumers are so affluent that their consumption of counterfeit goods is surprising. An exploratory quantitative survey conducted in the United Arab Emirates demonstrates that though GCC nationals do purchase counterfeit luxury products, the perceived performance, psychosocial, and moral risks might prevent them from the engagement in such consumption. Based on 19 in-depth interviews, a follow-up qualitative study identifies the strategies Emiratis use to cope with the cognitive dissonance that occurs from the perception of those risks. The findings are of major interest for public policy makers and luxury brand managers fighting counterfeiting.

*Keywords:* Counterfeit, Luxury brand, Risk, Coping strategies, GCC consumers

## 1. Introduction

The Organisation for Economic Co-operation and Development (2016) has recently estimated the global trade in fake goods to be worth nearly half a trillion dollars a year. Counterfeiting is increasing at a faster pace than ever before and is developing into a significant global economic problem (Bian, Wang, Smith, & Yannopoulou, 2016; Staake, Thiesse, & Fleisch, 2009), particularly in the luxury goods market (Bian & Veloutsou, 2007; Commuri, 2009; Nia & Zaichkowsky, 2000). For luxury brands, counterfeiting may represent a significant threat damaging their reputation, reducing demand for legitimate products, entailing additional costs to protect against infringement, and result in lower business revenues (Kapferer & Michaut, 2014; Wilcox, Kim, & Sen, 2009; Wilke & Zaichkowsky, 1999). As such, academics widely study counterfeit luxury consumption. In particular, they investigate the antecedents of such consumption, including consumers' motivations and characteristics, product attributes, and situational factors related to the context of purchase or sociocultural influences (Bian et al., 2016; Eisend & Schuchert-Güler, 2006; Hieke, 2010; Zaichkowsky, 2006).

Prior studies discuss the obvious financial motives that drive non-deceptive counterfeit luxury consumption, in which consumers consciously and willingly purchase fake products (Grossman & Shapiro, 1988; Staake et al., 2009). While luxury counterfeits may not provide the same level of excellence as the original products regarding tangible attributes, they preserve the brand image the original products convey. Therefore, intentional purchase of counterfeits means attaining luxury brands' prestige without paying the price; that is, consumers purchase these products because of their low price (Albers-Miller, 1999; Prendergast, Chuen, & Phau, 2002; Tang, Tian, & Zaichkowsky, 2014). If so, a negative correlation emerges between counterfeit proneness and income (Ang, Cheng, Lim & Tambyah, 2001; Sharma & Chan, 2011; Tom, Garibaldi, Zeng, & Pilcher, 1998), which may

explain why little research examines such counterintuitive counterfeit luxury consumption among affluent consumers, those consumers that can afford the prices of genuine luxury brands (Perez, Castano & Quintanilla, 2010). As an exception to the above trend, Perez et al. (2010) show that consumption of counterfeit luxury brands provides affluent consumers with symbolic benefits as this is the case with the less affluent consumers. Focusing on motivations, they do not address however whether affluent consumers associate the same kind of risks with counterfeit luxury consumption than less affluent consumers, though one reasonably might expect that both types of consumers could differ, especially concerning financial or social risks. As risk perceptions have a strong influence on counterfeit purchase decisions (Albers-Miller, 1999; De Matos, Ituassu, & Rossi, 2007; Chen, Zhu, Le, & Wu, 2014; Tang et al., 2014; Veloutsou & Bian, 2008; Vida, 2007, Viot, Le Roux, & Krémer, 2014), studying the risk dimensions affluent consumers may associate with counterfeit luxury consumption seems necessary.

To fill the gap, this study examines risk perceptions associated with non-deceptive counterfeit luxury consumption by the local population in the Gulf Cooperation Council (GCC) countries. More precisely, the study investigates United Arab Emirates (UAE) national consumers for two main reasons. First, Emiratis are very wealthy people. Thanks to oil rents, UAE population, which mixes 20% of nationals with 80% of western or Indian sub-continent expatriates, displays the 10<sup>th</sup> highest gross national income per capita in the world in terms of purchase power parity (Worldbank, 2016). However, this ranking should be reconsidered upward knowing that Emirati households are around twice wealthier than non-Emirati households (Government of Dubai, 2014) due to a strong political will to favor UAE nationals as they are a minority in their own country (e.g., job priority, higher salaries, numerous subsidies, grants, loans and free utilities and services). These facts shed light on how Emiratis are wealthy. Second, Emiratis are major consumers of genuine (Bain & Company, 2014;

Chalhoub, 2014) and counterfeit luxury products. For example, in September 2015, the Department of Economic Development of Dubai reported the largest ever fake goods haul, with a seizure of 3.5 million counterfeit items worth a record AED 195 million (€46.4 million) (UAEinteract, 2015). Two months later, Dubai announced the launch of the “Intellectual Property Protection Advisory Board” to bring organizations and the government closer to combatting counterfeiting and trademark violations. Although many counterfeits are only transiting in the UAE or mainly target tourists and non-locals, Emiratis also buy counterfeits in dedicated areas such as the Karama Market in Dubai (ranked 65 of 316 Dubai activities by TripAdvisor). To better understand such consumption and extend Perez et al.’s (2010) first contribution on affluent consumers, this study uses a risk perception perspective to determine whether Emiratis do not perceive any risk in counterfeit consumption or apply strategies to cope with those risks.

To do so, the study draws from Eisend and Schuchert-Güler’s (2006) preliminary framework, which proposes that consumers develop coping strategies when dealing with the cognitive dissonance that occurs from counterfeit consumption. Such dissonance partly derives from the risks people associate with counterfeit consumption. The exploratory quantitative study shows that Emiratis’ perceptions of performance, psychosocial, and macro risks mainly hinder counterfeit luxury consumption. In ruling out the possibility that the consumption of luxury counterfeits in the UAE results from an absence of perceived risks, the study then qualitatively explores the strategies Emiratis use to cope with such risks. Four main strategies specific to wealthy and genuine luxury products consumers emerged from the interviews. The A-quality strategy stresses the affluent consumers’ preference for high-quality luxury counterfeits. The black chameleon strategy shows that affluent consumers mix both genuine and counterfeit luxury products according to situations and product categories. The fashionista strategy suggests that affluent consumers favor counterfeits when luxury products

are very trendy and have a short lifecycle. Finally, the believer strategy shows how religion can support and serve as a justification for counterfeit luxury consumption among affluent consumers. A discussion of the findings and implications for public policy makers and brands locally fighting counterfeiting concludes.

## **2. Literature review**

### *2.1. Risk perception*

Bauer (1960) contributes to the risk literature by distinguishing objective from subjective risk, the latter designates the risk consumers perceive. Two dimensions comprise risk perceptions: the probability of the risk and the seriousness of its negative consequences (Dowling & Staelin, 1994), that are the losses people may face in the event the risk comes to fruition (Kahneman & Tversky, 1979)—for example, when a fake luxury bag promised to last for two years lasts only two months. In the end, research shows that risk perceptions exert a strong influence on the vast scope of consumers' decisions, suggesting that consumers try to reduce uncertainty and avoid unfavorable consequences of their decisions (Cox, 1967; Dowling & Staelin, 1994; Mitchell, Davies, Moutinho, & Vassos, 1999; Roselius, 1971).

People differ in their risk assessments of the same object, depending on individual and situational factors. Consumers perceive different levels (e.g., low, high) and various facets of risks (Michaelidou & Christodoulides, 2011). Financial, performance, physical, psychological, and social risks were among the first identified dimensions (Jacoby & Kaplan, 1972). The perceived financial risk refers to disappointment about value for the money, waste, or loss in the event of product malfunction. The perceived performance risk relates to situations in which the product fails to perform as expected. The perceived physical risk involves the threat to consumer health and safety. The perceived psychological risk includes concerns about

consumers' self-concept, such as a fear not to make the right product choice or being unable to fit the product with their self-concept. The perceived social risk confronts consumers with negative reactions or thoughts from other people. Roselius (1971) identified a sixth dimension, time risk, defined as the waste of time, convenience, and effort getting products adjusted, repaired, or replaced when they fail.

These risk facets are specific to each product category (Derbaix, 1983; Michaelidou & Christodoulides, 2011) and are functionally interdependent: while one category of risk increases, the other categories can increase, decrease, or remain unchanged (Jacoby & Kaplan, 1972). These risk facets predict the overall risk perception and enhance understanding of consumer behavior (Featherman & Pavlou, 2003), such as counterfeit consumption.

## *2.2. Risk perceptions in counterfeit consumption*

In line with prior evidence that risk perception is one of the major factors influencing counterfeit consumption (Albers-Miller, 1999; De Matos et al., 2007; Chen et al., 2014; Viot et al., 2014), Tang et al. (2014) show that risk perception scores as the second reason after utility for non-deceptive counterfeit consumption. No consensus, however, appears in the literature about the relative influence of the various risk facets associated with counterfeit consumption. Veloutsou and Bian (2008) stress the importance of financial, psychological and physical risks; Bian and Moutinho (2009) underscore the impact of financial and social risks; and Tang et al. (2014) opt for the dimensions of physical and social risks, while physical risk has little significance for Ha & Lennon (2006). Time risk is rarely taken into account in the literature on counterfeiting and scores as the least important dimension (Veloutsou & Bian, 2008).

Beyond these traditional risk facets, academics associate counterfeit consumption with other specific risk dimensions. The perceived legal risk is the risk of sanctions or punishment

if caught with counterfeits (Albers-Miller, 1999). The perceived macro risk refers to the economic and social consequences of counterfeits, such as tax evasion, loss of jobs (Viot et al., 2014), a deficit in the trade balance (Viot et al., 2014), child labor (Marcketti & Shelley, 2009) or terrorism funding (Hamelin, Nwankwo & El Hadouchi, 2013).

The majority of scholars exploring counterfeiting from the consumer perspective base their research on data collected in the Western world (Eisend & Schuchert-Güler, 2006), though more recent research also considers Asian countries (e.g., Chen et al., 2014; Phau & Teah, 2009; Veloutsou & Bian, 2008). This focus calls for more cultural studies on the subject, as culture strongly influences the risks consumers may perceive in counterfeiting (Eisend & Schuchert-Güler, 2006). Veloutsou and Bian (2008) show that English consumers perceive more psychological and social risks than the Chinese. However, no research to date explores how consumers perceive the risks associated with counterfeit consumption in GCC countries.

GCC cultures are collectivist and normative, displaying great respect for the hierarchical order, local traditions and norms, and a high preference for avoiding uncertainty (Hofstede Center, 2016). These cultural traits should influence counterfeits perception and consumption as countries with high power distance actually display higher levels of piracy (Ronkainen & Guerrero-Cusumano, 2001) and collectivism is correlated with counterfeit consumption (Santos & Ribeiro, 2006). As such, GCC consumers should both consume counterfeits and associate high risks with their consumption. To explore this relevant question further, the present study identifies the risks Emiratis associate with counterfeit consumption of luxury goods, before drawing from Eisend and Schuchert-Güler's (2006) preliminary framework to explore whether they develop coping strategies to deal with these risks.

### *2.3. Risk perceptions and coping strategies*

Consumers are often aware of potential risks associated with counterfeit consumption.

Therefore, they are likely to perceive the intentional purchase of counterfeits as risky. Despite those risks, however, many consumers may choose a counterfeit over a genuine item (Nia & Zaichkowsky, 2000; Wilcox et al., 2009), but this choice is likely to cause them to experience negative emotions, such as guilt, shame or embarrassment (Kim, Cho & Johnson 2009; Kim & Johnson, 2014). These other-focused emotions relate to discrepancy between one's actual counterfeit consumption and the wish to conform to specific values or to respect the moral views of relevant others (Kim & Johnson, 2014). If risk is perceived and consumers still decide to go for counterfeit, cognitive dissonance occurs. Festinger (1957) defines this term as a state of drive, need, or tension, occurs then because consumers' self-concept is threatened and especially among consumers displaying interdependent self-construal (Kim & Johnson, 2014). More precisely, people try "to establish internal harmony, consistency, or congruity among (...) opinions, attitudes, knowledge and values" (Festinger, 1957, p. 260). They strive for consistency within themselves, between what they know or believe and what they do. In the presence of inconsistency between two cognitions (i.e., the obverse of one should follow from the other), they experience psychological discomfort that "gives rise to pressures to reduce that dissonance" (Festinger, 1957, p. 18).

Considering the subject of counterfeiting, giving up the idea of purchasing counterfeits can reduce the dissonance. Alternatively, consumers can search for justification to legitimate their behavior and develop coping strategies to go through cognitive dissonance when consuming counterfeits (Bian et al., 2016; Eisend & Schuchert-Güler, 2006). Psychology research (Lazarus & Folkman, 1984) defines coping strategies as the psychological and behavioral responses to managing specific external or internal demands (and conflicts between them) appraised as taxing or exceeding the resources of a person. Literature shows that such strategies allow people to minimize or tolerate stressful situations, including health risks (e.g., illness, famine, food allergy), ecological risks (e.g., flooding), economic risks (e.g., income,



job insecurity), political risks (terrorism), and consumption risks (e.g., product failure, local eating). As an illustration, in marketing, coping strategies, labeled “guilt-management strategies”, have been used to explain how consumers consciously indulge in ‘ethical’ and ‘unethical’ behavior (e.g., Gregory-Smith, Smith, & Winklhofer, 2013).

Regarding counterfeits, consumers use various justifications to cope with cognitive dissonance such as “It didn’t cost that much to purchase the fake product anyway” or “Counterfeits can help those poor individuals and the economy of the country” (Eisend & Schuchert-Güler, 2006, p. 15). Except for Bian et al.’s (2016) recent work, the literature insufficiently explores the coping strategies people use to neutralize the cognitive dissonance they experience when consuming counterfeits. Answering Eisend and Schuchert-Güler’s (2006) call, Bian et al. (2016) replicate their model in the cultural context of China. They convincingly show that consumers employ coping strategies to excuse unethical counterfeit consumption, such as the denial of any responsibility (e.g., “I was guided by a friend”, p. 5) or the appeal to higher loyalties (e.g., “I bought it because I liked the product, not because it is a brand”, p. 6). Notwithstanding these findings, the literature does not connect the various risk facets of counterfeit consumption with specific coping strategies. This gap is the primary focus of the present research.

### **3. Empirical research strategy**

To explore affluent consumers’ behavior in a specific cultural context field as advised by Veloutsou and Bian (2008), current research studies Emirati nationals. Following Perez et al. (2010), the paper focuses on a region known to be wealthy, carefully identifying that informants are actual affluent consumers who can afford the prices of genuine luxury brands.

The current research adopts a mixed approach, both quantitative and qualitative, to obtain a better understanding of the research object using the original perspectives derived from

different research strategies (Turner, Cardinal, & Burton, 2015). The rationale proceeds from the idea that knowledge develops by obtaining convergence in substantive findings across a diverse set of methodologies (McGrath, Martin, & Kulka, 1982) and that the strengths of one method can offset the limitations of another method (Scandura & Williams, 2000).

More specifically, the quantitative exploratory study has two main objectives: to confirm the existence of counterfeit luxury consumption among Emiratis and, if applicable, to identify the existence, the nature, and the importance of the risks Emiratis associate with such consumption. However, a quantitative study can prove problematic when investigating socially undesirable behaviors (Crane, 1999) such as counterfeit consumption (Bian et al., 2016). This method is also insufficient for investigation of complex cognitive processes (Malhotra, 2007), such as the underlying psychological mechanisms and strategies at stake (Bian et al., 2016; Eisend & Schuchert-Güler, 2006). To address these limitations, the authors conducted in-depth interviews. The objectives of this follow-up study are twofold: to challenge the results from the quantitative exploratory study and to probe more deeply into the mechanisms underlying Emiratis' coping strategies when consuming counterfeit luxury goods.

#### **4. Exploring Emiratis' risk perceptions of counterfeit luxury consumption**

##### *4.1. Methodology*

An online exploratory survey was administered in English using a snowball recruitment procedure (Browne, 2005). The choice of English was deliberately made considering that English has recently questioned the place of Arabic as first national language in UAE (The National, 2015). In all Emirati schools students are learning English, and the majority of interactions between locals and expatriates is in English. To make sure to be easily

understandable, the questionnaire used a simple language and was pre-tested on five Emirati nationals. The snowball recruitment procedure started with Emirati employees and students of a local university and continued spreading the online survey link to these first respondents' Emirati friends and relatives. Nationality appeared as the first filter question to keep only UAE nationals.

Respondents first reported whether they were actual luxury consumers following Kapferer and Michaut's (2014) procedure. More precisely, they identified whether they purchased or were offered typical luxury goods (e.g., leather good, piece of clothing, watch, jewelry, automobile) beyond a certain price in local currency over the last 2 years. Then they reported their consumption of fake luxury products using the same categories and answered questions about their perceptions of risk regarding these products. More precisely, Viot et al.'s (2014) items served to measure how Emiratis associate counterfeit consumption with legal, psychological, social, physical, and macro risks. The items came from Ha and Lennon (2006) to measure the performance and financial risks and were adapted from Roehl & Fesenmaier (1992) to measure time risk. Finally, authors collected respondents' gender, age, combined monthly household income, and monthly shopping expenses. All constructs were measured with 5-point Likert scales (see Appendix A). To be noted, the items measuring the perceptions of psychological and social risks, usually combined and treated as one measure in the literature (Jacoby & Kaplan, 1972), ended to load on the same psychosocial factor. Besides, the items measuring time risk did not prove to be efficient, which led us to get rid of this dimension of risk perceptions considering that it usually scores as the least important in the literature on counterfeiting (Veloutsou & Bian, 2008).

In total, 100 Emiratis completed the exploratory survey, among which 7 did not report any luxury consumption over the last 2 years and 7 did not provide any variance in the given answers. In the end, researchers considered 86 respondents for the analyses, with an average

monthly household income of US \$ 14.500 (which is in line with the national statistics issued by the Government of Dubai in 2014) and an average age of 27 years. Although the sample average age may appear low, the Emirati population in Abu Dhabi is very young, with 39% of the population being under the age of 15 (Statistic Centre Abu Dhabi, 2015). The sample unfortunately includes 82% of women because Emirati men seem to be reluctant to answer surveys on their luxury consumption.

To assess internal consistency, reliability, convergent and discriminant validity, we report Dijkstra and Henseler's  $\rho_A$ , which is the only consistent reliability measure for PLS construct scores (Dijkstra & Henseler, 2015). Indicators of convergent validity and reliability are satisfied: the reliability is greater than 0.7 and the convergent validity is equal to or greater than 0.5 (see Appendix B). To assess the discriminant validity, we relied on the HeteroTrait–MonoTrait (HTMT) criterion that is inferior to 0.85 (see Appendix C). The discriminant validity is then satisfied (Henseler, Ringle, & Sarstedt, 2015).

#### *4.2. Results*

Preliminary analysis shows that 38.4% of the Emiratis do buy luxury counterfeits, and two-thirds mix them with original products. This fills a gap mentioned by Fernandes (2013) about the absence of any statistics on the extent of counterfeiting in the luxury industry in the UAE and is in line with prior research reporting the non-deceptive counterfeiting penetration in Western countries (Bian & Moutinho, 2009; Bloch, Bush, & Campbell, 1993; Tom et al., 1998).

Regarding risk perceptions, descriptive analyses show that Emiratis mainly associate counterfeit luxury consumption with performance and psychosocial risks (4.3 and 3.8 out of 5, respectively). Unsurprisingly, Emiratis first associate such consumption with a performance risk; literature regards the perceived performance risk as a surrogate of the perceived overall

risk, as people often perceive the other risk facets (e.g., financial, physical, psychological, social) in the event of performance failure (e.g., Mitchell, Moutinho, & Lewis, 2003).

Emiratis associate an average physical risk with counterfeit luxury consumption (3.3 out of 5) and lower macro, legal, and financial risks (all around 2.9 out of 5).

To go further, a logistical regression analysis including the six risk perceptions and controlling for respondents' gender, age, combined monthly household income, and monthly shopping expenses ( $\chi^2=30.79$ ,  $p<.05$ , Nagelkerke  $R^2=.41$ ) shows that risk perceptions do not influence counterfeit luxury consumption in the same way. Emiratis who buy counterfeit luxury products perceive more performance (Wald=5.17,  $p<.05$ ), psychosocial (Wald=3.25,  $p<.05$ ), and macro risks (Wald=2.74,  $p<.05$ ) than those who do not. However, the perception of physical, legal or financial risks does not influence counterfeit luxury consumption (Wald=.05, 1.33 and 1.07, respectively, all  $p$ 's>.10). Of note, and as expected from the literature (e.g., Ang et al., 2001; Sharma & Chan, 2011; Tom et al., 1998), Emiratis who buy luxury counterfeits display a lower combined monthly household income than those who do not (Wald=2.72,  $p<.05$ ). Though not in a significant way (Wald=1.78,  $p<.10$ ), they also tend to be older than those who do not buy luxury counterfeits (29 years-old vs. 26 years old), which interestingly runs counter to previous research findings (e.g., Cheung & Prendergast, 2006; Kwong, Yau, Lee, Sin, & Tse, 2003; Tom et al., 1998).

In showing that perceptions of performance, psychosocial, and macro risks mainly hinder Emiratis' counterfeit consumption, this exploratory study tends to rule out the possibility that the counterfeit luxury consumption in the GCC results from an absence of perceived risks. Next, a qualitative approach allows deepening these first results and highlights the emergent strategies GCC consumers use to cope with these risks.

## **5. Exploring Emiratis' coping strategies in counterfeit luxury consumption**

### *5.1. Methodology*

Because of strong cultural aspects, people from the West have difficulties initiating direct contact with Emiratis. To access a sufficient sample of Emiratis and collect relevant and rich information, the respondents were recruited by two insider Emiratis (one male, one female). These two Emiratis attended the interviews to reassure them by their presence and sometimes helped translate certain terms or feelings from Arabic to English when the participants were not able to express them easily in English. The two first participants were recruited among their relatives, four more on Instagram, which is widely used by the local population, the others through a snowball procedure, by asking each participant to recommend new potential participants at the end of the interview. In total, 19 in-depth interviews were conducted with UAE national consumers. Profiles varied regarding demographics and included both men (7) and women (12), ranging in age from 20 to 55 years, from varied educational and economic backgrounds. Table 1 contains further details about participants' profiles.

#### **Table 1 here**

The interviewers approached the participants without making prior distinctions between buyers and non-buyers of counterfeits, as both categories are of interest for investigating risk perceptions. In particular, non-buyers were especially informative about the risks they associate with counterfeit luxury consumption and which retained them from buying. But they were also informative describing what they knew about their relatives and friends' coping strategies in connection with counterfeit luxury consumption. Of note, 11 of the 19 interviewees admitted that they were counterfeit luxury buyers, and most of the interviewees who denied taking part in such practice personally knew counterfeit luxury buyers. Some also mentioned that they had been offered counterfeit products and therefore could report on their own experience with counterfeit consumption.

Researchers conducted the interviews in different locations, some on the premises of the university and some at interviewees' homes, until achieving thematic saturation. Interestingly, all respondents wore multiple luxury goods during the interviews (e.g., handbags, shoes, watches). Those interviewees who came to University arrived in luxury cars, those who had an interview at their home offered other signs of wealth (e.g., location of homes, number of house caretakers, furniture). Beyond the fact that all Emiratis are supposed to be wealthy consumers (as discussed previously), all respondents visually demonstrated that they had the economic resources to buy originals, which is in line with the way Perez et al. (2010) selected their participants.

The interviews began with general questions about shopping habits and experience with luxury for at least three reasons. First, because of specific cultural traits, going straight to the point in discussion with Emiratis is challenging; regardless of the subject, interviews must begin with extended small talk. Second, these general questions served as filters to check the level of knowledge of the interviewees about luxury consumption. With the reassurance that they were all regular consumers of luxury goods, researchers didn't reconsider any of the respondents. Third, the subject of counterfeit consumption may appear socially unacceptable due to face consciousness, and interviewees could have felt uncomfortable answering exceedingly direct questions on this topic or might have refused to participate, knowing the subject from the beginning. Delaying questions about counterfeits proved to be an adequate method: some participants were hesitant to speak about their experiences with luxury counterfeits or even denied buying or consuming them at the beginning of the interviews, though they gradually reported about some or even multiple experiences with them during the course of the interview. When addressing questions about luxury counterfeits, interviewees spoke about the reasons why they buy or do not buy counterfeits. Researchers asked them about specific determinants, based on the literature, when they did not address them

spontaneously. Those who denied consuming luxury counterfeits themselves were asked about their relatives' consumption or about times they were offered luxury counterfeits, to overcome their resistance using a projective device.

All interviews were audiotaped (average length of 37 minutes), transcribed, and analyzed retrospectively by applying Miles and Huberman's (2014) two-stage method. The analysis used categories and themes developed from the interviews (i.e., the emic stage) and then used codes, categories, and themes derived from prior research and the quantitative exploratory study (i.e., the etic stage). This process led to the generation of two primary themes: (1) risk perceptions in counterfeit consumption and (2) coping strategies in counterfeit consumption.

### *5.2. Risk perceptions in counterfeit consumption*

Converging with the findings of the quantitative exploratory study, interviewees spontaneously mentioned the perception of a substantial performance risk. Fake products distinguish themselves from original products by their inferior materials, poor quality of labor, and cheap finishing. Their consumption can result in malfunction. "Every little corner of the bag stinked. It smelled so bad, I don't even know if it was real leather, it didn't even smell like real leather" (Sheikha). "It will not be the same quality. I will use it for one month and then I will need to repair it again" (Hamdan).

Interviewees also expressed their concerns about being identified as counterfeit consumers and often mentioned feelings of embarrassment or even shame. Consistent with the qualification of the psychosocial risk as "the exposure of a social wrong" (Bian et al., 2016, p. 7) and previous finding (Gistri, Romani, Pace, Gabrielli, & Grappi, 2009), these feelings were only threatening when the interviewees feared being caught by someone else with a fake. "If I told my friend ... it's fake, he would just look at me and I would feel devalued in his eyes" (Mubarak). "If someone caught me with something fake? They will judge me and they will



think everything that I own is fake” (Amina). As conspicuous consumers of luxury goods (Vel, Captain, Al Abbas, & Al Hashemi 2011), Emiratis search for exclusivity, stressing that brands they consume should be seen and identified by others as original. This psychosocial risk seems to increase with social distance. When talking about a friend who consumes luxury counterfeits, Amina explained: “She would be seen as lower [devaluated]<sup>1</sup> among her friends but if she does wear fake then probably her family does ... as well.” This notion relates to the collectivistic Emirati culture, in which people “accept the legitimacy of the judging of individuals based on group identities, such as family” (Wong & Ahuvia, 1998, p. 427). Confirming this idea, counterfeit buyers reported discussing their purchases with their families but not with their wider circle of friends.

Also converging with the quantitative findings, interviewees never mentioned legal or financial risks as primary concerns. Some stated that they were not aware of any legal regulations or would deny their existence. “I don’t see [think] there is a law here that says: ‘No, this is a fake bag. You cannot wear this!’ Or they stop you or something. No!” (Noura). Considering the spread of and wide access to counterfeits (in the streets, but also on the Internet and social media), interviewees tended to agree that their purchase is not illegal. “A lot, a lot, a lot of locals [Emiratis], Filipinos, a lot of even Syrians, from all nationalities here, in our country sell such fake purses, bags and shoes, scarfs, whatever you want. As long as it is LV [Louis Vuitton], Gucci, like these big brands” (Noura). “I heard that it’s illegal but they are just selling them online” (Fatma). When acknowledging the illegal nature of counterfeits, interviewees tended to question the real effort of the government to fight against counterfeiting. In such cases, some stressed their citizenship to suggest that the risk is low in

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<sup>1</sup> The authors made a deliberate choice to keep the exact verbatims to be close to the meaning of what respondents said. However, due to the oral form of the transcript and the use of local expressions, authors added some explanations into brackets when needed.

the country. "Customs? They check randomly and mostly they let pass the locals. So it's good for me" (Hamed).

In addition, interviewees did not report any macro risk perceptions linked to child labor, terrorism funding, or negative macroeconomic drawbacks, nor any financial risk. "[The reason] I try it, is because it's almost nothing [it's cheap]. The original one costs more than AED 20,000, and this one costs less than 200" (Ali). "Thank God I haven't spent a lot on this" (Mohammed). Some interviewees even admitted buying quite expensive counterfeits. "Because it's cheaper, she bought a bag. It is like my bag. She bought it [for] like AED 5,000 [approximately €1,250], and the original is 16,000" (Fatma). In the event of malfunction of the counterfeit, consumers don't perceive the financial loss.

Finally, some interviewees spontaneously reported the perception of a more moral, religion-based risk. "It's *haram* [Arabic for sin], people are working very hard to do it and to market it, and people come to steal the idea ... But if you received it as a gift you can wear it" (Fatma). Using the word *haram*, some interviewees explicitly emphasized the perception of a moral risk in the actual purchase of counterfeit products. This pioneering risk facet the authors were not able to identify in the quantitative exploratory study, which was based on literature that does not consider Muslim countries.

### 5.3. *Coping strategies in counterfeit consumption*

Consumption of counterfeits is deviant behavior, which likelihood of display, therefore, depends on consumers' ability to rationalize such behavior (Strutton, Vitell, & Pelton, 1994). Explaining why they would consume luxury counterfeits, the interviewees used justifications that reflect strategies to cope with the cognitive dissonance related to risk perceptions. Table 2 summarizes four specific coping strategies.

## **Table 2 here**

### *5.3.1. The A-quality strategy*

The first strategy emerging from the interviews is the ability of consumers to identify and choose high-quality luxury counterfeits that do not significantly differ from the original products in their look, materials, and level of craftsmanship. Wilcox et al. (2009) report important quality improvement in counterfeits. Interviewees used different terminologies to refer to superior counterfeits, such as “A-level fake,” “AAA copy,” “copy number 1,” and “very identical.” “Honestly if you see it, it looks real, unless you really go with the microscope” (Sheikha). “The way I actually knew how 90% of the people wear fake products was when I went to Thailand. The whole plane was filled with Arabic nationalities, and they say that they got Gucci and Chanel. But since they got it from Thailand then it is fake. But it is okay since it is copy number 1” (Hamdan). Consistent with the finding that consumers’ willingness to purchase counterfeits increases with product performance expectations (Cordell, Wongtada, & Kieschnick, 1996), Emiratis mainly buy A-quality counterfeits to cope with the performance risk they associate with counterfeit luxury consumption.

Furthermore, consumers’ willingness to purchase a counterfeit product increases when they can rate the quality of a product before purchase (Eisend & Schuchert-Güler, 2006). The interviewees actually stressed their expertise in choosing the best counterfeits. Penz and Stottinger (2005) use the theory of planned behavior to explain that such ability generates perceived behavioral control, which positively influences the intention to purchase fake products. This ability, which was widespread among Emiratis as they are regular luxury consumers (Bain & Company, 2014; Chalhoub, 2014), helps them reduce the perceived performance or psychosocial risks. “They write it is copy no 1. It is the best copy. They copy-paste. It’s number 1 like Louis Vuitton (LV). It’s exactly the same LV, no difference, but it is fake. No one will know” (Shaila). “Since it is copy number 1, nobody knows” (Hamdan).

Notable is the degree of attention counterfeit consumers pay to the details of the goods, to acquire the “perfect match.” “You will never know that it is fake. You can never know. The same print, the same perfection, the only thing was about the handles, but you can never tell from the leather, from everything [anything]. That is why people keep wearing and buying them. High family [royal family], high, rich family they still buy fake” (Noura).

Preference for A-level copies, which display a better quality than their cheaper counterparts, is a strategy to reduce cognitive dissonance. With the utilization of product knowledge, application of this strategy mitigates the perceived performance and psychosocial risks of being discovered as a counterfeit consumer (Gistri et al., 2009). This finding is in line with previous results that suggest that counterfeit consumers use their expertise to their advantage to decrease the likelihood of being caught (Bian et al., 2016) and that such expertise may serve a self-concept expressive function (Perez et.al., 2010).

### *5.3.2. The black chameleon strategy*

The data support for another strategy, the black chameleon, in which consumers who are conscious about their financial possibilities combine multiple authentic pieces with counterfeit products simultaneously, and thus cope with the psychosocial risk of being discovered. Because they possess and purchase original luxury brands, Emiratis have the opportunity to camouflage the counterfeit products among the originals. “If you wear a fake bag and go out with it, it’s not because of the prestige or something; it looks like I’m so desperate, I want to pretend ... which looks so pathetic ... However if you do own only a couple of fake pieces, ... I mean, for example, my other mom [respondent refers to the stepmother, Emirati men can have up to four official wives], she bought herself a fake ostrich Hermes bag ... So for her to have one fake Hermes bag and wear it with so much pride, people look at her and think it is real” (Sheikha). In the same vein, Emiratis choose original

luxury brands before asking skilled jewelers to replicate them, though in the latter case, the jeweler combines precious stones (e.g., diamonds) with zirconia, which apparently have similar attributes and appearance to diamonds when combined in the same piece of jewelry. “They wear zirconia, and they wear stones [diamonds], it shines a lot. In this way, all the materials (stones and precious metals) can be taken out of the piece and set into a new designer piece to present on a new occasion, because [at] every wedding they change” (Shaila). Affluent people, who can afford originals, sometimes buy both the fake and the original of the same brand. “When you buy a Chanel, you have a copy of Chanel, the exact copy the 99.9%, the same Chanel here. The AED 40,000 and the 4,000 [one]. You will go with this one [the fake one], I know I am rich, [and] nobody will think this is fake” (Noura). “Usually people that I know, they do mix. So they buy original, and they buy the fake one, so even if they wear fake one day, people will think that this is the original. So they try to mix it so no one will notice” (Hessa).

In line with Gistri et al.’s (2009) previous finding, Emiratis mix originals and counterfeits depending on the occasion. In social gatherings with family members and friends, they discuss their counterfeit purchases. They also mix them in daily life. “You can use it on the beach, and the people think you're that rich to have this money using a Hermes Birkin bag for the beach” (Sheikha). However, Emiratis avoid wearing fakes to big social events, especially weddings and Eid celebrations. Weddings in the UAE are celebrated in separate locations for men and women, with sometimes up to 1,000 attendees of each gender. When by themselves, women take off their traditional black gowns (abayas) and have the opportunity to display extravagant evening dresses, shoes, and accessories. Men also feel they are in the spotlight and need to demonstrate their best side. “Many people, they are looking at what you are wearing like [during] in big events ... but mostly in these events, we do not wear fake watches or sunglasses, etc. The fake ones we might use [them daily]” (Hamed). The

performance of psychosocial risk and the associated counterfeit consumption are therefore contingent on various situational determinants, especially in situations in which Emiratis are more concerned about keeping face.

### *5.3.3. The fashionista strategy*

In the third strategy, consumers intentionally elect to buy counterfeits of the latest “trendy” models of luxury genuine brands. At the same time, for the products with a longer lifecycle they show a preference for originals to avoid the situation that someone can identify them as counterfeit consumers. Given fashion’s very short life cycle, trendy luxury items are particularly favorable for counterfeit consumption to keep up with the latest fashion trends without paying a premium. Counterfeited versions of luxury goods are mostly available shortly after the original products are introduced on “the catwalk” and sometimes even before the original products are available in stores. “And after one year, six months, two years maximum, I will throw it [away and] buy another one. I am going after the trend (and I am going after, I know) so, nobody will know that I am wearing fake” (Noura).

The timing of counterfeit consumption is essential for successful implementation of the fashionista strategy, which interviewees applied when they knew others would not be able to identify the products because of limited product knowledge about this particular style, thus reducing the chance of being discovered. Because not many people own the latest models of genuine branded items at the time when counterfeits are already available, they will likely not be able to compare them. “I change every month. Right? No one will know that it is fake because they think that I have a lot of money, so, of course [they think] I will buy a real brand. Right?” (Shaila).

The consumers who apply the fashionista strategy own many original luxury models but opt for counterfeit versions of very fashionable pieces (e.g., “limited editions,” “latest

collection”) that tend to be kept apart from mass luxury consumption. They substitute original items, which are considered to be too trendy with counterfeits, as the latter appear to be a better investment and require less care (Perez et al., 2010). “I have one bag, Dolce and Gabbana, very rare one. I looked for the original one here, [but] they didn’t have it here” (Shamma).

This strategy requires investments in time to learn the latest trends and to gain the necessary knowledge about specific designs (Gistri et al., 2009) but helps consumers mitigate at least two perceived risks. First, this strategy lessens the performance risk because people use the item only a few times in a short period and can exchange the item with another before performance fails. Second, this strategy reduces the psychosocial risk, as not many people own the original design or are aware of its distinction, so counterfeit consumers can always present the product as a “new” or “rare” fashionable design.

#### 5.3.4. *The believer strategy*

Islam plays a central role in the Emirati culture and influences all aspects of life, and as such interviewees referred to the Quran to explain their purchase habits and justify counterfeit consumption. Consistent with the idea that beliefs and restrictions imposed by Islam influence consumer behavior (Marinov, 2007), the believer strategy is based on religious references to cope with the moral risk associated with counterfeit consumption.

Interviewees stressed that the responsibility for the immoral behavior of buying counterfeit goods cannot be put on consumers if the purchase is deceptive. “When you cheat people it is *haram*, but ... [if] you tell the people this is not the original ... You know, it's not cheating. And you know this is not original, and this is original, you buy it with your money” (Raja). “Because in our religion ... everything depends on our intention ... because you are deceiving people. But, if I am wearing, buying fake, I’m deceiving myself first. It is not that I’m

deceiving people” (Noura). Others indicated that they cannot be considered responsible because they spend money wisely when consuming counterfeits. “If other people can buy it, why not buy a fake? They have money, it's not *haram*. Maybe *haram* for the brand but not for people, *walla* [interjection] they spend money” (Salma). “No, it is *haram* when you spend money on something that is not worth it because you cannot take it with you at the end” (Shaila). For these interviewees, the consumption of counterfeits is not wrong from a religious point of view because they spend less money on these products.

Furthermore, given the obvious financial advantage of counterfeits, interviewees mentioned the alternative use of the price difference between counterfeits and originals for noble purposes, such as donations to poor people, rather than spending the money on the original brand (however, they did not confirm they have spent the declared difference for donations). “Of course I can afford Rolex for AED 30,000 or 50,000 ... I can buy this but with this money I can do a lot of things. I can make poor people happier. I can give [the money] to orphans or do other things, which make others happy, and this act will be computed for me after death, because after I die, I will not take this money or all these brands with me. I will take only the good acts that I did in my life” (Maryam). According to Sharia law [Islamic legislation], when Muslim individuals accumulate wealth above a fixed level, they must share it with the poor and needy through the tax called *Zakat* (El-Bassiouny, 2014; Marinov, 2007, p.3). In line with this proposition, some interviewees demonstrated solidarity with the poor and said they bought counterfeits to give more to the poor. They even justified counterfeiting because of the equal access to desired brands for both the wealthy and the poor. “To be honest, for me, I don't care if it is original or not original. Because each one has his budget or income” (Shamma).

Some respondents were conscious of the damage counterfeits can cause to the brand, but they expedite the believer strategy to underline the constructive purposes of counterfeit



existence, such as spreading of knowledge innovation and “know-how”: “In our religion, we don't have this concept of patent or copyright. Because they think people should invent or try to invent things that help people to live happier without asking for a reward ... When I asked a religious man (Shaikh), he said there is nothing in our religion to forbid this, if someone made this [a counterfeit product], he did it because he wants people to benefit from it. So, in our religion we don't have something like this, it is different. Maybe we have the government trying to force some rules, laws, but as from religion, no we don't have something like this” (Hessa). These respondents employ the believer strategy by positioning the religion as guidance for their behavior above the existent governmental laws: "It's very difficult in our community, here it's more a show off community. If you have a friend with a nice bag, I will get a bag like that. What I think about people buying fakes ... At the end, they will be driven by their humanities and their religion. If people have [had] more awareness that could stop them because they're tied up with their religion." (Mubarak).

In the end, using references to the Quran made the interviewees feel more in line with the principals of the religion and neutralized the perception of a moral risk when consuming counterfeits. Overall, this last coping strategy is very powerful as this confirms consumers' right to gain social approval, posing a challenge to others to oppose a religious statement. Therefore, the endeavor to be a “better Muslim” overcomes the moral risk associated with counterfeit consumption.

## **6. Discussion**

### *6.1. Theoretical contributions*

Answering the call for further research on the demand side of counterfeiting (Penz & Stottinger, 2005) and targeting affluent people in different countries (Perez et al., 2010), this

research aimed to understand why GCC affluent inhabitants consume counterfeits. Building on Eisend and Schuchert-Güler's (2006) proposed framework, the study shows that risk perceptions generate cognitive dissonance (Festinger, 1957) and drive people to develop coping strategies. A wealth of research provides quantitative designs of counterfeit consumption (Eisend & Schuchert-Güler, 2006; Gistri et al., 2009) while neglecting the cognitive processes to date, thus hindering understanding of consumers' demand for counterfeits. The quantitative and qualitative studies show that Emiratis associate some performance, psychosocial, macro, and moral risks with counterfeit consumption, but they use four different coping strategies to neutralize them—the A-quality strategy, the black chameleon strategy, the fashionista strategy, and the believer strategy. As such, this research makes significant contributions to the counterfeit consumption literature and, more precisely, to the theoretical understanding of the psychological processes at play in counterfeit decision making.

First, this research extends previous literature in two directions. On the one hand, the study extends Eisend and Schuchert-Güler's (2006) framework to explain consumers' motives when purchasing counterfeit products. Connecting the experience of cognitive dissonance with risk perceptions, the study directly relates risk perceptions to consumers' response in terms of coping strategies. For example, the fashionista strategy helps people cope with perceived performance and psychosocial risks. Though largely recognized as a source of cognitive dissonance in the literature, research on counterfeiting, including Eisend and Schuchert-Güler's (2006), largely neglects risk perceptions compared with consumers' motivations (Staake et al., 2009). As such, this research complements Eisend and Schuchert-Güler's original framework. On the other hand, the study also extends Bian et al.'s (2016) recent work, which uses Eisend and Schuchert-Güler's framework to identify neutralization strategies related to unethical counterfeit consumption. As in the preliminary framework, Bian et al.

focus on consumers' motivations and do not explicitly regard unethicity as a perceived risk. In this perspective, the present research continues the exploration of specific coping strategies but extends them to the whole panel of risks usually considered in the literature on counterfeiting. For example, the black chameleon strategy consists of mixing counterfeits with originals, in time or at the same time, to avoid the psychosocial risk of being caught.

Second, answering Eisend and Schuchert-Güler's (2006) call to assess the appropriateness of their model in other cultural contexts, the present research focuses on the GCC context, to make a contribution to the counterfeit consumption literature from a broader perspective. Prior research reports that consumers frequently come up with pseudo-rational excuses to neutralize the experience of negative moral emotions, by denying any responsibility, by justifying their purchases as revenge against large corporations (Ang et al., 2001; Tom et al., 1998), or by stating underlying factors beyond their control (Bian et al., 2016). The present research shows that people also justify their misbehavior from a moral point of view, using religious references. This moral facet of counterfeiting risk does not appear in extant literature, which can be explained by two observations: (1) risk perceptions are culturally focused and (2) previous literature reports studies in non-Muslim countries. The present research, therefore, extends the description and interpretation of the processes and mechanisms underlying counterfeit consumption and adds insights into an under-studied population, which is crucial for understanding luxury consumption.

Third, in line, with the specific invitation made by Kapferer and Laurent (2016) to extend luxury research to emerging countries such as the UAE, this paper demonstrates that risk perception is culture dependent (Veloutsou & Bian, 2008). Emiratis associate counterfeit luxury consumption mainly with performance, psychosocial, macro and moral risks. This indicates that not all dimensions of perceived risk contribute to the formation of overall risk in an analogous manner depending on the cultural context. The higher ranking of the

performance risk can be explained through familiarity and extensive knowledge of legitimate goods and ability to compare the quality counterfeit to the original product. Consequently, malfunction of the goods and the probability of being identified when consuming socially visible products can also influence the perception of psychosocial risk, jeopardizing the self-image and the desired social image. This cultural aspect concerns more the societies that score high in face consciousness, collectivism and uncertainty avoidance (Hofstede Center, 2016). The results also indicate the influence of culture on low scores of legal risks and high scores of macro and moral risks.

Fourth, the focus on affluent consumers also provides original insights for academics studying counterfeiting. Previous research suggests that Western, well-resourced tourists knowingly acquire counterfeit luxury as a quest for symbolism and authenticity when traveling (Gentry, Putrevu, Goh, Commuri, & Cohen, 2002). Following pioneering work of Perez *et al.* (2010), the present research confirms that though affluent consumers can afford to buy genuine brands, they also consume counterfeits, but in creative ways. For example, in an effort to constantly display new luxury items, they mix different pieces of original and counterfeit brands. This finding resonates with practices highlighted by Perez *et al.* (2010) when they describe the consumers' will to fool others by creating a compound of genuine and counterfeit goods. The desire to keep pace with fast-moving luxury trends helps explain why some consumers buy counterfeits and make luxury brands directly accountable for the rise of counterfeiting. This idea confirms Kapferer and Michaut's (2014) argument that when luxury is no longer rare, the "de-sanctification of products" can increase acceptance of counterfeits.

In summary, by focusing on the understanding of the risks that prevent affluent customers to voluntarily buy fakes rather than originals, this study contributes to a relatively young field of research that has not yet attracted considerable research attention (Staaake *et al.*, 2009). Consumers are often well aware of the risks associated with counterfeit consumption (Nia &

Zaichkowsky, 2000). Still, some people continue purchasing counterfeits intentionally. The application and extension of Eisend and Schuchert-Güler's (2006) framework on cognitive dissonance may inspire innovative recommendations.

## *6.2. Marketing implications*

Counterfeiting is increasing at a faster pace than ever before and has become a significant global economic problem (Bian et al., 2016), particularly in the luxury goods market (Bian & Veloutsou, 2007; Nia & Zaichkowsky, 2000). As such, counterfeiting has led governments, marketers, and researchers to consider a variety of countermeasures based on lawful, political, administrative, or business techniques (Eisend & Schuchert-Güler, 2006), such as hands-off, prosecution, withdrawal, warnings (Chaudhry & Walsh, 1996; Harvey & Ronkainen, 1985), use of high-tech labeling, co-opting offenders, or educating stakeholders at the source (Shultz & Saporito, 1996). In the UAE, most of the measures undertaken to counter counterfeiting focus on the supply side (Fernandes, 2013), with the law providing severe prison sentences and fines of up to AED 250,000 (approx. 68,000 USD) against counterfeiters. However, the counterfeiting market is so large that these punishments still seem modest compared with the benefits, and in the UAE and elsewhere (Staake et al., 2009), supplier-related countermeasures have not been able to confine the development of counterfeiting consumption. This situation calls for specific consumer-related measures, as consumers' absence of perception of any legal risk contributes fueling demand for counterfeit goods and supply (The National, 2016). Among these measures are soft psychological instruments targeting consumers' attitudes toward their counterfeit consumption (Penz & Stottinger, 2005), and knowledge of what cognitive processes are at play when consumers consider buying counterfeits. In this domain, the findings are of major interest for public policy makers and luxury brand managers fighting counterfeiting in the GCC.

First, because GCC consumers mainly associate counterfeiting consumption with performance, psychosocial, macro, and moral risks, future anti-counterfeiting campaigns could specifically target those risks. The qualitative material provides some original insight into the situations in which people feel uncomfortable consuming counterfeits (e.g., one respondent referred to a situation when his fake watch broke during a meeting). Campaigns could also counter the believer coping strategy by explicitly reinforcing the idea that consuming counterfeits is immoral from a religious point of view (e.g., “Consuming counterfeit is cheating”, “Consuming counterfeit is *haram*”). As the findings also reveal the influence of perceived macro (both economic and social) risk in counterfeiting consumption, the oil price crisis and economic downturn, which currently create unemployment and call for the introduction of taxes that do not exist in the UAE, could reduce the attractiveness of counterfeit luxury consumption. In such a context, specific campaigns could stress the macroeconomic risk associated with counterfeiting consumption (e.g., “This year, counterfeiting cost AED X millions to UAE”). Considering UAE’s strong national sentiment, consumers may find coping with this nation-related kind of risk difficult.

Second, the fact that GCC consumers do not associate any legal risk with counterfeiting consumption calls for reinforcement of the law and clear communication not only to the counterfeiters but also to consumers. Specific campaigns could stress the real risks people face when traveling abroad, as the Emirati interviewees stated that as locals, they are not targeted by UAE customs control (e.g., “If you don’t want to pay for a genuine luxury product, do not buy a fake one! You might pay more than twice the real price when traveling abroad”; “Buying and consuming fake products is illegal in most countries”). To enforce GCC consumers’ direct concerns, ads could provide a picture of a UAE national accompanied by a personalized caption, such as “Ahmed, 26 years old, was caught at the airport with fake

luxury bags and souvenirs he brought for his family from his travel to Thailand. He spent 6 months in jail and had to pay AED 100,000 in fines.”

Third, a strong emphasis on broader consumer education could raise their awareness and their ability to distinguish fake from genuine products. This would increase the probability of counterfeit consumers to be discovered. Public exhibitions of counterfeit and genuine products constitute constructive initiative to increase the psychosocial risk consumers of counterfeit experience. Also, making the differences more obvious between fake and authentic products could boost the perception of performance and psychosocial risks, and as a result the desire for genuine products.

Finally considering the fashionista strategy and the desire of the consumer to have access to the latest trends, fashion designer could also have a role to play fighting against the phenomena. By reducing the timing between collection presentation and availability in the store, they would give less time to counterfeiters to copy the products and better opportunity for the consumers to purchase the genuine ones.

### *6.3. Limitations and further research*

This research has several limitations that may provide avenues for future research. First, the quantitative exploratory study used a snowball process, which led to a final rate of 82% of women. That men could be less relevant to answer a questionnaire about fashion, as suggested by Perez et al. (2010), could explain their low participation. Though the quantitative exploratory study does not show any gender-specific influence, future research should focus on men to confirm this point. The same quantitative study used tools from the literature to measure risk perceptions. However, research on counterfeit consumption mostly relies on consumers in North American or South Asian countries (Eisend & Schuchert-Güler, 2006). Use of the proposed measurement quantitative tools in such cultural contexts does not allow

probing into consumers' actual perceptions (Churchill & Peter, 1984). Indeed, none of the scales used herein could appropriately apprehend the Islam-related moral risk identified in the follow-up interpretive study. Because culture is an important factor in counterfeit decision-making (Veloutsou & Bian, 2008; Ronkainen & Guerrero-Cusumano, 2001), research could test the applicability of global models in various country and cultural contexts. Doing so encourages replication of the present research in other cultural contexts. The results also call for more interpretive research on counterfeit consumption, as qualitative designs are essential to gain a comprehensive understanding of the cultural logics at play in counterfeiting decision-making processes.

Second, research could test the potential moderating influence of consumers' characteristics or product categories on counterfeit decision-making. Because people vary in their tolerance for cognitive dissonance (Festinger, 1957), research could test the moderating effect of their intolerance for ambiguity and check whether intolerant consumers are less prone to counterfeit consumption. Research could also test the moderating effect of consumers' product knowledge (Bian & Moutinho, 2009) and check whether expert consumers are more likely to use coping strategies. Alternatively, and in line with Nelson's (1970) typology of goods, research could distinguish between search goods (whose quality can be evaluated before purchase) and experience goods (whose quality cannot). In this perspective, search goods should decrease consumers' experience of cognitive dissonance compared with experience goods and encourage the use of coping strategies.

Third, this research focuses on the influence of risk perceptions as the primary driver of the cognitive dissonance that occurs when consuming counterfeits. In adopting this cognitive perspective, the study did not examine the potential emotional responses such cognitive dissonance induces. A future, more integrated model could draw on the theory of planned behavior, as previous research suggest (e.g., Eisend & Schuchert-Güler, 2006; Penz &



Stöttinger, 2005; Fernandes, 2013) suggest, and include the emotional processes at stake when considering counterfeit consumption.

Fourth, conducting research in the GCC is very challenging. Response rates are usually very low in surveys, and respondents are typically uncomfortable answering psychological constructs on 7-point scales. Qualitative studies require gaining respondents' trust first to obtain a large amount of rich information, and the linguistic barrier may prevent researchers from gaining in-depth insights. The current findings must be understood in the context of this limitation. Future research could, therefore, benefit from having Arabic native speakers conduct interviews with respondents who feel limited in expressing feelings in English, which could be the case for older Emiratis. Finally, academics should keep in mind that the tools and methods previously used are often developed in Western contexts, and thus they should question their generalizability before applying them in other cultural contexts.

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## Appendix

### Appendix A: Item labeling and loading.

Latent variable	Manifest variables	Corr.
	I would question the quality of the product.	0.87
<b>Performance</b>	I would worry about its performance.	0.78
	I would be concerned about its reliability.	0.77
	People's opinion of me would be negatively affected.	0.90
	It would be embarrassing if someone discovers that I wear a fake.	0.90
<b>Psychosocial</b>	I would not feel comfortable having it in public.	0.88
	I would feel ashamed to have it.	0.88
	I would like to be sure not to receive negative criticism from people I meet.	0.85
	I would like to be sure not to receive negative criticism from my family.	0.84
	Buying fake products is unethical.	0.82
	Buying fake products creates unemployment.	0.76
<b>Macro</b>	Buying fake products supports child labor.	0.75
	Buying fake products helps fund terrorism and crime.	0.70
	Buying fake products damages the economy.	0.66
	Buying fake products has negative consequences on employment.	0.61
	I might face legal problems when traveling abroad.	0.87
<b>Legal</b>	I might face legal consequences.	0.86
	I fear the law.	0.81
<b>Financial</b>	I would feel that I have shopped impulsively.	0.85
	I would suffer important financial losses.	0.69
	It would be harmful to my health.	0.74
<b>Physical</b>	I could hurt myself if the product is made out of bad materials	0.68
	I would feel it is dangerous to use it.	0.67

### Appendix B: Convergent validity and reliability indices.

Latent variable	Convergent validity	Reliability $Rh\hat{o}_A$
Performance	0.75	0.90
Psychosocial	0.81	0.96
Macro	0.58	0.89
Legal	0.84	0.94
Financial	0.70	0.83
Physical	0.68	0.87

### Appendix C: Discriminant validity — HeteroTrait–MonoTrait ratio (HTMT).

	Performance	Psychosocial	Macro	Legal	Financial	Physical
<b>Performance</b>						
<b>Psychosocial</b>	.48					
<b>Macro</b>	.24	.30				
<b>Legal</b>	.27	.27	.51			
<b>Financial</b>	.43	.26	.40	.42		
<b>Physical</b>	.35	.49	.59	.69	.37	



**Table 1.**

Informants' profile.

No	Pseudonym	Age	Occupation
1	Alia	40-45	Housewife
2	Fatma	20-25	Student
3	Mariyam	40-45	Teacher
4	Hamed	25-30	Pilot
5	Amina	20-25	Student
6	Hamdan	25-30	Immigration officer
7	Hessa	30-35	Internal auditor
8	Mubarak	25-30	Engineer
9	Mohammed	30-35	Government employee
10	Shamma	35-40	Housewife
11	Noura	25-30	Lawyer
12	Ali	30-35	Military employee
13	Sheikha	25-30	Lawyer
14	Salma	50-55	Housewife
15	Raja	45-50	Housewife
16	Shaila	30-35	Economist
17	Nayla	20-25	Student
18	Khawla	20-25	Engineer
19	Meead	20-25	Consultant

**Table 2**

Risks and coping strategies.

<b>Coping strategy</b>	<b>Coping strategy description</b>	<b>Risk addressed</b>
The A-quality strategy	Consumers only buy top-quality counterfeits based on their luxury expertise.	Performance and psychosocial risks
The black chameleon strategy	Consumers mix genuine items with counterfeits.	Psychosocial risk
The fashionista strategy	Consumers only buy fashionable counterfeits that they will use for a short time.	Performance and psychosocial risks
The believer strategy	Consumers refer to the Quran to justify counterfeit consumption.	Moral risk