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Three essays on luxury counterfeit consumption by GCC nationals

Julia Pueschel Eremeeva

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THÈSE DE DOCTORAT

DE L'UNIVERSITÉ PSL

Préparée à l'Université Paris-Dauphine

**THREE ESSAYS ON
LUXURY COUNTERFEIT CONSUMPTION
BY GCC NATIONALS**

Soutenue par

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Once I've read an article that stated that acknowledgements section is the most read part of the dissertation. I'm not sure if I can find this article now. So, no reference here.

Keywords

Counterfeit consumption; luxury consumption; GCC consumers; United Arab Emirates

Table of contents

ACKNOWLEDGMENTS	III
KEYWORDS	VI
RESUME EN FRANÇAIS	1
CHAPTER I: INTRODUCTION	23
1 COUNTERFEITING DEFINITION	23
1.1 Distinguishing deceptive from non-deceptive counterfeiting	24
1.2 Distinguishing counterfeiting from related terms	25
1.3 Definition used in this research	26
2 COUNTERFEITING AS A GROWING PROBLEM	28
2.1 Counterfeiting phenomenon	28
2.2 Counterfeiting victims and problems	31
2.3 Counterfeit regional hubs	36
3 COUNTERFEITS IN THE UAE	39
3.1 United Arab Emirates - Historical background	39
3.2 Consumption in the United Arab Emirates	43
3.3 Counterfeit consumption by UAE nationals: a pilot study	46
4 LITERATURE REVIEW	48
4.1 Counterfeiting history	49
4.2 Counterfeit consumption	50
4.3 Determinants of counterfeit consumption	51
4.4 Enriching the framework	64
4.5 Synthesis	72
5 STATEMENT OF PURPOSE AND GENERAL RESEARCH QUESTIONS	73
5.1 Introducing the essays	75
5.2 Thesis structure and research design	78
5.3 Data collection	83
5.4 Epistemological stance	85
5.5 Trustworthiness in the qualitative research	89
6 EXTENDED ABSTRACTS	91
6.1 ESSAY I	91
6.2 ESSAY II	92
6.3 ESSAY III	93
CHAPTER II: ESSAY I: COPING WITH COPIES: THE INFLUENCE OF RISK PERCEPTIONS IN COUNTERFEIT LUXURY CONSUMPTION IN GCC COUNTRIES	97
ABSTRACT	98
BIOGRAPHY OF THE ARTICLE	99
1 INTRODUCTION	100
2 LITERATURE REVIEW	103
2.1 Risk perception	103
2.2 Risk perceptions in counterfeit consumption	104
2.3 Risk perceptions and coping strategies	106
3 EMPIRICAL RESEARCH STRATEGY	107
4 EXPLORING EMIRATIS' RISK PERCEPTIONS OF COUNTERFEIT LUXURY CONSUMPTION	109
4.1 Methodology	109
4.2 Results	112
5 EXPLORING EMIRATIS' COPING STRATEGIES IN COUNTERFEIT LUXURY CONSUMPTION	113
5.1 Methodology	113
5.2 Risk perceptions in counterfeit consumption	117
6 DISCUSSION	129
6.1 Theoretical contributions	129

6.2	Marketing implications	132
6.3	Limitations and further research	135
MAKING THE TRANSITION FROM ESSAY I TO ESSAY II		137
CHAPTER III: ESSAY II: TALKING ABOUT MY GENERATION: THE INFLUENCE OF AGE IN COUNTERFEIT LUXURY CONSUMPTION		139
ABSTRACT		140
BIOGRAPHY OF THE ARTICLE		141
1	INTRODUCTION	142
2	ANTECEDENTS OF COUNTERFEIT CONSUMPTION	144
2.1	A focus on age and generations	144
3	AGE AND COUNTERFEIT CONSUMPTION IN GCC	147
4	EXPLORING EMIRATIS' ATTITUDES TOWARD GENUINE AND COUNTERFEIT LUXURY CONSUMPTION	147
4.1	Methods	147
4.2	Functional theories of attitudes	149
4.3	Results	152
5	DISCUSSION	164
5.1	Theoretical contributions	164
5.2	Managerial contributions and recommendations	168
5.3	Limitations and further research	169
MAKING THE TRANSITION FROM ESSAY II TO ESSAY III		172
CHAPTER IV: ESSAY III: I WANT IT ALL AND I WANT IT NOW. MOTIVATIONS OF COUNTERFEIT LUXURY CONSUMPTION AMONG AFFLUENT GCC CONSUMERS .		173
ABSTRACT		174
BIOGRAPHY OF THE ARTICLE		175
1	INTRODUCTION	176
2	MOTIVATIONS AND COUNTERFEIT CONSUMPTION	178
3	METHODOLOGY AND RESEARCH PROCESS	179
3.1	Means - End chain analysis	179
3.2	Procedure	181
4	RESULTS	184
4.1	Implication matrix	185
4.2	Hierarchical Value Map (HVM)	187
4.3	Dominant patterns	188
5	CONCLUSION AND IMPLICATIONS	197
5.1	Theoretical contribution	197
5.2	Managerial implications	203
5.3	Limitations and further research	205
CHAPTER V: GENERAL CONCLUSION		207
1	FURTHER CLARIFICATIONS ON FACETS OF COUNTERFEIT CONSUMPTION	207
2	MANAGERIAL IMPLICATIONS	218
3	ISSUES FACED IN THE RESEARCH JOURNEY AND LIMITATIONS	221
4	AVENUES FOR FURTHER RESEARCH	224
BIBLIOGRAPHY		227
APPENDICES		264

List of Tables

Table 1: <i>Esquisse des essais et contribution de l'auteur</i>	17
Table 2: <i>Results in EBSCO search</i>	27
Table 3: <i>Countries investigated in the meta-analysis by Eisend et al. (2017)</i>	38
Table 4: <i>Determinants of consumers' responses to counterfeit products</i>	61
Table 5: <i>Perceived risk dimensions</i>	66
Table 6: <i>Outline of the Essays and Authors Contribution</i>	81
Table 7: <i>Research paradigms</i>	86
Table 8: <i>Triangulation</i>	90
Table 9: <i>Item labelling and loading</i>	110
Table 10: <i>Convergent validity and reliability indices</i>	111
Table 11: <i>Discriminant validity — HeteroTrait–MonoTrait ratio (HTMT)</i>	112
Table 12: <i>Informants' profile</i>	115
Table 13: <i>Risks and coping strategies</i>	120
Table 14: <i>Age and counterfeit consumption in the literature</i>	144
Table 15: <i>Interviewee profiles</i>	148
Table 16: <i>Synthesis of the influence of attitudes on functions</i>	163
Table 17: <i>Respondents</i>	181
Table 18: <i>Implication matrix</i>	186

List of Figures

Figure 1 <i>Structure de la thèse</i>	10
Figure 2 <i>Arabian Peninsula</i>	40
Figure 3 <i>GDP development in the UAE</i>	41
Figure 4 <i>Determinant influencing the consumers' responses</i>	72
Figure 5 <i>Thesis structure and perspectives</i>	79
Figure 6 <i>Research design</i>	89
Figure 7 <i>Overview of means-end chain elements</i>	184
Figure 8 <i>Hierarchical value map</i>	187
Figure 9 <i>Belonging</i>	188
Figure 10 <i>Value - Consciousness</i>	191
Figure 10 <i>Hedonism</i>	194
Figure 12 <i>Self-esteem</i>	196

Résumé en français

La contrefaçon existe depuis longtemps, mais elle n'a augmenté de manière spectaculaire qu'à partir des années 1970 (Harvey et Ronkainen, 1985). La contrefaçon n'est pas considérée seulement comme un problème économique. C'est également un enjeu social et politique important. Elle affecte la confiance des consommateurs dans les produits originaux, détruit le capital marque et la réputation des entreprises, provoque des pertes de revenus, augmente les coûts, affecte des centaines de milliers d'emplois tout en menaçant la santé et la sécurité des consommateurs (Chakraborty, Allred et Bristol, 1996 ; Cordell, Wongtada et Kieschnick, 1996 ; Kapferer et Michaut, 2014 ; Wilcox, Kim et Sen, 2009 ; Wilke et Zaichkowsky, 1999). La contrefaçon est devenue un problème majeur pour les spécialistes du marketing, en particulier sur le marché des produits de luxe (Bian et Veloutsou, 2007 ; Commuri, 2009 ; Nia et Zaichkowsky, 2000). Compte tenu de la prévalence des activités de contrefaçon, les recherches précédentes dans ce domaine se sont limitées à l'examen de la consommation de produits de luxe contrefaits. Ils étudient en particulier les antécédents d'une telle consommation, notamment les motivations et les caractéristiques des consommateurs, les caractéristiques des produits et les facteurs situationnels liés au contexte de l'achat ou aux influences socioculturelles (Bian, Wang, Smith et Yannopoulou, 2016 ; Eisend et Schuchert-Güler, 2006 ; Hieke, 2010 ; Zaichkowsky, 2006).

Cette thèse étudie la consommation volontaire de produits de luxe contrefaits dans les pays du Conseil de Coopération du Golfe (CCG), au sein d'une population dont le revenu par habitant est un des plus élevés (\$74,410 en 2017) au monde (World Bank, 2017).

Une étude pilote menée aux Émirats Arabes Unis (EAU) a montré que, malgré ces revenus élevés, les ressortissants des pays du CCG achètent des produits de luxe contrefaits. Les trois essais de cette thèse offrent une explication de la consommation de produits de luxe contrefaits par la population nationale des EAU.

En utilisant une méthode mixte, à la fois quantitative et qualitative, le premier essai examine les risques que les consommateurs associent à la consommation de produits de luxe contrefaits. L'enquête quantitative montre que les risques perçus sur le plan de la performance ainsi que les risques psychosociaux et moraux peuvent les retenir de participer à une telle consommation. Sur la base de 19 entretiens approfondis, une étude qualitative de suivi identifie les stratégies utilisées par les Emiratis pour faire face à la dissonance cognitive résultant de la perception de ces risques.

Le deuxième essai tente d'expliquer une corrélation positive inattendue entre l'âge du consommateur et la consommation de contrefaçons constatée dans l'étude pilote. S'appuyant sur les théories fonctionnelles des attitudes, une étude qualitative de 24 ressortissantes nationales examine les fonctions psychologiques exercées par les attitudes à l'égard de la consommation de luxe authentique et contrefaite. Les résultats montrent un effet de génération avec des différences importantes entre ceux qui ont grandi dans les Emirats avant l'exploitation de la manne pétrolière et ceux qui ont grandi plus tard, ce qui explique pourquoi les consommateurs ayant aujourd'hui plus de 30 ans aux EAU consomment plus de produits contrefaits que leurs homologues plus jeunes.

Enfin, le troisième essai examine les motivations de la consommation de produits de luxe contrefaits dans les pays du CCG. En utilisant une analyse par chaînages cognitifs, cette étude révèle quatre modèles de motivation dominants qui poussent les consommateurs aisés des pays membres du CCG à acheter des produits de luxe contrefaits : la conscience de la valeur, l'appartenance, l'hédonisme et l'estime de soi.

1. CONTREFAÇON

Les chercheurs utilisent diverses définitions de la contrefaçon. La présente étude utilise celle de Cordell et al. (1996) qui définissent la contrefaçon comme « toute fabrication non autorisée de biens dont les caractéristiques spéciales sont protégées en tant que droits de propriété intellectuelle (marques, brevets et droits d'auteur) » (p. 41). Cette définition est cohérente avec les points de vue des praticiens (Chaudhry et Zimmerman, 2013) et est largement utilisée dans la recherche (e.g., Chaudhry et Zimmerman, 2013 ; De Matos, Ituassu et Rossi, 2007 ; Jiang et Cova, 2012 ; Sharif, Asanah et Alamanda, 2016 ; Trinh et Phau, 2012). Dans cette étude, nous nous concentrons sur un type spécifique d'atteinte aux droits de propriété intellectuelle – la violation de la marque – et nous nous concentrons sur les produits et marques contrefaits définis comme « ceux portant une marque identique ou indiscernable à une marque déposée auprès d'une autre partie et portant atteinte au droit du titulaire de la marque » (Bian et Moutinho, 2009, p. 368).

Pour le travail actuel, il est important d'examiner la classification de la consommation de contrefaçon en consommation de contrefaçon trompeuse versus délibérée¹ (Bamosy et Scammon, 1985 ; Grossman et Shapiro, 1988b). La contrefaçon est considérée comme trompeuse lorsque les consommateurs croient acheter un article authentique. La contrefaçon délibérée se produit en revanche lorsque le lieu d'achat, le prix et le niveau de qualité du produit indiquent clairement la nature contrefaite du produit et que le consommateur achète sciemment le produit contrefait au lieu de l'original (Eisend, 2016 ; Grossman et Shapiro, 1988b).

¹ Littéralement en anglais : “deceptive counterfeit” et “non-deceptive counterfeit”

Cette recherche privilégie l'étude de la consommation de contrefaçon délibérée, qui représente précisément le principal mode de consommation de produits contrefaits, sinon la seule le plus souvent (Gentry, Putrevu, Shultz et Commuri, 2001) et de facto l'immense majorité des ventes de produits de contrefaçon (Xiao et Nicholson, 2010).

1.1. Ampleur de la contrefaçon

Il ne fait aucun doute que le marché des produits de contrefaçon croît de manière exponentielle, mais il est difficile d'évaluer son ampleur en raison de la nature illicite des activités de contrefaçon (Bian et Moutinho, 2011 ; Staake et Fleisch, 2008). La Commission du commerce international a estimé en 1982 que les ventes de contrefaçons dans le monde s'établissaient à 5,5 milliards de dollars (Abbott et Sporn, 2002) et qu'à la fin des années 90 (IACC, 2005), elles avaient déjà atteint 200 milliards de dollars. En 2013, la valeur du commerce de marchandises contrefaites et piratées était estimée à un demi-milliard de dollars, représentant 2,5% du commerce mondial (OCDE, 2016) et devrait atteindre 1,9 à 2,81 milliards de dollars d'ici 2022 (Frontier Economics, 2016).

Les contrefaçons proviennent de toutes les zones économiques et sont également vendues et consommées dans toutes les économies. Les contrefacteurs ciblent tout produit pour lequel la propriété intellectuelle ajoute une valeur économique. Cela explique pourquoi la contrefaçon a un effet sur un large éventail de produits, allant des chaussures, vêtements et tabac de contrefaçon traditionnelles à un nombre de produits alimentaires (OCDE, 2016).

Sur le plan macroéconomique, la contrefaçon entraîne une perte d'impôts, des coûts pour les douanes, affecte les emplois légaux et réduit les investissements étrangers. En outre, la contrefaçon est liée à d'autres activités illégales, telles que le trafic de drogue, d'armes et d'êtres humains, le travail des enfants et le financement du terrorisme (Furnham et Valgeirsson, 2007).

Au niveau de la marque, elle dissuade les entreprises d'investir dans la R&D, réduit l'exclusivité et la valeur perçue (Staake et Fleisch, 2008), nuit à la réputation de la marque et entraîne une perte de revenus et des coûts élevés liés aux activités destinées à la combattre (Bloch, Bush et Campbell 1993 ; Chaudhry et Zimmerman, 2013). Pour les consommateurs qui pensent acheter des produits légitimes, la consommation de contrefaçons comporte des risques pour la sécurité et la santé pouvant résulter d'un dysfonctionnement ou de la mauvaise qualité des produits. Ici, les consommateurs deviennent les victimes de la contrefaçon. Cependant, dans la plupart des cas, notamment en cas de consommation de produits de prestige et de luxe, les consommateurs sont bien conscients du fait qu'ils achètent un produit non-original et deviennent donc autant complices que victimes (Bloch et al., 1993). En pareil cas, les contrefacteurs ne cherchent pas à tromper les consommateurs, mais à les satisfaire.

Dans cette thèse, nous nous concentrons sur la consommation de contrefaçon délibérée de produits de luxe et essayons de mieux comprendre les facteurs déterminants de cette consommation, les dynamiques sociologiques, culturelles et psychologiques liées à cette pratique de consommation répandue.

1.2. Consommation de contrefaçon dans les pays du CCG

Le problème de la contrefaçon de luxe ne se limite à aucune zone géographique et touche presque toutes les économies du monde (Ang, Cheng, Lim et Tambyah, 2001 ; Bian, Haque et Smith, 2015 ; Kaufmann, Petrovici, Filho et Ayres, 2016 ; Penz et Stöttinger, 2005 ; Wilcox, et al., 2009 ; Xiao et Nicholson, 2010). La recherche sur la contrefaçon s'est toutefois concentrée sur les pays occidentaux et asiatiques (Eisend et Schuchert-Güler, 2006 ; Simmers, Schaefer and Parker, 2015 ; Veloutsou et Bian, 2008). Répondant à certains chercheurs comme Kapferer et Michaut (2014) qui plaident pour élargir les recherches aux autres cultures, la présente recherche vise à fournir une image claire de la région sous-étudiée des pays du CCG.

Plus précisément, nous examinons les pratiques de consommation de la population locale aux EAU.

Le dernier rapport de l'OCDE et de l'Office de la propriété intellectuelle de l'Union européenne (2017) a classé les EAU parmi les trois principaux centres de transit de marchandises contrefaites dans le monde. La position géographique des pays du Golfe à la jonction des routes commerciales entre l'Europe, l'Asie et l'Afrique et leur développement économique ont permis aux EAU de devenir un important centre logistique pour divers produits, y compris des contrefaçons. La consommation de contrefaçons dans le pays lui-même représente un problème majeur, malgré tous les efforts déployés par le gouvernement pour essayer de contrôler ce phénomène. Malgré le rôle majeur joué par EAU sur le marché de la contrefaçon, il semble surprenant que le sujet de la consommation de contrefaçons n'ait retenu aucune attention de la part des universitaires.

En outre, la population des EAU est parmi les plus riches du monde et, avec la richesse, s'ajoute le pouvoir d'achat élevé de la population. La découverte du pétrole, la prospérité économique et le développement rapide ont permis aux consommateurs émiriens d'avoir un revenu disponible abondant qu'ils sont en partie prêts à dépenser pour des produits de luxe. Compte tenu des caractéristiques financières et culturelles, il peut sembler surprenant que la population locale des EAU se livre à la consommation de produits contrefaits.

1.3. Etude pilote

Pour vérifier si les ressortissants émiriens consomment effectivement des contrefaçons, nous avons mené une étude pilote à l'aide des données obtenues auprès de 86 ressortissants émiriens au moyen d'un sondage en ligne. Nos répondants étaient âgés en moyenne de 27 ans et affichaient un revenu moyen du ménage de 14.500 USD. 82% de l'échantillon était composé

de femmes. 38,4% de nos répondants achetaient effectivement des produits de contrefaçon de luxe et les deux tiers de ces consommateurs de luxe contrefait achetaient également des produits de luxe authentiques. Nous avons par ailleurs analysé la consommation de contrefaçons par âge, sexe, revenu mensuel combiné du ménage et dépenses d'achat mensuelles. Comme prévu, les acheteurs de contrefaçons affichaient un revenu mensuel inférieur aux non-consommateurs. Enfin, hommes et femmes ne semblent pas différer en termes de consommation de contrefaçons. De manière tout aussi intéressante, l'âge est positivement corrélé à l'achat de contrefaçon de luxe lorsque l'on contrôle l'effet du revenu.

Les résultats de l'étude pilote montrent que malgré une situation financière favorable, les ressortissants émiriens consomment des contrefaçons. Cela ressemble à un paradoxe, car on ne s'attend pas à ce que ce type de consommateur achète du faux. Expliquer ce paradoxe sera la principale question de recherche de cette thèse.

2. Questions de recherche

La prospérité du marché de la contrefaçon est due à la demande massive de ces produits (Bamossy et Scammon, 1985). Par conséquent, le consommateur joue un rôle clé dans ce commerce (Xiao et Nicholson, 2010) et les contrefacteurs recherchent constamment de nouveaux moyens de le satisfaire (Penz, Schlegelmilch et Stöttinger, 2009). De nombreux facteurs influencent les réactions des consommateurs à la contrefaçon.

Pour étudier les variables susceptibles d'influencer ces réponses, nous nous appuyons sur le cadre élaboré par Eisend et Schuchert-Güler (2006). Selon ces auteurs, les variables déterminant la consommation de produits contrefaits peuvent être divisées en quatre catégories : 1 / La personne (i.e., variables démographiques et psychographiques), 2 / Le

produit (i.e., prix, caractéristiques et rareté du produit), 3 / La situation d'achat et l'humeur et 4 / Le contexte social et culturel.

De plus, les consommateurs de contrefaçons s'exposent à divers types de risque (Bian, et al., 2016 ; Tang, Tian et Zaichkowsky, 2014). Étant donné que les ressortissants des EAU consomment les produits de luxe contrefaits, nous pourrions imaginer que les consommateurs des EAU ne perçoivent pas les risques associés à une telle consommation.

En outre, les recherches précédentes avaient démontré la corrélation négative entre l'âge et la consommation de contrefaçons (par exemple, Kwong, Yau, Lee, Sin et Tsé, 2003 ; Swami, Chamorro-Premuzic et Furnham, 2009 ; Tan, 2002). Les conclusions de l'étude pilote infirment cette corrélation, ce qui représente un autre paradoxe dans nos connaissances sur les consommateurs de produits contrefaits.

Enfin, des études antérieures ont montré que le principal avantage de l'achat de produits de contrefaçon est l'avantage lié au prix des articles par rapport aux produits originaux. Les résultats de l'étude pilote ont montré que les ressortissants émiriens achetaient des contrefaçons, même s'ils disposaient de suffisamment de moyens matériels pour consommer les produits originaux. Cela indique des facteurs autres que les avantages monétaires pourraient motiver les consommateurs.

Cette thèse tente d'étendre la position actuelle du consommateur contrefait à d'autres contextes géographiques et culturels, les pays du CCG, où le développement économique et culturel relativement récent a conduit à la formation d'un grand marché pour les marques de luxe et les contrefaçons. En fonction de l'importance du sujet et des résultats de l'étude pilote, nous pouvons formuler les questions de recherche suivantes pour guider le développement de notre recherche :

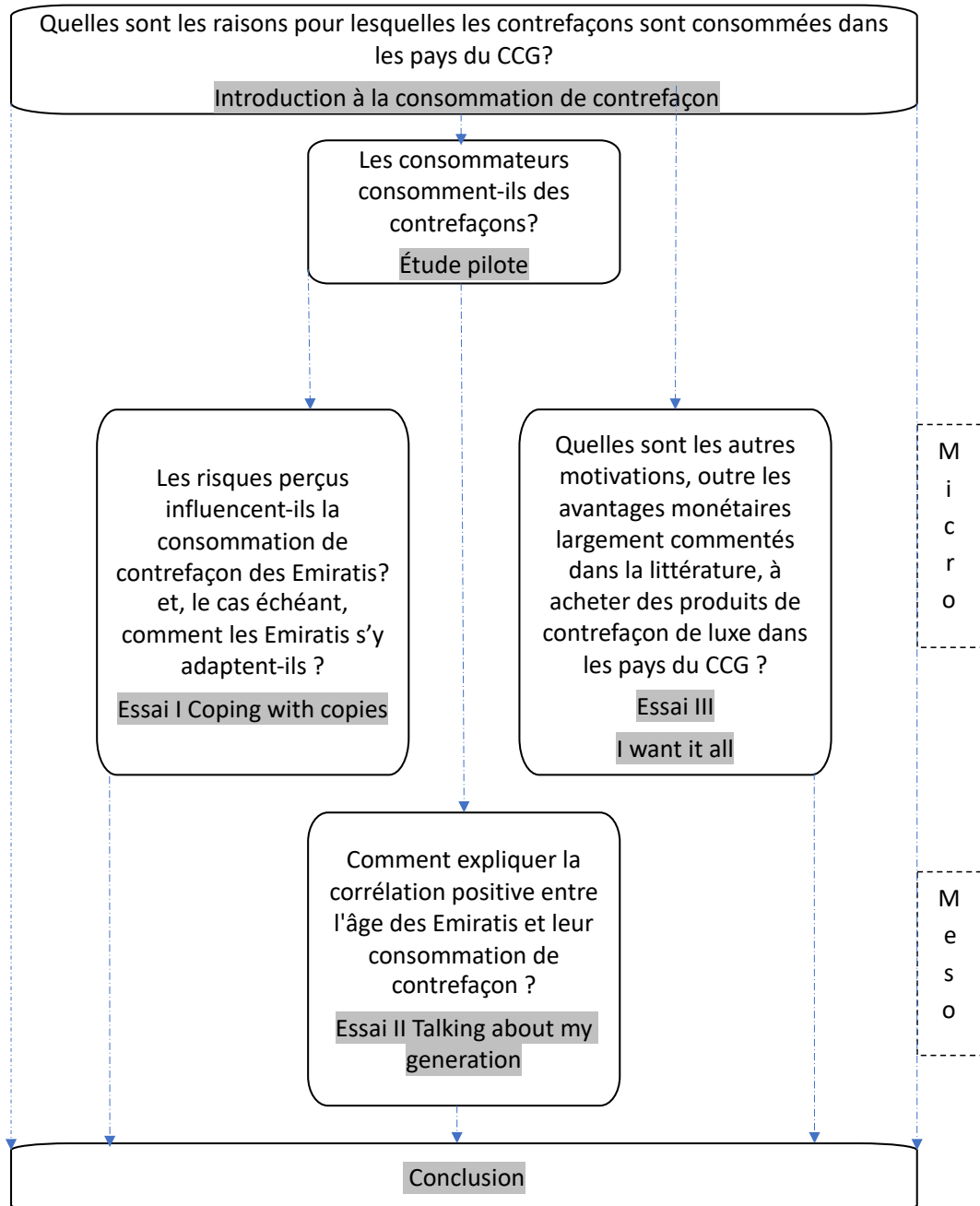
**Les risques perçus influencent-ils la consommation de contrefaçon des Emiratis ?
et, le cas échéant, comment les Emiratis s’y adaptent-ils ?**

**Comment expliquer la corrélation positive entre l’âge des Emiratis et leur
consommation de contrefaçon ?**

**Quelles sont les autres motivations, outre les avantages monétaires largement
commentés dans la littérature, à acheter des produits de contrefaçon de luxe dans les pays
du CCG ?**

Pour étudier la consommation de produits de luxe contrefaits dans les pays du CCG et répondre à ces questions, la thèse adopte un format différent de celui d'une « monographie » traditionnelle et explore ce phénomène au fil de trois essais. Pour ce faire, cette thèse examine ce phénomène en mobilisant successivement différentes perspectives : au niveau micro, en explorant la perception des risques (Essai I) et les motivations des consommateurs (Essai III), et au niveau meso (Essai II) en examinant leur culture générationnelle.

Figure 1 *Structure de la thèse*



3. RESUME DES ARTICLES

ESSAI I

COPING WITH COPIES : L'INFLUENCE DES PERCEPTIONS DE RISQUE SUR LA CONSOMMATION DE LUXE DE CONTREFAÇON DANS LES PAYS DU CCG

Cette recherche examine la consommation de luxe contrefaite dans les pays du Conseil de Coopération du Golfe (CCG), où les consommateurs sont si riches que leur consommation de produits contrefaits est surprenante. La perception de risques influant fortement sur les décisions d'achat de contrefaçons (Albers-Miller, 1999 ; De Matos et al., 2007 ; Chen, Zhu, Le et Wu, 2014 ; Tang et al., 2014 ; Veloutsou et Bian, 2008 ; Vida, 2007 ; Viot, Le Roux et Krémer, 2014), cette étude examine les perceptions de risques associées à la consommation de contrefaçon de luxe délibérée par la population locale des EAU.

Nous avons appliqué un design de recherche mixte. Afin de déterminer si les Emiratis percevaient ou non des risques en matière de consommation de contrefaçons, nous avons tout d'abord mené une étude quantitative exploratoire et montré que, principalement, les perceptions des Emiratis quant aux performances, aux risques psychosociaux et macro entravent la consommation de contrefaçons de luxe. Ensuite, dans une étude qualitative basée sur 19 entretiens avec des ressortissants émiriens, nous avons exploré les stratégies utilisées par les Émiratis pour faire face à de tels risques et avons identifié quatre stratégies principales spécifiques à ces gros consommateurs riches de produits de luxe authentiques que sont les Emiratis. La stratégie « A-Quality » souligne la préférence de ces consommateurs fortunés pour les contrefaçons de luxe de haute qualité. La stratégie « Black Chameleon » montre que leur consommation mixe des produits de luxe authentiques et contrefaits en fonction des situations et des catégories de produits. La stratégie « Fashionista » suggère que ces consommateurs fortunés préfèrent les contrefaçons lorsque les produits de luxe sont très à la mode et ont un cycle de vie court. Enfin, la stratégie « Believer » montre comment la religion

peut soutenir et servir de justification à la consommation de luxe contrefaite chez ces consommateurs musulmans.

Les décideurs publics et les responsables de marques de luxe luttant contre la contrefaçon dans les pays du CCG pourraient cibler spécifiquement certains types de risques et contrer les stratégies d'adaptation identifiées dans cette étude.

ESSAI II

TALKING ABOUT MY GENERATION : Revisiter l'influence de l'âge sur la consommation de contrefaçons de luxe dans les pays du CCG

Lorsqu'ils se concentrent sur l'influence de l'âge du consommateur sur la consommation de contrefaçons, les universitaires signalent souvent une influence négative, les jeunes consommateurs exprimant une attitude plus favorable à l'égard des contrefaçons de luxe et consommant davantage d'articles contrefaits (Cheung et Prendergast, 2006a ; Sharma et Chan, 2011 ; Tan, 2002 ; Tom, Garibaldi, Zeng et Pilcher, 1998). Cette corrélation négative est expliquée dans la littérature par le revenu inférieur des jeunes consommateurs et leurs différences de valeurs.

Nous considérons plus particulièrement la seconde explication, en envisageant que les valeurs puissent varier en fonction de l'âge des consommateurs aux EAU, où le revenu peut par ailleurs être contrôlé. Comme dans d'autres pays du CCG, la découverte du pétrole a entraîné une accumulation rapide de richesses, rendant les consommateurs jeunes et âgés des pays du CCG également riches (Cervellon et Coudriet, 2013 ; Poeschel et al., 2017), mais les jeunes consommateurs sont nés et ont grandi dans un contexte économique, social, culturel et spatial très différent de celui de leurs aînés (Bristol-Rhys, 2010 ; Cherrier et Belk, 2015).

L'étude pilote ayant confirmé l'influence positive de l'âge du consommateur sur la consommation de contrefaçons, nous essayons d'expliquer ce résultat inattendu en conduisant une étude qualitative sur 24 ressortissantes nationales. En nous basant sur les théories fonctionnelles des attitudes (Katz, 1960), qui considèrent que les attitudes servent des fonctions psychologiques, nous analysons les attitudes à l'égard de la consommation de luxe authentique et contrefait.

Les résultats montrent que parmi les consommateurs âgés des EAU, les fonctions utilitaires et hédoniques sont mieux servies par une attitude positive envers la consommation de luxe contrefait, tandis que la fonction de défense de l'ego est mieux servie par une attitude positive envers la consommation de luxe authentique. En revanche, chez les jeunes consommateurs émiriens, les fonctions hédoniques, d'ajustement social et d'expression de la valeur sont mieux servies par une attitude positive à l'égard de la consommation de luxe authentique. Les différences importantes entre ceux qui sont nés avant que le pays ne puisse bénéficier des revenus liés au pétrole et ceux nés dans la prospérité expliquent pourquoi les consommateurs plus âgés des EAU consomment plus de produits contrefaits que leurs homologues plus jeunes.

Ces résultats suggèrent que les responsables des politiques publiques luttant contre la contrefaçon et les responsables de marques de luxe devraient adapter leur segmentation, leur communication et leur stratégie globale en fonction de la culture générationnelle du consommateur. Cet article élargit la recherche sur les produits de luxe contrefaits et renforce le rôle de la culture dans les théories fonctionnelles des attitudes.

ESSAI III

I WANT IT ALL AND I WANT IT NOW : MOTIVATIONS A LA CONSOMMATION DE LUXE DE CONTREFAÇON PARMIS LES RICHES CONSOMMATEURS DU GOLFE

La contrefaçon a considérablement augmenté ces dernières années, mais il semble que les mesures anti-contrefaçon n'aient pas donné de résultats convaincants. Compte tenu de la dépendance du marché vis-à-vis du désir des consommateurs en matière de contrefaçons, il est essentiel d'analyser les raisons pour lesquelles les consommateurs achètent sciemment ce type de produits. Les universitaires tentant d'identifier les moteurs de cette consommation se concentrent principalement sur des contextes de recherche occidentaux et asiatiques (Bian et al., 2016 ; De Matos et al., 2007 ; Eisend et Schuchert-Güler, 2006 ; Kaufmann et al., 2016). Étant donné que la consommation de contrefaçons dépend des contextes culturels (Burgess et Steenkamp, 2006 ; Eisend, 2016 ; Veloutsou et Bian, 2008), une compréhension plus fine des motivations qui sous-tendent la consommation de contrefaçons est nécessaire. Le présent document examine la population locale des EAU pour approfondir notre compréhension des motivations à la consommation de produits contrefaits dans un contexte culturel rarement exploré.

Dans l'analyse du comportement du consommateur, les motivations sont fonction de nombreuses variables, qui ne sont pas toujours liées à l'achat réel des produits. En cas de consommation de contrefaçon, les consommateurs peuvent vouloir optimiser leurs ressources ou augmenter le nombre d'articles achetés et possédés (Jirotmontree, 2013 ; Perez, Castaño et Quintanilla, 2010), avoir une grande variété de choix et être à la mode ou simplement apprécier l'expérience d'achat de produits contrefaits (Bian et al., 2016). Cette recherche a utilisé l'analyse des chaînages cognitifs pour étudier les motivations des consommateurs à acheter des contrefaçons. Nous avons identifié quatre motifs dominants pour la consommation de produits

de contrefaçon de luxe : la « conscience de la valeur », le « besoin d'appartenance », l'« hédonisme » et l'« estime de soi ». Comme dans d'autres contextes, la conscience de la valeur permet au consommateur d'acheter de nombreux articles fréquemment, parce qu'il y a une pression de la société à consommer massivement. D'autres voient une bonne opportunité d'investissement dans la contrefaçon de haute joaillerie, car ils perçoivent que l'or conserve sa valeur. Le besoin d'appartenance peut s'expliquer par la structure et le développement de la société depuis la création du pays en 1971, où les attentes de la société ne sont pas satisfaites uniquement par des noms de marque ou des designs, mais par la « surconsommation » de produits de luxe, originaux ou contrefaits. Certains consommateurs insistent sur le fait que leurs croyances religieuses les incitent à ne pas dépenser l'argent de manière excessive en marques de luxe authentique. Acheter des contrefaçons, les rechercher et les négocier peut répondre aux besoins hédoniques typiques de cette culture. Cette expérience rappelle aux consommateurs l'ambiance des marchés arabes traditionnels. Les consommateurs du Golfe aiment également échanger sur leur consommation avec d'autres membres de leur famille ou leurs amis. Enfin, la consommation de contrefaçons renforce l'estime de soi, parce qu'ils peuvent démontrer leur expertise du luxe ou avoir le courage d'admettre qu'ils achètent des contrefaçons. Les résultats suggèrent que les responsables de marques pourraient adapter leurs stratégies pour répondre aux besoins de la population des EAU.

Table 1: *Esquisse des essais et contributions*

Essais	Description	Principaux résultats	Contributions de la recherche	Ma contribution spécifique
<p align="center">Essai I</p> <p>Coping with copies : L'influence de la perception du risque sur la consommation de produits de luxe contrefaits dans les pays du CCG</p>	<p>Cet article traite de la perception du risque et des stratégies d'adaptation des Emiratis lorsqu'ils consomment des produits de luxe contrefaits. Un modèle quantitatif est utilisé pour mesurer la perception des risques identifiés dans la littérature dans le contexte d'une consommation de contrefaçon délibérée. Dix-neuf entretiens approfondis confirment l'importance du risque de performance et du risque social et identifient quatre stratégies utilisées par les Emiratis pour faire face à la dissonance cognitive qui en résulte : exploitation de la connaissance du produit, consommation mixte, exploitation de la fast fashion et rationalisation de la religion.</p>	<ul style="list-style-type: none"> - La consommation de CTF de luxe est principalement associée au risque de performance et aux risques psychosociaux - Les consommateurs développent des stratégies d'adaptation pour faire face à la dissonance cognitive résultant de la consommation de CTF - La stratégie « A-Quality », la stratégie « Black Chameleon », la stratégie « Fashionista » et la stratégie « Believer » 	<ul style="list-style-type: none"> - Confirmation de la relation entre la perception du risque et la réponse du consommateur en termes de stratégies d'adaptation - Risque moral identifié, non abordé dans la littérature précédemment - La perception du risque dépend de la culture - Les consommateurs fortunés achètent de la CTF - Stratégie d'adaptation en lien avec la religion 	<p>Conception de la recherche Littérature</p> <p>Identification du cadre conceptuel (seule)</p> <p>Collecte et analyse de données (seule)</p>

<p style="text-align: center;">Essai II</p> <p style="text-align: center;">Talking about my generation : Revisiter l'influence de l'âge sur la consommation de contrefaçons de luxe dans les pays du CCG</p>	<p>Des recherches antérieures suggèrent une corrélation négative entre l'âge du consommateur et la consommation de contrefaçons, expliquée par le revenu inférieur des consommateurs plus jeunes et des valeurs différentes. La recherche examine l'impact de l'âge sur la consommation de contrefaçons aux EAU tout en contrôlant les revenus. Comme l'étude pilote avait révélé un résultat imprévisible de corrélation positive entre l'âge et la contrefaçon, une étude qualitative a été menée. En s'appuyant sur les théories fonctionnelles des attitudes, on évalue les fonctions psychologiques de vingt-quatre consommateurs émiriens, servis par des attitudes envers la consommation de luxe authentique et contrefait. Les résultats révèlent l'effet de la « culture générationnelle » sur les habitudes de consommation et offrent des implications en matière de stratégies de communication pour les campagnes de lutte contre la contrefaçon.</p>	<ul style="list-style-type: none"> - Les consommateurs plus âgés et plus jeunes ne partagent pas la même culture - Les attitudes envers les produits de luxe authentique et contrefait remplissent différentes fonctions pour différents groupes d'âge - La culture générationnelle est responsable des différences de fonctions et d'attitudes 	<ul style="list-style-type: none"> - L'influence des fonctions d'ajustement social et d'expression des valeurs sur la consommation de luxe du CTF dépend de l'âge - attitudes et fonctions positives ou négatives que ces attitudes servent, dépendent de la génération des consommateurs - segmentation des consommateurs basée sur leur « culture générationnelle » 	<p>Conception de la recherche Littérature Identification du cadre conceptuel (seule) Collecte de données et analyse (seule) Rédaction de l'article</p>
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<p style="text-align: center;">Essai III</p> <p style="text-align: center;">I want it all and I want it now : motivations à la consommation de luxe de contrefaçon parmi les riches consommateurs du Golfe</p>	<p>Malgré tous les efforts déployés pour lutter contre la contrefaçon, la demande de produits contrefaits continue de croître. Cette recherche examine les motivations de la consommation de produits de luxe contrefaits dans les pays du Conseil de Coopération du Golfe (CCG). En utilisant l'analyse des chaînages cognitifs, cette étude révèle quatre modèles de motivation dominants et des complexités qui poussent les consommateurs aisés des pays membres du CCG à acheter des produits de luxe contrefaits : la conscience de la valeur, le besoin d'appartenance, l'hédonisme et l'estime de soi. Il met l'accent sur les effets de la culture sur les motivations et le comportement des consommateurs en ce qui concerne les produits contrefaits.</p>	<ul style="list-style-type: none"> - Quatre motifs dominants dans la consommation de contrefaçons de luxe : « conscience de la valeur », « besoin d'appartenance », « hédonisme » et « estime de soi » - « Besoin d'appartenance » : valeur la plus forte - « Conscience de la valeur » : valeur forte chez un échantillon de consommateurs aisés 	<ul style="list-style-type: none"> - Les consommateurs fortunés achètent de la CTF pour pouvoir en acheter plus, en particulier les articles à la mode - Les consommateurs ne considèrent pas les beaux bijoux contrefaits comme des faux - La consommation de CTF est en partie « provoquée » par les marques de luxe 	<p>Travail indépendant</p>
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4. CONTRIBUTIONS DE LA THESE

Cette thèse explore la consommation de contrefaçons dans les pays du CCG et répond à l'appel des chercheurs (e.g., Eisend et Schuchert-Güler, 2006 ; Kapferer et Michaut, 2014) en faveur d'études culturelles plus approfondies concernant la consommation de contrefaçons.

En abordant les lacunes de la littérature concernant les pratiques de consommation des consommateurs de luxe fortunés, nous rapportons quelques résultats notables et contre-intuitifs. Des recherches antérieures avaient indiqué une corrélation négative entre le revenu et la consommation de contrefaçons (e.g., Ang, et al., 2001 ; Tom et al., 1998) et documenté l'absence d'intention d'achat de contrefaçons des consommateurs de luxe (Kapferer et Michaut, 2014 ; Yoo et Lee, 2012). Les résultats de cette thèse fournissent la preuve que même les consommateurs sans contraintes financières se livrent à ce type de pratique, bien qu'ils le fassent pour des raisons autres que purement financières, confirmant que le revenu n'est pas le principal facteur de consommation de produits contrefaits (Franses et Lede, 2015). Ce faisant, notre recherche complète la recherche sur la consommation de contrefaçons par des consommateurs riches conduite par Perez et ses collègues (2010).

Les EAU ont présenté un terrain idéal pour ce type d'enquête sur les consommateurs fortunés, en raison de la possibilité de contrôler le revenu des répondants et de la forte exposition des consommateurs aux marques de luxe. En effet, malgré le ralentissement mondial du secteur du luxe, les EAU sont toujours considérés comme l'un des marchés les plus attractifs pour les marques de luxe (Deloitte, 2017).

Cette thèse contribue à la littérature sur la consommation de contrefaçons en faisant progresser les connaissances théoriques sur les motivations et les facteurs qui sous-tendent cette consommation de plusieurs manières. D'abord, contrairement à la plupart des études conduites qui ont adopté une démarche quantitative, une approche plus qualitative permet de mieux étudier les processus psychologiques et les motivations à l'œuvre (Bian et al., 2016). En

utilisant une approche très qualitative et différents cadres théoriques, nous montrons que la consommation de contrefaçons est tributaire de la culture, confirmant ainsi les résultats de Eisend et al. (2017).

Expliquant les motivations des consommateurs à acheter des contrefaçons, nous avons d'abord exploré les stratégies d'adaptation, en reliant la dissonance cognitive qui apparaît à travers la perception des risques associée à ce type de consommation. Les consommateurs utilisent précisément quatre stratégies d'adaptation différentes : la stratégie « A-Quality », la stratégie « Black Chameleon », la stratégie « Fashionista » et la stratégie « Believer ».

En approfondissant les recherches sur les motivations de la consommation de contrefaçons, nous nous sommes appuyés sur les théories fonctionnelles des attitudes (Katz, 1960) et avons démontré que le désir de contrefaçon reposait sur différentes fonctions. En outre, les attitudes positives à l'égard des produits authentiques ou contrefaits diffèrent en fonction de l'âge des consommateurs. Bien que les résultats de l'essai II suggèrent que les répondants peuvent être divisés en deux groupes (les moins de 30 ans et les plus de 30 ans), cette distinction est plus complexe que le simple âge de l'individu. Elle fait référence aux changements survenus dans la société depuis la découverte du pétrole et le changement des valeurs culturelles, qui ont créé un fossé culturel entre deux cohortes générationnelles : la génération la plus âgée est née dans un contexte puritain, la plus jeune dans le luxe. Ces expériences expliquent les différences d'attitudes et de valeurs qui ont façonné les schémas mentaux des consommateurs émiriens et ont souligné l'importance de la génération dans leur comportement.

En outre, en appliquant l'analyse des chaînages cognitifs, nous examinons les véritables motivations qui sous-tendent la consommation de contrefaçons aux EAU en découvrant les valeurs cachées qui sous-tendent la pratique de consommation. Cela nous a permis de démontrer que les normes et les attentes culturelles incitaient les consommateurs à posséder

constamment de nouveaux articles de luxe, forçant certains consommateurs à faire des compromis entre des articles authentiques et contrefaits.

En résumé, nous pouvons confirmer que la consommation de contrefaçons est influencée par la culture, dans laquelle la société influence les motivations à une telle consommation, les attitudes et les fonctions qu'elle sert. Cette influence de la culture devient plus évidente du point de vue des motivations et des valeurs. Par exemple, les consommateurs luttent pour leur « besoin d'appartenance » (Essai III), car ils veulent être acceptés dans la société. Leurs attitudes vis-à-vis de la consommation (authentique ou contrefaite) remplissent différentes fonctions, en particulier des fonctions sociales (ajustement social et expression de valeur), sont fortement influencées par la culture (Essai II), en fonction de l'environnement et des événements vécus par les répondants. Pour faire face aux attentes et à la pression sociales, aux consommateurs qui perçoivent le risque, Les marketers devraient développer des stratégies pour faire face à la dissonance cognitive et atténuez ce risque lorsque vous consommez des contrefaçons (Essai I).

CHAPTER I: INTRODUCTION

The aim of the present chapter is to provide an introduction and overview of the current study as a whole. Following this, it will present the imperative and rationale for the study and introduce the essays. For this purpose, this chapter has the following objectives: a comprehensive description of the context and the identification of research problems, the presentation of a literature review and a pilot study results providing background to the essay topics, an outline for the purpose of the study and research assumptions, a brief description of the main research methodology and the summary of the essays.

1 COUNTERFEITING DEFINITION

A legal framework for protection and enforcement of intellectual property rights is provided in the agreement between World Intellectual Property Organisation (WIPO) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organisation (WTO). TRIPS-Agreement defines counterfeit goods “as goods involving slavish copying of trademarks, and pirated goods as goods which violate a reproduction right under copyright or a related right”². Academic researchers use various definitions of counterfeiting. According to Bloch et al., (1993), counterfeiting is the unauthorized copying of trademarked (Cordell et al., 1996) or copyrighted goods. Others refer to the production of items that are packaged identically with all the trademarks and labels, so it is possible to deceive the consumers and make them believe that they are buying an original item (Ang et al., 2001; Wee,

² “WTO, Understanding the WTO - Intellectual property: protection and enforcement” Web.

Ta and Cheok, 1995). For Eisend and Schuchert-Güler (2006), counterfeiting also means that the original product, which is worth copying, already exists on the market. The characteristics of the product are copied into another product and are indistinguishable from the original but sold at a lower price than the original.

1.1 Distinguishing deceptive from non-deceptive counterfeiting

In the present research, it is essential to look at the classification of counterfeiting as deceptive and non-deceptive (Bamossy and Scammon, 1985; Grossman and Shapiro, 1988b). Counterfeiting is considered as deceptive when consumers believe that they are purchasing a genuine item (Staake, Thiesse and Fleisch, 2009). Product categories such as automotive parts, pharmaceuticals, and consumer electronics are common examples of such deception notion (Vida, 2007). This type of counterfeiting occurs when the consumer is not well-informed or has no time or possibility to observe all attributes of the goods (Grossman and Shapiro, 1988a). Non-deceptive counterfeiting on the other hand occurs, when the location of purchase, price and quality level of the product clearly indicate the nature of the goods, and the consumer knowingly purchases the counterfeit product instead of the original (Eisend, 2016; Grossman and Shapiro, 1988b). Bosworth (2006) suggests a full palette of deceptiveness starting from “super-deceptive”, where the original and counterfeit products are almost impossible to be distinguished to “completely non-deceptive”, where the difference between the original and fake can be easily recognized. Indeed, the steady improvement of the quality of counterfeits (Gentry, Putrevu and Shultz, 2006) has led to the appearance of so-called “super copies” (Wilcox et al., 2009) making it increasingly more difficult to differentiate between counterfeits and genuine items. Therefore, it is the consumers’ awareness, knowledge and experience that are deciding factors for the degree of deceptiveness (Eisend and Schuchert-Güler, 2006).

1.2 Distinguishing counterfeiting from related terms

There are various other terms used by academics to describe a product that has been copied such as: brand piracy, imitation, grey area products (Prendergast, Chuen and Phau, 2002), look-alikes (Grossman and Shapiro, 1988b), bootlegging (Ha and Lennon, 2006; Simms, 2011), copycats (Pun and DeYong, 2017; Qian, 2011) and reverse engineering (Simmers et al., 2015). However, the terms ‘counterfeit’ and ‘piracy’ have been the most widely used interchangeably (Wee et al., 1995). For Lai and Zaichkowsky (1999), counterfeit goods are a 100% copy of the genuine item, often of a lower quality, which are made to deceive the consumer, while pirated are limited to products such as software, movies and music (Cheung and Prendergast, 2006a; Wee et al., 1995). Some other researchers make the distinction between counterfeit and pirated goods based on the nature of the infringement. Paradise (1999) contends that copyrights and patents can be pirated, while trademarks can be counterfeited. Nonetheless, both terms still refer to intellectual property right infringement (copyright, patent and trademark).

While the distinction between counterfeit and pirated goods appears clear, the boundaries and characteristics between counterfeit and imitation are much less obvious (Le Roux, Bobrie and Thébault, 2016). Researchers talk about imitation, copycats or lookalikes, when the product, although not fully identical, is still viewed by consumers as very similar in its substance, shape, meaning, form and name to a known product on the market (Lai and Zaichkowsky, 1999). Counterfeiters hope to profit from positive associations and marketing efforts of the widely known brand (Van Horen and Pieters, 2012). But unlike counterfeiting, which is a direct copy, imitation is an “indirect copy” (Bamosy and Scammon, 1985), it only “borrows” the aspects of the original (Wilke and Zaichkowsky, 1999). Therefore, unlike piracy and counterfeiting, imitation does not necessarily break the law, unless it had been proven that the similarity misleads the consumer (Bamosy and Scammon, 1985). For instance, in April

2018, giant discount retailer Target was sued by British designer brand Burberry for copying its signature check print, even though the print does not represent the trademark. Burberry was seeking USD 2 million in damages³, but in October 2018 both parties agreed to settle the case⁴.

Further, literature defines grey market counterfeits as genuine items, which are produced by an outsourced manufacturer. These are mostly overruns of the genuine product that are being sold via unauthorized channels (Bucklin, 1993; Huang, Lee and Ho, 2004; Lai and Zaichkowsky, 1999).

Although the terms presented above can trigger misunderstandings and mixed-use, they still refer to different practices of counterfeiting. Therefore, it is essential to have a differentiation of the terms before starting an investigation.

1.3 Definition used in this research

The present research uses Cordell et al.'s (1996) definition of counterfeiting as **“any unauthorized manufacturing of goods whose special characteristics are protected as intellectual property rights (trademarks, patents, and copyrights)”** (p. 41). This definition is coherent with the views of practitioners and is broadly used in research (Chaudhry and Zimmerman, 2013; De Matos et al., 2007; Jiang and Cova, 2012; Sharif et al., 2016; Trinh and Phau, 2012). In this study we focus on a specific type of intellectual rights infringement: the trademark violation; and understand counterfeit products and brands as **“those bearing a trademark that is identical to, or indistinguishable from, a trademark registered to another party and infringes on the right of the holder of the mark”** (Bian and Moutinho, 2009, p. 368).

³ Business Insider (2018), “Target being sued by Burberry reveals big problem in fashion”. Web.

⁴ Retail dive (2018), “Burberry - Target Settle Trademark Dispute”. Web.

Furthermore, the term “counterfeit” that is used throughout the present research corresponds with the definition of **non-deceptive counterfeit consumption**. Since it has been argued that the demand for counterfeits on the consumer side is the main, if not the only reason, for the existence of counterfeits (Gentry et al., 2006), this type of consumption represents the majority of counterfeit goods sales (Xiao and Nicholson, 2010) and particularly prevails in the luxury market (Wiedmann, Hennigs and Klarmann, 2012).

Not surprising, the majority of the research concentrates on non-deceptive counterfeit consumption. Indeed, if we look at the first twenty results of the search in the EBSCO database⁵ for a general term “counterfeit consumption”, we find only one result of the academic research that deals with both deceptive and non-deceptive counterfeit consumption (i.e., Kotelnikova, 2017) and none that focuses solely on deceptive type of such consumption (Table 2).

Table 2: *Results in EBSCO search*

	Study	Deceptive	Non-deceptive
1	Huyen, Pham and Nasir, 2016		x
2	Pueschel, Chamaret and Parguel, 2017		x
3	Kollmannová, 2012		x
4	Bian, et al., 2016		x
5	Rutter and Bryce, 2008		x
6	Key, Boostrom, Adjei and Campbell, 2013		x
7	Chen et al., 2014		x
8	Novelli and Soares, 2015		x
9	Rojek, 2017		x
10	Jiang and Shan, 2016		x
11	Chen et al., 2014		x
12	Perez et al., 2010		x
13	Trinh, 2015		x
14	Trinh and Phau, 2012		x
15	Kotelnikova, 2017	x	x
16	Neufeld, Lachenmeier, Walch and Rehm, 2017		x
17	Wu and Wang Chiu, 2016		x
18	Da Silva, de Sousa, do Vale, de Lima Dantas and de Araujo, 2017.		x
19	Yoo and Lee, 2012		x
20	Swami et al., 2009		x

⁵ Results rendered in November 2018

2 COUNTERFEITING AS A GROWING PROBLEM

Counterfeiting is not a new practice, but its expansion is gaining more importance and is becoming a higher priority for policy makers. The purpose of this section is to show the counterfeiting phenomenon from an economic perspective: demonstrate its magnitude, describe the products, producers and recipients of counterfeits and its logistics, and to identify the research problem concerning counterfeiting in the GCC.

2.1 Counterfeiting phenomenon

Counterfeiting growth and evolution

The market for counterfeit goods has, no doubt, grown exponentially the past few decades; however, the extent of the growth is hard to estimate because of the nature of the counterfeit business (Bian and Moutinho, 2011; Staake and Fleisch, 2008). The International Trade Commission assessed in 1982 the sales of counterfeits worldwide to be at USD 5.5 billion (Abbott and Sporn, 1999), but by the end of the 90s' (IACC, 2005), it had already grown to USD 200 billion. In 2013, the value of counterfeit and pirated goods trade was estimated at half a trillion dollars, reaching 2.5% of the global trade (OECD, 2016) and is forecasted to reach USD 1.9 – 2.81 trillion by 2022 (Frontier Economics, 2016).

Counterfeits originate from all economies and are also sold and consumed in all economies (see Figure 1, Appendix A). In developing countries, where informal open-air markets are predominant, the level of counterfeits appears to be higher. The pattern of consumption of counterfeit products seems to vary for different countries. For instance, automotive parts dominate counterfeit market in the Middle East, counterfeit pharmaceuticals dominate the African market, while counterfeit cigarettes have a much broader range of markets worldwide (OECD, 2007).

In the last decade, the whole counterfeiting landscape has changed dramatically due to advances in technology. First, technological developments have enabled counterfeiters to reduce the cost and improve the quality of the products. Before it was difficult to manufacture items identical to the original; even printing the exact logo required significant investments in printing technology, thereby reducing the profits. This situation has changed since the price of machines and devices has dropped, but skilled cheap labor is still available. Second, the distribution of counterfeited items has become much more accessible through social networks, websites, while instant messaging enabled easy direct access to consumers worldwide. Moreover, since this shift in distribution to the virtual space, it has become harder to identify the responsible party. For instance, the online retail giant Alibaba, has been accused of harboring and promoting vendors of counterfeit goods. The global luxury group Kering, who sued Alibaba for selling counterfeit goods in 2014, withdrew their lawsuit in 2017, choosing instead to cooperate with the Chinese giant in the fight against counterfeits⁶. Alibaba's founder, Jack Ma, blames Chinese law for the counterfeiting problem and employs a department to track down the sellers. Ma himself announced at the investors' conference in 2016: "The problem is that the fake products today, they make better quality, better prices than the real products, the real names"⁷. However, despite all counter measures taken by him or other companies, counterfeiting today remains an unresolved problem, a huge one, especially as technology advances, distribution channels increase, and consumer demand grows. What is even more worrying is the fact that the figures cited above represent only a fraction of the complete scale of counterfeiting reflecting just the tip of the iceberg (Staake et al., 2009; Trinh and Phau, 2012).

⁶ The New York Times (2017), "In fight against fakes, Alibaba and owner of Gucci go from adversaries to partners". Web.

⁷ Forbes (2017), "Is Alibaba doing enough to fight fakes?" Web.

Counterfeit products and markets

Counterfeiters target any product with the intellectual property (IP), where this IP can add economic value. This explains why counterfeiting has an increasing effect on a wide range of goods, from traditionally counterfeited shoes, apparel and tobacco to an increasing number of foodstuffs, including counterfeit strawberries and bananas bearing a registered trademark label, according to a 2016 OECD report. Pharmaceuticals, cigarettes, toys and food items represent the most significant seizures regarding *numbers of detained articles* (see Figure 2, Appendix A). However, when it comes to the *number of customs detection and seizure procedures*, the top 3 categories are represented by fashion items: sports shoes, clothing and non-sport shoes (see Figure 3, Appendix A).

OECD (2018) criticizes that there might be some biases involved, such as the fact that some categories are specially targeted for inspection or the certain categories of infringing goods might be detected more easily. As we observe, the number of procedures for each category is vaguely related to the number of articles in each product category. For example, sports shoes account for 19% of procedures, but for approximately 1% of the articles. While cigarettes account for less than 1% in terms of procedures, but 24% in number of detained articles. Staake and Fleisch (2008) have highlighted that it is necessary to know how “one article” is defined. It might be easy in case of bags or watches but complicated in case of cigarettes (should one count a box, a bar, a pack or a cigarette?) or food (how to define a consumption unit?). The lack of unified approach makes the reporting on counterfeiting hard to compare and may allow some stakeholders to present and interpret the data either by stressing the importance of the problem or by playing it down.

Another important point is the value of infringing goods. This value is mostly determined based on the domestic retail value. Here, the top categories consist of luxury goods: watches, bags, wallets, purses, perfume, cosmetics and toys (see Figure 4, Appendix A). That leads to

the conclusion that luxury counterfeits represent the most lucrative items in terms of retail value. The growth of luxury goods market and the global demand have directly encouraged the market for luxury counterfeits in the last three decades (Bian and Moutinho, 2011; Wiedmann et al., 2012; Yoo and Lee, 2012). This is not surprising, as luxury items are mostly purchased for their symbolic meaning, consequently, their counterfeit versions with greater fashion component are selected more frequently by consumer than items with greater functional component (Tom et al., 1998). Besides, luxury brands are easy to counterfeit and sell due to low manufacturing costs and steady-growing demand. For instance, in the OECD 2016 report, in many cases the stated value of counterfeit Rolex watches was below one euro, although these values seem not to correspond to any provenance economy, the reported values of seized watches are distributed way below the market value of genuine articles.

The next section demonstrates the effects of counterfeiting and proves that it is not a victimless crime.

2.2 Counterfeiting victims and problems

Repercussions of counterfeiting to social, political and economic order are severe, as it causes damages on macro, brand and consumer levels in several ways (Bloch et al., 1993; Cheung and Prendergast, 2006a).

At the macro level

At the macroeconomic level, counterfeiting results in (1) loss of taxes, as tax collection from counterfeiters and pirates is much less effective than from legitimate stakeholders. Corporate income taxes, excise taxes, sales or value added taxes, import tariffs and social insurance charges are possible losses in tax revenues for the governments. Significant costs occur in association (2) with customs, law-enforcement agencies, judicial proceedings, handling and disposing the counterfeited items. Furthermore, governments invest in resources

to fight counterfeiting, increase public awareness, co-operate with other governments and (3) deal with the consequences of counterfeiting in relation to public health and safety. Illicit producers try to mitigate the risks of disrupting their work by bribing government officials, which can weaken the effectiveness of the public institutions. These effects are more evident in emerging economies who have weaker enforcement regimes (OECD, 2007).

Moreover, the counterfeiting business is connected to other forms of illegal activities such as drug and human trafficking, child labor and terrorist financing (Furnham and Valgeirsson, 2007). Additionally, counterfeiting and piracy affect (4) employment, as jobs are shifted from legitimate to the illegal sector and this is often associated with poor work conditions, including health and safety and lack of job protection. Furthermore, counterfeiting affects the (5) number of jobs that could have been created by legitimate producers if counterfeiting and piracy would have declined. Although the countries where the counterfeits are produced could have some short-term advantages, they could still face a (6) reduction in foreign direct investment, since the situation concerning intellectual property rights is one of the most important factors for legitimate companies when looking to invest abroad (OECD, 2007).

At the brands level

Since intellectual property rights are at risk, companies are deterred from (1) investing in research and development within a foreign market, as it affects their return on investment, reduces the exclusiveness and the perceived value (Staake and Fleisch, 2008). (2) Counterfeiting damages a brands' reputation and results in loss of revenue, since counterfeits replace the original items (Bloch et al., 1993; Chaudhry, 2013). It can also (3) affect the investments in marketing activities by legitimate brands and results in competitive disadvantages, while counterfeiters benefit from those activities without spending. (4) The liability claims due to malfunction of counterfeited goods affect the legitimate producer, in

particular when health and safety are at risk. (5) From the know-how the counterfeiters gain by imitating (copying) products, the future legitimate competitor can emerge (Staake et al., 2009). (6) Firms incur high costs trying to combat counterfeiting. For instance, Louis Vuitton employs 250 agents around the world to support their Intellectual Property Department⁸. These costs do not translate into better quality or innovation and therefore represent a loss.

It has been estimated that in 2017, the luxury industry incurred over USD 30 billion in losses because of sales of counterfeit (Research and Markets, 2018). Therefore, it is commonly presumed that counterfeits reduce the demand for genuine luxury brands, but the research still finds no consensus regarding this point.

It has been argued that brands can also benefit from the existence of counterfeits. Such is the case of widespread pirated software in emerging countries, which makes it harder for lower-priced competitors to enter the market; in the meantime, the consumer becomes familiar with the program. Later it can transform into income for the brand owner, once intellectual property rights are adequately enforced (Staake et al., 2009).

While Gabrielli et al. (2012) report no negative effect on the perception of original brands, Wilcox et al. (2009) show that the presence of counterfeits reduces the desire to buy original items. Going further, Wilcox et al. (2011) have demonstrated that the presence of counterfeits increases consumers' desire for the originals only when consumers can identify the dissimilarities between originals and fakes. In case consumers identify the similarities between counterfeit and genuine version and assimilate them, the desire for the authentic brand reduces.

Some researchers also find the benefit of the presence of counterfeits for luxury brands, when taking the positive roles of envy, quality perception and distinctiveness into

⁸ Brand Protection | Louis Vuitton. Web.

consideration, which are linked to consumers' willingness to pay for the original brand (Romani, Gistri and Pace, 2012). Others suggest that the presence of counterfeits on the market increases the brand awareness and thereby makes the original products more appealing (Arghavan, Zaichkowsky, Nia and Zaichkowsky, 2000) and the results of counterfeiting are exaggerated since they promote the luxury brands (Howie, 2010). Even Prada's CEO Patrizio Bertelli stated in 2012 "We don't want to be a brand that nobody wants to copy"⁹.

When it comes to genuine luxury consumers and their reaction to the presence of counterfeits, Commuri (2009) discovered that these consumers adopt different strategies regarding original brands. When consumers' favorite brands are being counterfeited, some consumers abandon the brand, others make strong claims to their patronage in the face of potential loss of exclusivity and prestige, or disguise the brand cues, choosing the brands the consumers of lower income cannot detect.

Although previous research offers no clear picture on the degrading effect of counterfeits on the demand for original brands, the costs and risks of counterfeit business still outweigh the benefits for the real brands (Staake et al., 2009).

At the consumers level

The statistics above indicate the growing demand for counterfeited goods that initiate the supply. When analyzing the consumer side, it is crucial to differentiate the level of deceptiveness involved. Consumers who think they are buying legitimate goods are facing imminent risks when consuming counterfeits due to safety and health hazards that can result from a malfunction or low quality of the products. For instance, counterfeit pharmaceuticals may contain wrong and unsafe ingredients or insufficient dose of active ingredients. Such

⁹ Financial Times (2012), "Mr. Prada courts flattery through imitation." Web.

pharmaceuticals represent over 10% of the world's pharmaceutical supply (WHO, 2017). Such was also the case with luxury cognac producer Hennessy that suffered from counterfeit in Asia because the bar owners were refilling the empty bottles with cheap low-quality cognac and selling them to unaware consumers. The brand holds a high image among consumers and consumption of it reflects high status, standing in the society and a high appreciation of the guests' who are invited for dinner (Nill and Shultz, 1996). In such cases, the consumers are the victims of counterfeiting. In most of the situations though, especially with consumption of prestige and luxury goods, consumers are well aware of the fact that they are buying a non-original product and therefore become accomplices rather than victims (Bloch et al, 1993). Here, the purpose of counterfeiters is not to deceive the consumers but to satisfy them.

The World Trade Organization had introduced the Trade-Related Aspects of Intellectual Property Rights (TRIPs) and expects the member states to adhere to the standard of protection¹⁰, but it is aimed solely at limiting the supply side. The legal acceptance of counterfeit possession varies in each country. Most countries do not prosecute consumers of counterfeits, while for instance, in France and Italy, buyers of counterfeit goods might face up to three years in jail or fines up to € 7,000¹¹. Nonetheless, the effectiveness of these laws needs to be improved, as the presence of counterfeits still demonstrates the strong demand for luxury counterfeits. Therefore, it is important to develop an understanding of consumers' drivers, and of the sociological, cultural and psychological dynamics related to such a widespread practice of consumption.

¹⁰ "WTO, "Understanding the WTO - Intellectual property: Protection and enforcement." Web.

¹¹ "BBC NEWS, UK (2009), "Tourists warned over fake goods." Web.

2.3 Counterfeit regional hubs

The range of counterfeit products is broad; from luxury consumer goods such as watches, perfumes, leather goods, to business-to-business products, including machinery, chemicals and spare parts. Shipments of counterfeit goods involve complex logistics and trade routes due to the illegal nature of the products. Using the transit routes, the traders have to camouflage the point of original departure, re-label or re-package the items. The traders have become very creative about the ways they import or export the items in order to avoid detection. This includes placing the counterfeited items mixed with or behind original items, shipping items and logos that can be attached to them later, separately; or shipping the item in parts in different containers and assembling them upon arrival. Customs have also reported the shift in mode of transportation from postal to express courier.

The report from OECD and European Union Intellectual Property Office (2017) names three major transit hubs for counterfeit goods around the globe: Hong Kong (China), Singapore and the United Arab Emirates (UAE). These hubs specialize in repackaging counterfeit goods from containers to small courier or postal shipments focusing on a broad range of fake products, including foodstuff; perfumes and cosmetics; leather articles and handbags; electronics, etc. That the UAE appear in this top 3 is not surprising, given the geographical position of Gulf countries on a junction of trade routes between Europe, Asia and Africa. This position and economic development has enabled the UAE to harbor a growing number of privately owned free zones (such as Jebel Ali in Dubai) that are more often misused by counterfeiters to legitimize their activities due to very light regulations and the ability to manipulate the counterfeited items (OECD, 2017).

Furthermore, the country itself faces increased problems with counterfeits. In 2017, the Department of Economic Development (DED) reported the seizures of 26.2 million pieces of

counterfeits principal portion of luxury counterfeit items¹². In March 2018, the authorities in Dubai destroyed 26 million goods worth nearly AED 1.19 billion (USD 324 million). The items that were seized by authorities in 2017 where shoes, bags and other leather goods made the most significant portion of the seizures¹³. Heavy checks on a famous (for counterfeits) Karama Market in Dubai have forced many shops to shut down¹⁴. Despite all the efforts of the government to control the issue of counterfeit goods, the problem still exists.

Eisend (2016) and Eisend et al. (2017) have performed a meta-analysis of published and unpublished studies that have dealt with counterfeiting and have confirmed, that only three studies were performed in the GCC countries.

¹² The National (2018), “Interpol Winning the War on Counterfeit Goods” Web.

¹³ Gulf News (2018), “Dubai destroys Dh1.19 billion worth counterfeit goods” Web.

¹⁴ The National (2018), “Karama traders put faith in value proposition after crackdown on fake goods” Web.

Table 3: *Countries investigated in the meta-analysis by Eisend et al. (2017)*

Countries	# studies providing data from the country
Australia	1
Austria	3
Belgium	1
Bosnia and Herzegovina	1
Brazil	1
Canada	2
China	9
Czech Republic	1
Greece	1
Hong Kong	5
India	1
Indonesia	5
Iran	1
Kuwait	1
Malaysia	2
Mexico	1
Morocco	1
Pakistan	6
Saudi Arabia	1
Singapore	5
Slovenia	7
South Korea	5
Taiwan	7
Thailand	2
Turkey	1
United Kingdom	5
United Arab Emirates	1
United States	17
Vietnam	2

Taking into consideration the UAE major role on the counterfeit market and its growing problem, it seems surprising that the topic of counterfeit consumption has not receive any

attention from academics, with the exception of three studies that examine counterfeit consumption in the whole GCC region, namely Riquelme et al. (2012) in Kuwait, Albarq (2015) in Saudi-Arabia and Fernandes (2013) in the UAE.

This is partially due to the fact that the issue had been neglected even by the government. Counterfeit business in the UAE and wide availability of fakes represented a big attraction to tourists (Rahman, Mulye and Laud, 2013) and so, the government has just recently started drawing the attention to the problem and cover the topic in the media. Nonetheless, the country represents a promising setting to fill the existing gap in the literature due to its specific culture, geographic position and unique economic environment.

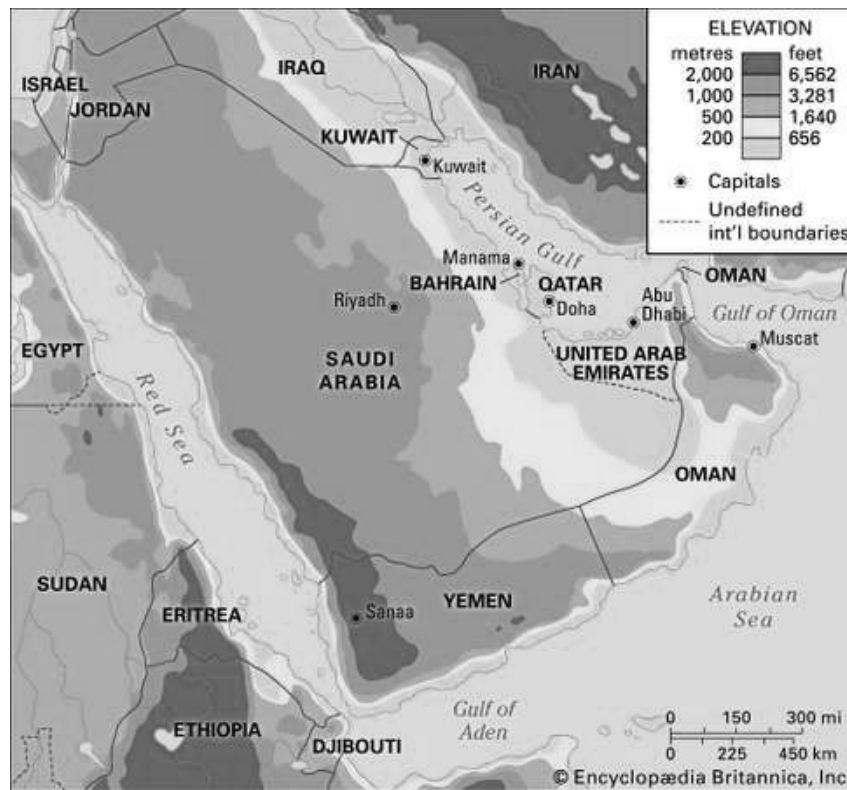
3 COUNTERFEITS IN THE UAE

In coming sections, we will take a closer look at the country's specific history, its population and consumption practices in order to shed light on counterfeit consumption.

3.1 United Arab Emirates - Historical background

The Arabian Peninsula is bordered on the North by the chain of territories known as "Fertile Crescent", in the South and the East by the Indian Ocean and the Persian Gulf and in the West by the red sea.

Figure 2 *Arabian Peninsula* (source: Encyclopædia Britannica, Inc.)



From very early times it has been a transit area for trade between the Orient and the West. The UAE, with a land mass of 82.880 km², is located on the south side on the Arabian Peninsula. It is a federation of seven states that have been formed after the independence from Great Britain by the Trucial States¹⁵. The population of Trucial States was illiterate just over a generation ago, was dependent on fishing and pearling and became very poor during the 1950s due to the decline in the pearling industry, after Japan had started cultivating pearls and winning over the international market (Morton, 2016).

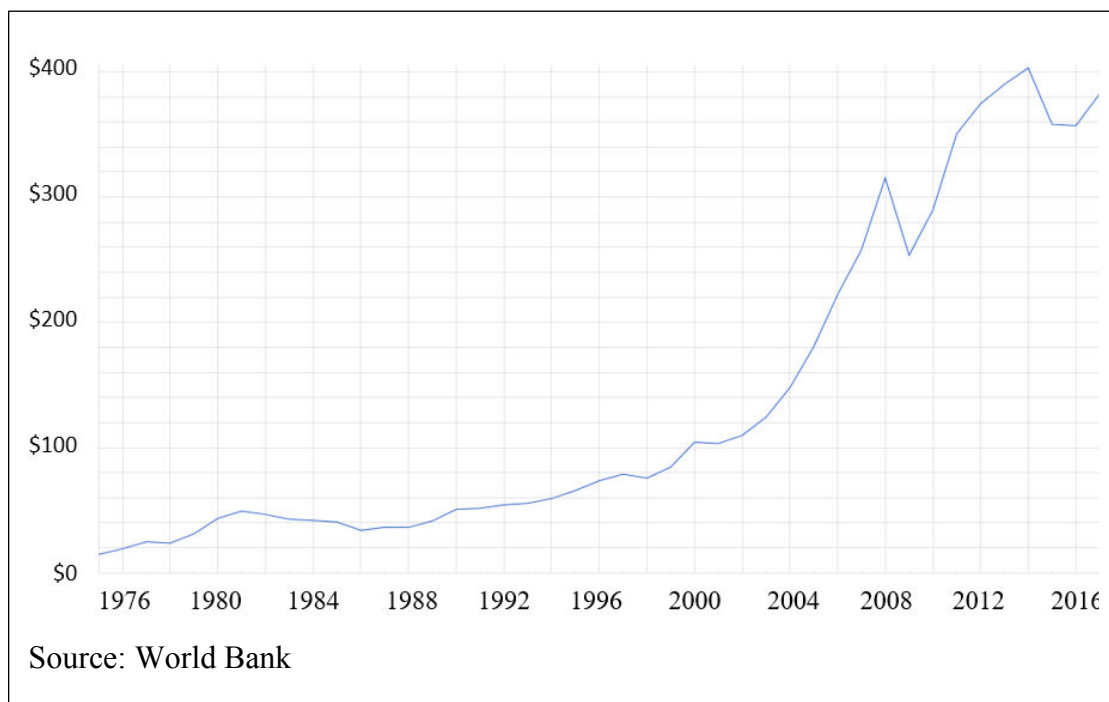
In the time of the Trucial States, the economic conditions did not allow any members of the society to live in superior conditions than other members. Everyone lived by moral codes

¹⁵ The area where the UAE is located today was called by western powers as “Trucial States” or “Trucial Coast” or Lower / Southern Gulf (Trainer, 2017)

from the common comprehension of Islam, without complex contrasts in interpretation (Heard-Bey, 2005).

However, now the country faces another paradox challenge, not one of poverty but one of sudden wealth. After the discovery of massive oil in 1958 (Whiteoak, Crawford and Mapstone, 2006) the revenues from oil started to flow. In the years 1963 and 1964 the revenues of oil in Abu Dhabi were scanty £ 1.5 million (approx. \$ 4.8 million) and rose to £28.1 (approx. \$ 78.7 million) in just two years (Morton, 2016). Figure 3 demonstrates how oil revenues aided the GDP development after the UAE as a country had been formed.

Figure 3 *GDP development in the UAE 1975 – 2016 in billion* (source: World Bank, 2018).



The UAE is governed by a Supreme Council that consists of seven emirs, although each state maintains a degree of independence. The president of the UAE is also the ruler of Abu Dhabi, the largest emirate and a major oil producer. The vice-president, and also prime minister, is the ruler of Dubai, the UAE's commercial center. Among the Gulf Cooperation

Council countries, UAE is one of the most liberal ones (Heard-Bey, 2005). Today's country is one of great diversity in racial, ethnical and social sense, with the local population representing slightly over 11% of a population of over 9.4 million people¹⁶.

The UAE labor market, like most of the Gulf Cooperation Council (GCC) labor markets, is dominated by expatriates. The arrival of expatriate laborers started in the '60s and '70s, as a consequence of the oil discovery and the need to facilitate its production. At that time, there was not enough know-how among the local population to efficiently develop the industry and therefore the country had to rely on foreign labor. Today, the foreign workforce dominates all industries. Expats are coming from all over the world, but mostly from the Indian subcontinent and south-east Asia (Maddy-Weitzman, 1999).

With this high percentage of the workforce in the UAE to facilitate the modernization and faster industrialization of the country, a specific discourse was framed around the English language to satisfy the need for a common language other than Arabic as well as to enable the communication between its communities (Al-Issa, 2017). The leading role of English is evident in many ways, most institutions of higher education in the country teach in English. However, this dominating role of English poses a threat to the Arabic language as it is being undervalued (Cullinan, 2016) and Arabic literacy is endangered, especially among young Emiratis, with some of them not even achieving fluency in reading and writing in Arabic (Al-Issa, 2017).

Since Abu Dhabi started exporting its oil, the country has experienced an intense transformation from a small state in the desert to one of the most important economic centers. Today, UAE has 10 percent of the world's proven oil reserves and fifth-largest natural gas reserves. The oil export accounts for 30 percent of the country's economy in 2017 (Country Watch, 2018) and to reduce this dependence, and the country undertakes efforts in diversifying

¹⁶ Central Intelligence Agency, "The World Factbook" Web.

the economy by investing and developing sectors such as commerce, tourism, telecommunication and aluminum production. Strong economic fundamentals have led to high domestic and foreign investments in the country (Country Watch, 2018).

The population of the UAE is among the most affluent in the world. Although the GDP growth has slowed down in the past years, the country still scores high on the GDP per capita (World Bank, 2018). According to traditional social ranking, the local UAE population can be considered as wealthy, with an average household income of approximately USD 19,500 per month or USD 14,500 from salary and wages alone, without additional incomes from rents, business sponsorships or other types of side incomes (Dubai Statistics Centre, 2014).

The national population is aware of the fact that they represent the minority in their own country (slightly over 11%), which has brought the population together to form the class of “privileged few” with guaranteed material comfort for every national family. They feel strong about their national identity, despite some old tribal rivalries and hierarchical discrimination. They are proud of their country’s achievements and rapid economical, educational and healthcare developments. Nevertheless, there are differences among the seven emirates; there are five poorer northern and eastern emirates, and in some instances, they feel disadvantaged in comparison to the rich emirates of Abu Dhabi and Dubai (Heard-Bey, 2005). However, the locals still recognize their financial privilege and some older members of the society who witnessed the country’s transition are happy that the hardships are in the past and call themselves very lucky to live in such a wealthy country.

3.2 Consumption in the United Arab Emirates

The UAE has a reputation for being a dream world of consumption (Cherrier and Belk, 2015). The luxury segment in the UAE provides tremendous support to overall economic development and continues witnessing its growth, albeit at a slower pace than in previous years.

The UAE market is considered one of the most attractive markets and a key long-term entry market for luxury goods in the Middle East (Euromonitor, 2014). According to Deloitte's fourth annual Global Powers of Luxury Goods report, the luxury markets in Abu Dhabi and Dubai have helped to promote these cities as aspiring shopping destinations (Deloitte, 2017). Not surprising that along with wealth comes the high purchasing power of the population. The discovery of oil, economic prosperity and rapid development have allowed UAE consumers to have plenty of disposable income which they are willing to spend on luxuries. However, the main question revolves around the factors that influence Emiratis in their purchase choices. There are various external and internal influences that impact this decision.

To understand the external factors, it is important to have a look at the history of the region. Already in the second century AD, we can find the signs of extravagance in the Arab culture. When Rome conquered the famous kingdom of Palmyra that was established in the Syro-Arabian desert, queen Zenobia, who was proclaimed as a queen of the Near East, was brought to Rome in golden chains to symbolize the Roman Triumph (Lewis, 2002, p. 22). This illustrates the desire of the Arabs to demonstrate their consumption of luxury goods; the practice had been passed down to future generations (Vel, Captain, Al-Abbas and Al Hashemi, 2011). Throughout the history of the Islamic empire, traders in expensive luxury items such as jewelry or cambric were the most affluent members of the society (Lewis, 2002, p. 99).

The geographic position of the Gulf countries as a junction for international trade between Europe, Asia and Africa, an auspicious investment environment, as well as natural resources, have created a positive effect on business development, along with a greater dependence on trade with the Western World. Even until now, there is a perception by the local population that Western products have superior quality when compared to the products made in the region and shaped beliefs can be observed in luxury buying behavior of UAE nationals (Vel et al., 2011).

The most flagrant internal factor that influences the consumer behavior is the family structure of UAE nationals. Families in the UAE conform to patrilineal and patriarchal model with husbands and older sons in the family being regarded as holders of guardianship over women (qiwamah) (Al-Khateeb, 1998). Although in the pre-oil times, when the economy of the UAE was dominated by pearl diving and represented mostly by males, it was not uncommon for women to be involved in such commercial activities, if the male provider had died or divorced the woman (Ebrahim, Khamis, Abdulsamad and Mohammed, 2008). Ethical and moral beliefs of the locals, and even the personality of each individual, are influenced by the family. Therefore the acts and behavior of the individual have direct effect on the family, representing the relationships of interdependence and reciprocity (Barakat, 1993). Consequently, the purchase behavior of the individual is also influenced by the family. The goods, especially socially visible ones, should reflect the position of the family in the society, display social wealth and power with the purpose to impress others (Vel et al., 2011).

Vel and colleagues (2011) highlight that consumers in the UAE strive for social recognition, desire to position themselves in the society and reflect a positive social image. Interestingly, the authors also found that those consumers who have lived abroad had more interest in western brands due to exposure to other cultures. Although the luxury purchase decisions are heavily influenced by the peers, the parents of young consumers criticize the influence of brands. Many consumers in the UAE engage in a material lifestyle and view the worldly possessions as a means to happiness; they seek status and desire to improve the social standing. This especially applies to consumers that come from very wealthy families and have to maintain a high social standing and satisfy selfish needs such as prestige, reputation and position. The rapid development in the country, the accumulation of wealth combined with a more profound knowledge about the products, especially western ones led to the change in the lifestyle (Vel et al., 2011).

Nevertheless, the population of the Gulf Corporation Council (GCC) countries has a strong rooted cultural foundation where family traditions and religious aspects are fundamental (Alserhan, Halkias, Boulanouar, Dayan and Alserhan, 2015). As consumers of luxury goods, they represent one of the fastest growing and affluent segments and love to demonstrate luxuries. As we have seen in the previous sections, the counterfeits are widespread in the UAE, but even in the presence of counterfeits, we should not expect this type of population to consume them. A further section is dedicated to the exploration of counterfeit consumption of UAE nationals.

3.3 Counterfeit consumption by UAE nationals: a pilot study

Taking financial and cultural traits into consideration, it seemed questionable that the local population of UAE would engage in counterfeit consumption. To investigate whether the UAE nationals actually consume counterfeits or not, we decided to conduct a pilot study. An online survey, a common research instrument that enables a fast transmission (Wilson and Laskey, 2003), was developed, pre-tested and distributed. The survey followed a structured design and was administrated to all respondents in identical manner through the “Qualtrics” platform (Appendix D – Questionnaire). The questionnaire had two parts: a part to investigate luxury and counterfeit consumption practices, including consumers’ demographics; in the second part, the survey explored questions about consumers’ risk perceptions. Essay I will discuss this topic and the results in detail, while we will first concentrate on the first part, which is relevant to the pilot study.

English was deliberately chosen for this study as it is probably the most widely-used language in the UAE (The National, 2015) and is considered the primary communication language, that even questions the position of Arabic as a first national language (Al-Issa, 2017). In all Emirati schools, students are learning English, and the majority of interactions between

locals and expatriates is in English. To make sure that the questionnaire is easy to understand, it used a simple language and was pre-tested on five Emirati nationals. A snowball recruitment (Browne, 2005) procedure was chosen. It started with Emirati employees and students of a university in the UAE, who passed on the survey link to their Emirati friends and relatives.

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 two years. Then they reported their consumption of fake luxury products using the same categories. Finally, the authors collected respondents' gender, age, combined monthly household income, and monthly shopping expenses.

100 Emiratis have completed the survey, and 86 responses were considered for the analysis, after filtering out 7 responses that did not report the consumption of luxury in the past 2 years and 7 responses that did not give the variance in the answers. To assist the representativeness of the samples to the target population, the analysis of the demographic data that was obtained from the samples was analyzed. Looking at the distribution according to age, household income and gender we can report the average age of 27 years. The sample might appear young, but the age profile of the respondents reflects the demographic profile of Emiratis, with 39% of the population being under the age of 15 (Statistic Centre Abu Dhabi, 2015). The average household income reported by respondents was USD 14.500 reflecting the data from national statistics issued by the Government of Dubai in 2014. 82% % of the sample were women, as Emirati men were reluctant to answer questions about their luxury goods consumption.

Preliminary analyses show that 38.4% of our respondents buy luxury counterfeits, and two-thirds of these counterfeit luxury consumers also buy genuine products A logistic

regression was then conducted to explain counterfeit consumption by respondents' age, gender, combined monthly household income, and monthly shopping expenditure.

The logistic regression proved to be significant ($\chi^2=14.66$, $p<.05$; Cox-Snell $R^2=.157$). Beyond, and as expected from the literature, those respondents who display the biggest combined monthly household income and biggest monthly shopping expenditure consume fewer counterfeits (respectively, $\beta=-.399$, Wald's $\chi^2=7.273$, $p<.05$ and $\beta=-.370$, Wald's $\chi^2=2.826$, $p<.10$), noting that these two variables are totally independent ($\rho=0.30$, ns). Besides, and surprisingly, those who acknowledge to consume counterfeits are older than the non-consumers ($\beta=.061$, Wald's $\chi^2=3.503$, $p<.10$). Finally, men and women do not seem to differ regarding their counterfeiting consumption ($\beta=-.352$, Wald's $\chi^2=.310$, ns)¹⁷.

The results of the pilot study demonstrate that despite favorable financial situation, Emirati nationals do consume counterfeits. This resembles a paradox, as one would not expect this type of consumer to purchase fakes. Explaining this paradox will be the main research question of this thesis. Additionally, we will look into the surprising positive correlation between age and counterfeit consumption practices. The next section will examine the existing literature to explore the question of consumer's responses to counterfeits.

4 LITERATURE REVIEW

This chapter is structured as follows. To ensure the depth and width of the domain, limitations were applied to prevent gliding into other domains. While encompassing a wide range of topics, the main research agenda will focus on the consumers' behavior, attitudes and consumers' motivation to purchase counterfeits. Of note, this chapter does not address the parts

¹⁷ For further clarification on the distinction between buyers and those who mix original and counterfeits, see Appendix B – Pilot Study.

of the literature that are specific to each essay, as they will be discussed later in each respective section.

4.1 Counterfeiting history

Counterfeiting is as old as our civilization, and sometimes it is even called the “second oldest profession”. Indeed, it has a long history and dates back to 27 BC when French wine merchants sold cheap wine as expensive Roman imports (Phillips, 2005). Pliny the Elder (23-79 AD), the Roman philosopher and military commander mentions in his records how counterfeit coins were desirable as collectors’ items in the Roman society (Chaudhry and Zimmerman, 2013). Even older incidents of counterfeiting are documented in Egypt and Babylon where priests used inscriptions of earlier civilizations on monuments to increase proceeds (Hopkins, Kontnik et Turnage, 2003).

In the 1800s, the American fashion elite who was not able to make trips to Europe, would use the tailor and later specialty stores to copy Parisian fashion designs. Some designers responded to this trend by selling their patterns officially to the department stores; others decided to bring lawsuits against the copyists. In 1923, several Parisian designers created an anti-copying society “Association La Défense Les Artes Plastique et Appliqués” with the mission to lobby and promote international copyrights laws (Sterlacci and Arbuckle, 2017).

Today, understanding and measuring the impact of counterfeiting as well as estimating the market size represents one of the biggest challenges, mainly due to a lack of reliable statistics (OECD, 2007). The figures are high, and it is a significant challenge to substantially comprehend it, but the available statistics still reflect the importance of the subject. Many academics have investigated the phenomenon, but the research on counterfeiting still did not establish itself as an autonomous field even though the first academic publications on counterfeiting dates back to 1970s (Staake and Fleisch, 2008). The first examinations of piracy

and counterfeits exploiting marketing approach were published by Kaikati and La Garce (1980), Grossman and Shapiro (1988b) have initiated the rise in research on counterfeiting. The focus of the research was concentrating mostly on the supply side (e.g., Chaudhry and Walsh, 1996; D'Amato and Papadimitriou, 2013; Hansen and Møller, 2017) with the emphasis on control of the goods or their entry to the distribution channels.

However, the anti-counterfeiting laws and managerial attempts have not produced the desired results and failed to solve the problem. In the 1990s, the researchers started paying attention to the demand side (Albers-Miller, 1999; Bloch et al., 1993; Chakraborty et al., 1996), but it is still a long journey to reach comprehensive understanding of consumers' behavior (Bian and Moutinho, 2011). Under these premises, this thesis is attempting to provide a comprehensive analysis of the demand side of counterfeiting.

4.2 Counterfeit consumption

The thrive of the counterfeit market is due to the massive demand for such goods (Bamossy and Scammon, 1985). Consequently, the consumer plays the key role in this trade (Xiao and Nicholson, 2010) and counterfeiters will continuously search for new ways to satisfy the consumer (Penz et al., 2009)

Many purchasing decisions are guided by the idea that possessions convey status, and since Veblen (1899), the “happy few” have drawn the attention of the researchers. Apart from the functional utility, goods that bring status and prestige through possession are considered luxury goods (Grossman and Shapiro, 1988b). A brand or a trademark and the image associated with it are often used to impress the observer and, according to Dubois and Duquesne (1993), are commonly more valued by the consumers than the item itself. To fulfill such symbolic meaning, some consumers turn to counterfeits. Regardless if the consumers are buying the counterfeits as a trial version to then later purchase the original (Cheung and Prendergast,

2006b; Sharma and Chan, 2011; Wee et al., 1995) or not, the adverse effects on the real brand still outweigh the positive (Eisend and Schuchert-Güler, 2006).

While supply and demand sides of counterfeiting are equally important and fascinating, in this literature review, we concentrate on the demand side, as the supply-side is less relevant to the topic under investigation. We then attempt to identify the factors that influence individuals' engagement in counterfeit consumption. A deeper insight in the drivers of such consumption could help marketers and policy makers to address the mechanisms and stages the consumers go through when dealing with counterfeits and curtail such activities by addressing specific factors of consumer behavior.

4.3 Determinants of counterfeit consumption

The role of the consumers in the counterfeit trade is very diverse; from being a victim of deception to knowingly choosing the counterfeit good. From picking just a small souvenir on holiday to being a participant or even an organizer for a “purse party”. Since counterfeiting represents a threat to its stakeholders (Kapferer and Michaut, 2014; Wilcox et al., 2009; Wilke and Zaichkowsky, 1999), several researchers have focused on the underlying factors that influence demand for counterfeit products or on the factors that deter the consumers from engaging in such behavior. Following sections will provide a detailed insight into the determinants influencing the consumers' responses to counterfeits.

Attitudes toward the counterfeits

Earlier research has identified that attitudes toward counterfeiting has an important impact on consumers' purchase intentions and consequently purchase behavior. For instance, Wee et al. (1995) have found that the consumers holding unfavorable attitudes toward counterfeit products are less likely to buy a counterfeit. When investigating persons' beliefs

and feelings toward market practices, i.e. toward the operation of business institutions, they suggested that attitudes had no effect on the intention to buy counterfeits. When studying attitudes, Ang et al. (2001) demonstrate the attitude toward piracy is a valuable predictor of purchase of pirate CDs. Penz and Stöttinger (2005) have analyzed the attitudes toward counterfeiting and counterfeiters among 1040 Austrian respondents and found out that the consumers who tend to defend counterfeits are more likely to purchase them. Similar, Phau and Teah (2009) have identified that consumers are also more prone to buy counterfeits when they hold positive attitudes toward counterfeits.

To investigate the variables that influence the attitude toward counterfeiting, we build on Eisend and Schuchert-Güler's (2006) framework. According to the authors, variables can be divided into following categories: 1/ person (demographic and psychographic variables), 2/ product (price, product attributes and scarcity), 3/ purchase situation and mood, and 4/ social and cultural context.

Person (demographic and psychographic variables)

Questions regarding personal characteristics have been explored extensively (Eisend and Schuchert-Güler, 2006; Staake et al., 2009; Yoo and Lee, 2009). The outcomes of the research on how and to what extent these characteristics influence consumers' responses are often ambiguous (Eisend and Schuchert-Güler, 2006; Veloutsou and Bian, 2008; Wee et al., 1995).

Demographic variables

Most research state that consumers' age has a negative impact on consumers responses to counterfeits (e.g., Michaelidou and Christodoulides, 2011; Phau, Prendergast and Hing Chuen, 2001; Tom et al., 1998), others declare that it has no impact on counterfeit consumption (Bloch et al., 1993; Wee et al., 1995). Taking the gender of counterfeit prone consumers under

investigation, some research have demonstrated that male consumers are purchasing more counterfeits than female (Ang et al., 2001; Bian and Veloutsou, 2007; Kwong et al., 2003; Rutter and Bryce, 2008; Tan, 2002). Others, for example, Moores and Chang (2006) or Bian and Moutinho, (2009), reported no gender differences in counterfeit consumption. Concerning income and education levels, the low levels of household income and education tend to have a positive effect on purchase intentions of counterfeits (Tom et al., 1998; Wee et al., 1995). Bian and Veloutsou (2007) have performed a cross-country analysis and found that gender and age difference had an impact on counterfeit purchases in the UK but were not significant for consumers in China. Besides, some research demonstrate that blue-collared young individuals with no children were the low-spenders on counterfeit products, while high spenders on counterfeits are older, have children and engage in white-collar work (Prendergast et al., 2002).

Psychographic variables

Psychographics is a collective term that refers to consumers' motives and reasons, expectations that are gained from experience regarding a product or service, lifestyle, individuals' personal attributes and profile (Demby, 1989, p. 56). They reflect the dimensions of personal differences through consistent patterns of feelings, thoughts and behaviors. Some of these drivers can embolden counterfeit consumption (e.g., materialism, status-seeking, novelty -seeking), others can deter it (e.g., risk aversion, integrity).

Fashion seeking

Fashion seeking or fashion consciousness refers to a degree of a persons' involvement with fashion in clothing and to be viewed as fashion conscious, a person does not have to be an opinion leader or innovator, but rather to be interested in trends and appearance. Consequently, the purchase intention for fashion counterfeits is affected by such people's

appearance, quality and image when compared to genuine items (Wee et al., 1995). Gentry et al. (2006) have demonstrated that consumers regard counterfeits as a cheaper way to follow fashion. Fashion consciousness has a significant influence on the purchase intentions of counterfeits (e.g. Eisend et al., 2017; Fernandes, 2013; Marcketti and Shelley, 2009; Tatić and Činjarević, 2012).

Materialism

Materialism is “a set of centrally held beliefs about the importance of possessions in one's life” (Richins and Dawson, 1992, p. 308) It is also seen as a chosen pattern for individuals ‘consumption (Belk, 1988; Richins and Dawson, 1992). Since consumers acquire a counterfeit product that is identical in appearance to the genuine brand article but without paying a premium price, it allows them to feel a satisfaction similar to that of the original. Hence, the demand for counterfeits is driven by the same values (Trinh and Phau, 2012) and increases the desire for counterfeits (Furnham and Valgeirsson, 2007; Kozar and Marcketti, 2011; Swami, et al., 2009; Yoo and Lee, 2009, 2012)

Innovativeness

Innovativeness or novelty seeking refers to the curiosity of people to seek variety and difference (Wang, Zhang, Zang and Ouyang, 2005). Consumer perceived variety is connected to luxury characteristics such as rarity and exclusivity (Vigneron and Johnson, 2004), as such the mass market counterfeits that are out of season are not very appealing to a variety seeking consumer (Hennigs et al., 2015). On the other hand, the original brands provide an only limited number of designs each season, whereby counterfeits are available in variety, and can satisfy the novelty and variety seeking consumer (Abid and Abbasi, 2014). Besides, the consumers who are inclined to novelty seeking tend more to purchase counterfeit, when the low cost can satisfy their desire to try something new (Wee et al., 1995). While some research (Phau, Sequeira and Dix, 2009; Wee et al., 1995) have not reported an effect of novelty seeking on

purchase intention of counterfeits, other studies found significant positive relationship (Liao and Hsieh, 2013), primarily due to the rarity of the originals and wide availability of counterfeits (Thaichon and Quach, 2016).

Integrity

Although purchase and consumption of counterfeits is not a criminal act in most countries, consumers still support the illegal activity and still violate generally accepted norms with regards to intellectual property and integrity (Fullerton and Punj, 1993). Morality refers to certain ethical beliefs about counterfeiting in general and covers different aspects of ethical concerns, beliefs, moral attitude, obligation and judgment (Eisend, 2016). Previous research suggests that consumers' ethics influences counterfeit consumption (Michaelidou and Christodoulides, 2011). Consumers who characterize themselves as being more ethical and demonstrate higher levels of lawfulness are less willing to buy counterfeits (Cordell et al., 1996; De Matos et al., 2007; Liao and Hsieh, 2013).

Self-concept (self-construal, self-view, self-esteem)

In order to maintain a positive self-image, consumers are inclined toward positively valued products and will prefer image congruent items to support "self-consistency" and "self-esteem" (Sirgy, 1982). It was found that the individuals' product evaluations for both, genuine and counterfeit products were more favorable, the greater the degree of congruence between brand image and self-image was (Peng, Wong and Wan, 2012). Furthermore, self-construal has a moderating effect on moral judgment, so that while evaluating the rightfulness or wrongfulness of counterfeit purchases, the consumers have more feeling of pride than shame, when evaluating counterfeits. Besides, the image transfer from original to counterfeit, can help the consumer to enhance the image without paying for it (Stöttinger and Penz, 2015).

Susceptibility

There are two forms of susceptibility: informative and normative (Bearden, Netemeyer and Teel, 1989). Informative susceptibility refers to purchase decisions based on expert opinions of others (Ang et al., 2001; Wang et al., 2005), while normative susceptibility refers to expectations of what could impress others (Ang et al., 2001; Penz and Stöttinger, 2005; Wang et al., 2005). Normative susceptibility influences consumers' purchase decision for counterfeit goods when consumers have a desire to impress others, but due to high prices of the originals, have to turn to counterfeits (Phau et al., 2009). Susceptibility can be linked to status seeking.

Status seeking

Status seeking refers to the consumer's general care for and engagement in status consumption, status seeking, and face consciousness (Eisend et al., 2017). Consumers who buy products in order to increase their status in society (Goldsmith and Clark, 2012) buy counterfeits that can provide them with desirable identity signals (Eisend et al., 2017). Consequently, such consumers often opt for counterfeits over legitimate brands, predominantly because of its economic value (Geiger-Oneto, Gelb, Walker and Hess, 2013).

Smart-shopping

Some consumers regard themselves as smart, since counterfeit are much more superior in price when compared to the original, but are comparable in performance and sometimes in quality (Penz and Stöttinger, 2012).

Product (price, product attributes and scarcity)

Price

Product variables are the major dominant factors influencing consumers purchase intention toward counterfeit goods. The majority of the studies name price as the primary

decision factor influencing consumption. People purchase counterfeits for their obvious price advantage (Ang et al., 2001; Bian et al., 2016; Sharma and Chan, 2011; Tom et al., 1998) and with the desire to optimize the financial resources (Perez et al., 2010). Nonetheless, recent research has demonstrated that consumers without any financial constraints can also be counterfeit prone. (Perez et al., 2010; Kapferer and Michaut, 2014). Hence, consumption goes far beyond the financial motives (Jiang and Cova, 2012), and consequently, personal and social factors play a critical role in counterfeit luxury products consumption.

Product attributes

When it comes to consumers, they mainly prefer to purchase branded products such as handbags, watches, shoes or clothes (Chaudhuri, 1998). Wee et al., (1995) identify main aspects such as image, design and perceived quality of the product which are especially relevant when consumers make a comparison between the physical appearance of the original item and the counterfeit one (Cordell et al., 1996). Although, due to increased quality it is difficult for consumers and others to make a clear differentiation between the original and the fake (Chiu and Leng, 2016; Field, Bergiel, Bergiel and Balsmeier, 2008; Lee and Yoo, 2009), when the similarity is high, consumers even experience mixed emotions and opt for counterfeit, as it is sometimes superior in price than the original (Zampetakis, 2014). When the counterfeit product is perceived higher in value (Field et al., 2008), quality, appearance or its durability than the original, consumers will prefer the counterfeit over the legitimate version (Lai and Zaichkowsky, 1999; Penz and Stöttinger, 2008; Tom et al., 1998).

Scarcity

With regards to the scarcity of the original product, higher valuation of the desired product is evoked due to the scarcity perception (Eisend and Schuchert-Güler, 2006) and it seems to influence the value perception of both the original brand and its counterfeit alike. An explanation of this effect could be the consumers' desire for uniqueness. Furthermore, Ahuvia

and colleagues (2013) postulate that the increasing quality of the counterfeits and their presence may reduce the perceived scarcity of originals. Consequently, the effect of the scarcity of the original product, that might help the brand to preserve its exclusivity appears to be a double-sided sword.

The willingness to buy counterfeits is linked to one's personal experience with the genuine product, this willingness increases when consumers can evaluate the quality of the counterfeit before purchase. In situations where the evaluation of the product itself cannot be performed during the purchase situation, such as with experience products (ex. cosmetics), consumers are more resistant to purchases (Bian et al., 2016). Furthermore, the willingness to buy counterfeits increases with the readiness of the individuals to take a risk, in situations where the consumers are less concerned about possible embarrassment or other associated risks, they tend to buy more counterfeits (Ahuvia et al., 2013).

Culture

Previous research also insists on the influence of the cultural context on consumers' behavior regarding counterfeiting (Veloutsou and Bian, 2008; Eisend and Schuchert-Güler, 2006; Santos and Ribeiro, 2006; Ronkainen and Guerrero-Cusumano, 2001).

Culture is a multidimensional issue and is defined as “the collective programming of the mind distinguishing the members of one group or category of people from others” (Hofstede, 2018). From the study in IBM, Hofstede derived four different cultural dimensions and later expanded them to six dimensions: power distance, individualism, masculinity, uncertainty avoidance, Confucian dynamism, and indulgence. As part of a nation's identity, these cultural values are supposed to resist the change and remain stable over decades.

It is crucial to understand how culture influences such a global phenomenon as counterfeiting (Eisend, 2016; Penz et al., 2009; Veloutsou and Bian, 2008). In particular, collectivist countries (Santos and Ribeiro, 2006) and countries displaying higher power

distance (Ronkainen and Guerrero-Cusumano, 2001) exhibit higher levels of piracy and are likely to be more counterfeit prone as luxury counterfeits may be consumed to signal status.

The first four dimensions have been shown to explain counterfeit consumption at a national level (Ronkainen and Guerrero-Cusumano, 2001; Freitas Santos and Cadima Ribeiro, 2006). Countries displaying high power distance tolerate better conspicuous consumption (Perez et al., 2010; Ronkainen and Cusumano, 2001). Also, countries valuing individualism are supposed to be less counterfeit prone (Yang, Sonmez, Bosworth and Fryxell, 2009). People in countries scoring high on uncertainty avoidance try to avoid ambiguous situations such as counterfeit consumption (Santos and Ribeiro, 2006). Finally, countries that value masculinity, the importance of material success would lead to a greater willingness to purchase counterfeits, but none of the aforementioned studies could show it.

Going further, even in the same country, attitudes toward counterfeit consumption may vary depending on specific sub-populations or generations, especially when the country had undergone quick and critical socio-economic change at some point in its history.

Purchase situation and mood

In contrast to prior research, where purchase situations under investigation were comparable, Eisend and Schuchert-Güler (2006) have performed further investigations of situational context and have discovered the dissimilarities in purchase situation in the home country where the counterfeits are not widely spread vs. being on holiday. Opportunity and the availability of counterfeits must be extant, otherwise, it is difficult to perform the purchase, regardless of how positive the intentions are.

Hence, buying counterfeits when on holiday fulfills surplus purposes such as “souvenirs” or “spending the last bit of money”. Rutter and Bryce (2008) have also investigated social environments and holiday situations providing the evidence that being in a holiday mood,

consumers are more inclined to engage in counterfeit consumption. Since the consumers' preferences for counterfeits can shift depending on different requirements, also depending on the usage situation (Xiao and Nicholson, 2010), situational effects should not be ignored, as this ignorance might lead to unreliable results (Belk, 1975). Table 4 provides a summary of the determinants of counterfeit consumption.

Table 4: *Determinants of consumers' responses to counterfeit products*

(Descriptions and relationships of demographic and psychographic variables are adapted from Eisend et al., 2017)

Variable	Definition (and related variables/common aliases)	Relationship with consumer responses toward counterfeit products	Example studies
<i>Demographics</i>	<i>Observable measurements of consumers' characteristics</i>		
Age	Age of consumer	negative	Cheung and Prendergast, 2006a; Michaelidou and Christodoulides, 2011; Hamelin, Nwankwo and El Hadouchi, 2013
Gender	Gender of the consumer (male)	positive; negative for fashion items	Ang et al., 2001; Bian and Veloutsou, 2007; Moores and Chang, 2006, Hamelin, Nwankwo and El Hadouchi 2013; Bakhshian and Lee, 2018
Education	Education and educational attainment of the consumer	negative	Sharma and Chan, 2011; Tom et al., 1998; Wee et al., 1995; Jirotmontree, 2013
Income	Income or economic situation of the consumer or consumer's household	negative	Nia and Zaichkowsky, 2000; Yoo and Lee, 2004; Wee et al., 1995
Employment status	Occupation or employment status of consumer: measures the degree of professionalism of the consumer's occupation.	negative	Makinggung and Saerang 2014; Jirotmontree, 2013; Phau et al., 2001; Prendergast et al., 2002
Family	Family situation of consumer: measures whether the consumer is married and/or has a family versus being single and without a family	not determined	Prendergast et al., 2002; Furnham and Valgeirsson 2007; Hamelin, Nwankwo and El Hadouchi, 2013

Variable	Definition (and related variables/common aliases)	Relationship with consumer responses toward counterfeit products	Example studies
<i>Psychographics</i>	<i>Motives and reasons, expectations that are gained from experience in regard to a product or service, lifestyle, individuals' personal attributes and profile</i>		
Fashion seeking	The consumer's care for appearance, interest and involvement in fashion, and consciousness of fashion and appearance	positive	Fernandes, 2013; Marcketti and Shelley, 2009; Wee et al., 1995
Materialism	The consumer's value orientation, reflecting the importance he or she places on the acquisition and possession of material objects	positive	Furnham and Valgeirsson, 2007; Kozar and Marcketti, 2011; Swami et al., 2009; Yoo and Lee, 2012a, 2009
Integrity	The consumer's honesty, politeness, level of ethical and religious concerns, and obedience to the law	negative	Cordell et al., 1996; De Matos et al., 2007; Michaelidou and Christodoulides, 2011; Liao and Hsieh, 2013
Self-concept	The consumer's positive perception of him- or herself and independence from others (self-construal, self-esteem, self-image)	not determined	Peng, Wong and Wan, 2012; Penz and Stöttinger, 2005
Innovativeness	The consumer's general willingness to acquire and adopt new and unfamiliar things (innovativeness, novelty seeking, risk-taking identity)	not determined	Wee et al., 1995; Abid and Abbasi, 2014; Randhawa, Calantone and Voorhees, 2015
Susceptibility	The consumer's relative influenceability by others and/or marketing measures	positive	Hidayat and Diwasari, 2013; Nordin, 2009
Status seeking	The consumer's general care for and engagement in status consumption, status seeking, and face consciousness	positive	Phau and Teah, 2009; Geiger-Oneto, Gelb, Walker and Hess, 2013
Smart shopping	The consumer's general consciousness for product value and value-for-price	positive	Francis, Burgess and Lu, 2015; Huang, Lee and Ho, 2004

Variable	Definition (and related variables/common aliases)	Relationship with consumer responses toward counterfeit products	Example studies
<i>Product</i>			
Price advantage	The monetary advantage of counterfeit when compared with original goods	positive	Cordell et al. 1996; Wee, et al., 1995
Product attributes	The image and the visual attributes and fashion component that also the originals convey	positive	Chiu and Leng, 2016; Field, Bergiel, Bergiel and Balsmeier, 2008
Scarcity	Scarcity of the original product	positive	Ahuvia, Gistri, Romani and Pace, 2013; Eisend and Schuchert-Güler, 2006
<i>Culture</i>	the collective programming of the mind distinguishing the members of one group or category of people from others	not determined	Santos and Ribeiro, 2006; Veloutsou and Bian, 2008
Risk aversion	The consumer's general tendency to avoid risks and to be conservative	negative	De Matos, Ituassu and Rossi, 2007; Veloutsou and Bian, 2008

4.4 Enriching the framework

In the previous section we have seen the determinants of purchase decisions of counterfeit products. Further, the research stress that the attitudes toward counterfeit products are influenced by dimensions of risks (Ha and Lennon, 2006) and perceived benefits (Trinh, 2015; Wilcox et al., 2009). This section will provide a closer look into the dimensions of perceived risks and benefits (motivation).

Perceived risks

Perceived risk appears to be one of the key constructs in an attempt to study consumers' behavior. One of the first scholars to view a consumers' behavior as a risk-taking activity was Bauer (1960) who introduced the concept of perceived risk in marketing and stated that actions of the consumers lead to unanticipated consequences and some of which might be unpleasant. Consumer researchers mostly define risk "in terms of the consumer's perceptions of the uncertainty and adverse consequences of buying a product (or service)" (Dowling and Staelin, p. 119). Separating the objective risk from the subjective, perceived risk, consumers have different perspectives of the risk when purchasing a product. Since the purchase is a risk-taking act, consumers try to reduce this risk but doing so, they can only influence risk and not the real world (Bauer, 1960). Consumers don't interact with objective risk but use strategies to ensure that they made the right decision with their purchase. To protect themselves from the consequences of a poor purchase they might utilize the strategies of risk reduction such as brand loyalty, advertising or turning to opinion leaders. Consumers will always face new purchases that they have never had before, and this makes the accurate risk assessment almost impossible, as they only have limited amount of trials and a semi-reliable memory (Mitchell, 1999). Some scholars (e.g., Stone and Winter, 1985) even argue, that with the exception of physical risk, objective risk does not exist at all.

Previous research has identified two categories of risk, “inherent” and “handled” (Bettman, 1973; Dowling and Staelin, 1994). Inherent risk is the risk that is inherent in a product class, while handled risk is the amount of risk that product class or a brand within a product class arouses in the consumer.

Furthermore, researchers agree on two dimensions of the risk construct: the probability of negative consequences and the importance of these consequences (Cox, 1967; Cunningham, 1967). Cox (1967) posited that a certain degree of perceived risk is present in any behavior. When making a purchase decision, consumers are facing different types of risk, which were first identified by Cunningham (1967): financial loss, social consequences, physical danger, loss of time and performance. Jacoby and Kaplan (1972) have extended these components to five types of a risk adding the psychological risk and insist that the overall perceived risk is predictable from the combination of these types of risks.

From the consumers’ perspective, the perceived risk involves possible negative consequences that may be connected to the product or the purchase of the product; this applies to counterfeit products due to their illegal nature, distribution channels and product quality. De Matos et al. (2007) and Veloutsou and Bian (2008) have proposed that the attitudes toward counterfeit products are dependent on the overall perceived risk. This overall perceived risk has multiple facets and has a negative effect on purchase intention of counterfeit goods. Table 5 provides an overview of these risk dimensions.

Table 5: *Perceived risk dimensions*

Dimension	Definition	Reference in counterfeit consumption context	
		Reduces the purchase intent	Effect is insufficient to reduce the intent
<i>Overall risk</i>		De Matos et al., 2007; Ha and Lennon, 2006; Veloutsou and Bian, 2008	Wee et al., 1995
<i>Financial risk</i>	Monetary loss in case the product does not perform	Leisen and Nill, 2001; Michaelidou and Christodoulides, 2011; Tan, 2002; Veloutsou and Bian, 2008	Bian and Moutinho, 2009, 2011; Leisen and Nill, 2001
<i>Performance risk</i>	Risk, if product fails to perform as expected	Leisen and Nill, 2001; Michaelidou and Christodoulides, 2011; Riquelme, Mahdi Sayed Abbas and Rios, 2012; Veloutsou and Bian, 2008; Viot et al., 2014	Ha and Lennon, 2006; Phau et al., 2009
<i>Physical risk</i>	Fear of harm to health and safety	Viot et al., 2014	Ha and Lennon, 2006
<i>Psychological risk</i>	Fear not to fit the product with the self-concept	Veloutsou and Bian, 2008; Viot et al., 2014	
<i>Social risk</i>	Fear of shame or loss of face and negative reactions from the society	Bian and Moutinho, 2009, 2011; Penz and Stöttinger, 2005; Tan, 2002; Vida, 2007; Viot et al., 2014	Leisen and Nill, 2001
<i>Time risk</i>	Fear of wasting time on purchase		Veloutsou and Bian, 2008
<i>Legal risk</i>	Fear of legal consequences	Tan, 2002	Leisen and Nill, 2001
<i>Macro</i>	Economic and social consequences of counterfeits		Viot et al., 2014

Some studies have shown, that perceived risk was the most influential factor in predicting consumer attitude and intention to purchase counterfeit goods (De Matos et al., 2007; Koklic, 2011). There are different determinants of the risk perception, such as psychographic variable (e.g., integrity, variety-seeking, risk aversion in general) (Hennigs et al., 2015). Performance, financial and physical risks are associated directly with the product, specifically with its poor performance. Psychological and social risks (sometimes referred to as one “psychosocial risk” dimension, Jacoby and Kaplan, 1972) are also affected by product dimension. In cases, for instance, where the reference group does not approve the usage of fakes, the person might experience feelings of shame. Moreover, the risk perception is dependent on the purchase situation and conditions associated with this situation (Dowling and Staelin, 1994). Street vendors and other unauthorized retailers are often viewed as risky (Ha and Lennon, 2006). On the other hand, financial risk, for instance, was found low in situations and at locations where consumers were particularly receptive to counterfeits, for instance, when fake buying happens on holiday (Penz and Stöttinger, 2005). Veloutsou and Bian (2008) and Hennigs et al. (2015) had also demonstrated cultural differences when comparing Western and Asian consumers in their risk perception, demonstrating that culture also influences the risk dimensions and the overall risks. Overall, the perceived risk is regarded as an essential influencer of attitudes toward counterfeit purchases (Mai and Niemand, 2012). While the risk might hinder the purchase intent, the benefits provide an incentive to make a purchase.

Perceived motivations

Consumers don't just buy products, they buy benefits (Patel and Sharma, 2009), and those who opt for counterfeits are motivated to receive specific benefits (Trinh, 2015). The following section will examine the different types of consumer motivation to purchase such products. Motivation signifies “those psychological process that cause the arousal, direction,

and persistence of voluntary actions that are goal oriented (Mitchell, 1982). In general, a motivated person is “moved to do something” (Ryan and Deci, 2000).

Self-determination theory describes the roles of intrinsic and extrinsic motivation, the development and function of personality in the social environment and stresses on the fact that humans have a natural tendency toward psychological growth and development (Moller, Ryan and Deci, 2006). Intrinsic motivation constructs stem from this self-determination theory of motivation. Intrinsic motivation relates to the need for self - determination, need for competence, interest, excitement and flow. People experience interest and enjoyment, feel competent, inherent satisfaction and perceive the locus of causality to be internal when they are intrinsically motivated (Deci and Richard, 1985, p. 32). In case of extrinsic motivation, Deci and Ryan (2000) propose four types of behavior regulations: external (controlled), introjected (avoidance of guilt and shame), identified (personally endorsed) and integrated regulation (consistent with values, goals and needs which are part of the self). When people are extrinsically motivated, they focus on how they are perceived by others and strive for praise and rewards (Truong and McColl, 2011)

There are two fundamental challenges in studying motivation for the consumers: understanding the interrelation between various conditioning variables and behavior and the creation of the list of consumer motives that would be comprehensive enough to capture all the forces that shape a behavior (Foxall, 2014). In the context of consumers, motivations are a function with many variables (Taubner, 1972).

All products provide benefits to consumers (Gutman, 1982) and counterfeits are not the exception. The advantages, consumers enjoy from consuming the goods, services or brands are referred to as benefits (Gutman, 1982). However, what are the benefits that consumers draw from consuming counterfeits? In counterfeiting research, motivation has been the object of considerable investigation (Gentry et al., 2001; Perez et al., 2010; Wilke and Zaichkowsky,

1999). To draw a clear picture on the motivation for counterfeit product purchases, one should first look at the motivations of consumers for buying genuine luxury goods. Because if there were no demand for original luxury goods, counterfeits would also not be desired. Consumers purchase genuine luxury goods for their tangible and intangible attributes, especially the luxury products that can bring a certain image to the consumer of the product, its quality and exclusivity (Hieke, 2010). Luxury products can enhance self-esteem and fulfill hedonic aspirations (Vigneron and Johnson, 1999), they can serve interpersonal goals through signaling status and ensure social acceptance (Arghavan et al., 2000; Dubois, Laurent and Czellar, 2001).

Nonetheless, motivations for genuine and counterfeit goods do significantly differ (Penz and Stöttinger, 2012). While the personal (e.g., hedonism, image, self-esteem) and interpersonal (e.g., signaling status, social acceptance) motivations might be the same, as counterfeit convey the same brand image, counterfeits still have an enormous advantage, that of the price (Bloch et al., 1993). This factor is considered to be the prime motivation to purchase counterfeits. Indeed, some consumers perceive that the benefits drawn from this price advantage of counterfeits can compensate for shortcomings in quality and function (Ang et al., 2001; Cordell et al., 1996). Besides, the price advantage of counterfeits can bring a benefit of maximizing a transaction utility, since this transaction occurs when a consumer acquires a product at purchase price less than his or her reference price (the original items) consumers strive to feel the intrinsic pleasure (hedonism) with the financial terms of the purchase transaction or and feel savvier and more satisfied (Sharma et al., 2011). Perez et al. (2010) have identified that especially older consumers would prefer counterfeits when originals are perceived as too trendy and consequently represent a poor investment.

Since consumers use the counterfeits in public, they favor status goods, and are also motivated to generate social recognition (Trinh and Phau, 2012) by projecting the social image that luxury brands convey (Perez et al., 2010).

This extrinsic motive of “impression management” (Goffman, 1959) or “superficial social adjustment” (Kapferer and Michaut, 2014) requires from the consumer to play their role convincingly in front of the valued audience (Perez et al., 2010) and demonstrate their ability to pay and their belonging to a certain social group.

The motivation to conquer social standing is very conventional, and the desire for status is one of the fundamental motives (Amaral and Loken, 2016; Fragale, Overbeck and Neale, 2011). Especially in the case of younger consumers, the peer pressure is too high, the desire to belong and be accepted by the reference group, the expectation to understand the brands and their trends is too fort. Social group can influence the consumer behavior in regard to counterfeits in both ways, positive and negative. For example, Ang et al. (2001) found the social norm being a deterrent factor for non- buyers of counterfeits, while consumers of fake goods would be less normative. On the other hand, the acceptance of counterfeits in the group leads to personal acceptance of counterfeits (Phau and Teah, 2009; Tang et al. 2014). Moreover, the thrill associated with the counterfeit hunt and the excitement shared with the friend during this process composes another motivation of belonging to a “secret society” (Bian et al., 2016). Some consumers view counterfeiting as an experience and “fun” as much as the originals (Nia and Zaichkowsky, 2000). Moreover, in the context of consumption, another practice that may be included as a motivation, is the situation when the consumers know that they have paid only a fraction of the price of the original and they are motivated to pretend that the item they own is an original (Perez et al., 2010). To successfully fool others requires knowledge which the consumers are eager to apply in order to pick the right counterfeit, avoid uncertainty and ease the decision-making process, and a result can function as an additional motivation (Bian et al., 2016).

Another important component in counterfeit buying process is the variety seeking which incorporates the desire to seek novelty and variety (Phau and Teah, 2009). Wee et al. (1995)

found this type of behavior more characteristic for less expensive products. Hennings et al., (2015) contend that counterfeit products that can be out of season in a short period of time are not suitable for high variety-seeking consumers. Although comparing Korean and German consumers, they have found out that Germans have a bigger preference for variety and are motivated to try new things. Often the counterfeit consumer desires to be in vogue and demonstrate the latest trends and this extrinsic motivation of being in possession of “must-have” item (Bian et al., 2016) can be easily satisfied by counterfeits that can also bring a subordinate motivation of economic gain with them.

Regarding scarcity of original product, the higher valuation of the desired product due to evoked product scarcity perception, when examined by Eisend and Schuchert-Güler (2006) seems to influence value perception of the original brand and its counterfeit alike. An explanation for this effect could be a consumers’ desire for uniqueness.

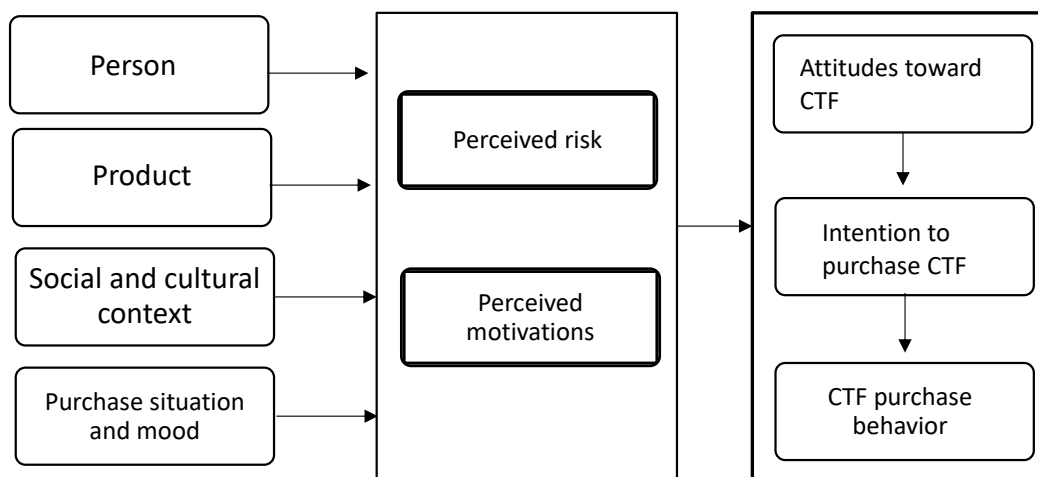
Some research even argues that consumers might use counterfeit to learn how to use the original (Eisend and Schuchert-Güler, 2006), so they would buy a “trial version” (Sharma and Chan, 2011, 2016) and in case this trial is successful, they might opt for original version (Gosline, 2009, 2010).

Many researchers have tried to identify the motivations driving counterfeit consumption (e.g., Bian et al., 2016; De Matos et al., 2007; Eisend and Schuchert-Güler, 2006; Kaufmann et al., 2016). However, since only very few researchers have combined internal and external motives for counterfeit purchases (Thaichon and Quach, 2016), in this dissertation we will address this gap and will attempt to capture the motivations for counterfeit consumption of GCC nationals.

4.5 Synthesis

Most of the research mentioned in the previous sections have expanded our knowledge about the drivers of counterfeit consumption by addressing the antecedents of risks and motivations (Bian et al., 2016). Figure 4 demonstrates the categories of these drivers. As demonstrated above, additionally to potential motivations, consumers also experience risk (Ha and Lennon, 2006). Further, the previous research has demonstrated that individuals' motivations to purchase counterfeits and risks they perceive in connection to this type of consumption are linked to their attitudes toward counterfeit purchases (Wilcox et al., 2009). Moreover, when consumers hold positive attitudes to counterfeits, they form favorable intentions to purchase the counterfeits and consequently, a favorable counterfeit purchase behavior (De Matos et al., 2007; Phau and Teah, 2009; Quoquab, 2017).

Figure 4 *Determinants influencing the consumers' responses*



Even though many contributions have been made in regard to the demand side of counterfeiting, the findings are still mixed and not conclusive (Bian et al., 2016; Eisend et al., 2017; Thaichon and Quach, 2016). Against this backdrop, this thesis will try to provide more comprehensive insight into counterfeit consumption practice.

5 STATEMENT OF PURPOSE AND GENERAL RESEARCH QUESTIONS

As demonstrated above, the issue with luxury counterfeiting is not restricted to any geographical area and had reached almost every economy in the world (Ang et al., 2001; Bian, Haque and Smith, 2015; Kaufmann et al., 2016; Penz and Stöttinger, 2005; Wilcox et al., 2009; Xiao and Nicholson, 2010).

The review of the literature has shown many factors that influence consumers' responses to counterfeits. Nonetheless, given the exploratory nature of this dissertation, it has not been possible to study all determinants in detail. For instance, the mood of the consumer is important during the purchase process, this thesis though concentrates on post-purchase responses. However, several gaps that were identified in the literature are of importance to this dissertation.

First, we have to underline the underrepresentation of the studies on counterfeiting in non-Western and non-Asian cultures (Eisend and Schuchert-Güler, 2006; Simmers et al., 2015; Veloutsou and Bian, 2008). However, some researchers (e.g., Kapferer and Michaut, 2014) are expressing very clearly the urgency to study other cultures, as empirical evidence show that consumers from different cultures have different perceptions of counterfeits (Bian and Veloutsou, 2007; Cheung and Prendergast, 2006b; Eisend et al., 2017; Kwong et al., 2003). We do agree with the call for more research and will investigate a culturally different region. If the responses toward genuine luxury differ across countries (Tidwell and Dubois, 1996), we might expect the differences in responses toward counterfeit luxury, because what works in one culture, would not necessarily work in another culture. Consequently, the results of previous studies cannot effectively aid the brand owners or policy makers targeting certain regions and cultures in the worldwide war against counterfeiting (Al-Rafee and Dashti, 2012). As we have seen in Chapter I, the UAE play an active role in counterfeiting phenomenon, as a producer and a transit hub, furthermore, the country witnesses growing consumers' demand for

counterfeiting. Given the fact that there are only three studies exist that examine counterfeit consumption in the whole GCC region, namely Riquelme et al. (2012) in Kuwait, Albarq (2015) in Saudi-Arabia and Fernandes (2013) in the UAE, the current stance calls for a more in depth investigation. The present research aims to provide a clear picture on the understudied region.

Second, as demonstrated in the previous section, consumers expose themselves to various kinds of risks (Bian et al., 2016; Tang et al., 2014). Since UAE nationals are consuming the counterfeit luxury goods, despite those risks, we can assume, that consumers in the UAE do not perceive risks associated with such activities and will examine this point further.

Third, previous research has demonstrated negative correlation between age and counterfeit consumption (Kwong et al., 2003; Swami et al., 2009; Tan, 2002), while we have shown the opposite findings in the pilot study, representing another paradox about counterfeit consumers.

Fourth, the review of literature has shown that the main factor to purchase counterfeit goods is the price advantage of the items compared to legitimate goods. Nonetheless, the results of the pilot study have demonstrated that UAE nationals do purchase counterfeits, even though they possess enough material means to engage in genuine consumption of luxury goods only. This indicates that other factors rather than monetary advantages could motivate them.

In general, we can summarize that this thesis attempts to extend the current stance about the counterfeit consumer to other geographical and cultural setting, the GCC countries, where the relatively recent economic and cultural development have led to the formation of a big market for genuine luxury brands but also for counterfeits. Based on the importance of the problem with counterfeiting and the results of the pilot study, we can formulate the research questions that will guide the development of this research:

Do perceived risks influence the counterfeit consumption in the UAE? And if yes, how do consumers cope with them?

How can the positive correlation between age of Emiratis and counterfeit consumption be explained?

What motivations other than monetary ones influence consumers' counterfeit purchase decisions?

5.1 Introducing the essays

This dissertation adopts the academic “we”, although for this section the pronoun “I” is used to support its narrative nature.

When I first came to the UAE in 2004, the country had just started implementing its ambitious plans, and it seemed as if the whole country was one big construction site. There were only few malls and even fewer with international luxury brands. The center of Dubai was Bur Dubai that is now called “old Dubai”. My friend once told me that she could show me a really good place to shop in this area: Karama Market. On this market one could find everything one could imagine, all the brands which one could wish for. Almost all of the items were fake. Back then, the stores in Karama were just small shops. The prices were low, the quality was poor, and the items were screaming “fake”. I was not eager to buy anything, and thus we left the place empty-handed. Being a new expat in a new country I was trying to meet as many people as possible, mostly other expats who were also new to the country. From the conversations with them, it seemed to me that buying counterfeits was one of the biggest attractions for both, women and man. People enthusiastically exchanged their experiences with “fake hunting” and bragged about the low prices. By then, I was already wondering why would people want to buy counterfeit products? Expats seemed to enjoy these purchases, but what were Emirati locals doing on this market? In a country with over 88% foreigners, the local

population is very small. And it had been often stressed that they are rich, very rich, and that they buy luxury, too much luxury - all originals.

A few years later, I went to the same market again with my friend who was visiting from Europe and heard about Karama Market and great deals. On the market, it seemed that buying fake had become even more adventurous, as the police started raiding the place and shops had to build back-rooms (hidden rooms behind the legitimate shop that one could only access through a secret door) to display some fake brands. I remember one of the vendors telling me that all Louis Vuitton and Chanel items had to be sold in hidden rooms, as especially those brands are targeted by police. In the market, I could notice some local Emirati women who though were completely covered head to toe, including their face (with a headscarf known as “Sheila”) yet, were carrying multiple plastic bags full of counterfeit products. It seemed as if everyone was shopping there: locals, expats and tourists. The tourists were even brought by tourist buses from hotels to this place. During my visit to the market, I realized, that being a resident and not a tourist had helped in negotiating prices and getting better deals. The sellers seemed to know the difference too – tourists were not aware of prices and qualities that much and would just buy whatever they see in the shop. The residents and locals they would lead straight to the hidden rooms and show “better” merchandise.

A few years later, I had a very interesting chat with an Emirati friend who was complaining that his wife wanted a Hermes Birkin bag and the waiting list was five years. According to him, the wife wanted the bag right away as all her friends already had one. He then proclaimed: “If Hermes is producing only a limited amount of bags every year and makes people wait, how come all Emirati women have one? Five years ago, Emirati locals did not know Hermes. They all must be fake.” It was a good remark that made me think, if the hundreds of Birkin bags one could see daily while visiting “trendy” spots in Dubai, were real, how could this company satisfy this demand, especially given the fact, that the local consumer has to

compete with Asian tourists (who are also filling the waiting lists) to get access to the “IT” items?

So, I have started paying attention to luxury products and tried to differentiate fake products from the original ones. Although, I am sure, I was not able to recognize the good fakes, but for me it became sort of game that lead to conclusion that fakes were worn everywhere! You could see groups of domestic workers who would gather on Friday in a mall, expat ladies in the coffee shops, businessmen pulling up their sleeves to demonstrate the latest “Rolex”. Almost in every setting and every occasion you could see some fake items.

During the dissertation journey, I have tried to understand the luxury counterfeit market better: made a few trips to the same market in Dubai, visited various places in other countries during my vacations. One remarkable thing I have noticed was the evolution of trade practices over the years and the way how inventive the vendors became to avoid the prosecution. A few years back, the shops would display the items (bags, shoes, watches, clothing, etc.) in the stores that had exactly the same styles as luxury brands, but without a logo (in this case these were the imitations). Once the customer would choose a particular style and quality, they would bring the item with a logo – in a black trash bag to hide the item from others. The only “branded” counterfeits that were on display were Michael Kors and Mulberry. Later, the shop owners have stopped displaying the counterfeit items in the stores at all. The customer would walk in an apparel shop, which would sell some no-name goods, once the vendor was assured that the customer had interest, he would give him an iPad with available counterfeit luxury goods and assist in quality and prices. The customer would then pick the item and wait for 10-15 minutes until someone would bring a big black trash bag with the order inside. Over the years the selling techniques have become more sophisticated and the quality of fakes “scary” good. Since social media sites have gained popularity, vendors have found another fast and easy way to sell counterfeits. Hundreds of accounts on Instagram working with hashtags

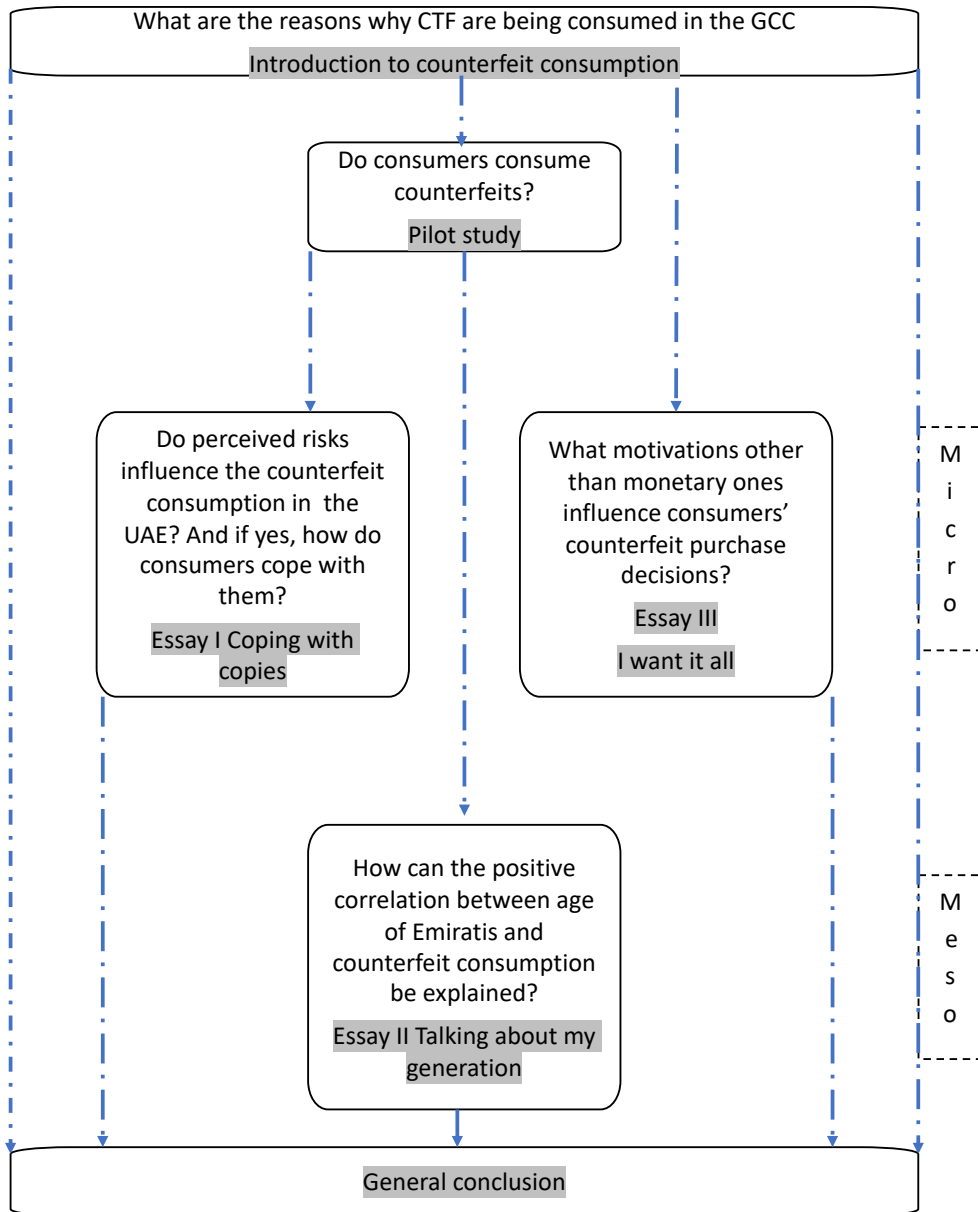
#luxury #dubai are selling fakes. Even if the user is not searching for these hashtags, vendors find you, follow you, offer you the items, and if you don't react, they just unfollow you the next day.

Against this backdrop, I had the idea and the topic for an exciting research. This dissertation started during a conversation with my colleague at Sorbonne University Abu Dhabi, who was working on a project on luxury consumption in the UAE. As we were discussing different luxury brands that our student wore, we both were wondered whether our students would buy counterfeit products and if so, why? It was clear from the beginning that this question would not be easy to address. But still, it deserved a deep investigation. A month later, Béatrice Parguel, my colleague, and I started working on the first research project.

5.2 Thesis structure and research design

To facilitate the main objective of the thesis in explaining the counterfeit luxury consumption in the GCC countries and to answer the research questions, the present dissertation adopts a different format than a traditional “monography” and explores the issues in three essays by looking at the phenomenon from different perspectives: at a micro level, by exploring the risk perceptions (Essay I) and motivations (Essay III) and at the meso level (Essay II) by investigating the factor age and the generational culture.

Figure 5 Thesis structure and perspectives



First, as shown in the previous chapter, the pilot study confirmed the consumption of counterfeits in the UAE by the local population. Consequently, the first essay “*Coping with copies: The influence of risk perceptions in luxury counterfeit consumption in GCC countries*” focuses on perceived risks associated with this type of consumption. The study had uncovered a paradox that despite the perceived risk, Emirati nationals still consume counterfeits. But the

results demonstrate that they do it in a particular way. A qualitative study with UAE nationals then puts forward four coping strategies that consumers develop to deal with the cognitive dissonance that arouses from this type of consumption.

Second, the first essay did not look into explaining another paradox that resulted from the pilot study: the positive correlation between age and counterfeit consumption, though the literature reports mostly opposite results. The second essay *“Talking about my generation: Revisiting the influence of age in luxury counterfeit consumption in GCC countries”* explores the role of age in counterfeit consumption through the prism of the functional theories of attitude. Different functions are served positive or negative attitudes toward the counterfeits. The generational culture is presented as an explanation for the formation of different attitudes and, ultimately, of the aforementioned positive correlation.

Finally, the third essay *“I want it all and I want it now. Motivations of counterfeit luxury consumption among affluent GCC consumers”* addresses the initial questions about what drives the Emirati consumers to buy counterfeits. More specifically, it utilizes the Means-End chain analysis to uncover the values behind the consumption that guides attitudes and behavior. The results demonstrate the cultural specifics that influence consumers’ motivations.

Table 6: *Outline of the essays and authors contribution*

Essay	Outline	Main Results	Contributions	Authors contribution
<p>Essay I</p> <p>Coping with copies:</p> <p>The influence of risk perceptions in luxury counterfeit consumption in GCC countries</p>	<p>To continue the examination of counterfeit consumers, further variables are taken into consideration. This article addresses the e risk perception and coping strategies of Emiratis when consuming counterfeit luxury products. A quantitative design is used to measure the perception of the risks identified in the literature as occurring in the context of non-deceptive counterfeit consumption. Nineteen in-depth interviews confirm the importance of performance and social risk and identify four strategies used by Emirati to cope with cognitive dissonance: exploitation of product knowledge, mixed consumption, taking advantage of fast fashion and religion rationalization.</p>	<ul style="list-style-type: none"> - CTF luxury consumption is mainly associated with performance and psychosocial risks - Consumers develop coping strategies to deal with the cognitive dissonance that results from CTF consumption - The A-quality strategy, the black chameleon strategy, the fashionista strategy, and the believer strategy 	<ul style="list-style-type: none"> - Confirmation of the relation of risk perceptions to consumers' response regarding coping strategies - Identified moral risk, that was not discussed in previous literature - Risk perception is contingent on culture - Affluent consumers DO purchase CTF - Coping strategy with religious link 	<p>Design of the research</p> <p>Literature identification of the conceptual framework (alone)</p> <p>Data collection and analysis (alone)</p>
<p>Essay II</p> <p>Talking about my generation:</p>	<p>Prior research suggests a negative correlation between consumer age and counterfeit consumption, explained by younger consumers' lower income and different values. The research examines the impact of age on counterfeit consumption</p>	<ul style="list-style-type: none"> - Older and younger consumers don't share the same culture - Attitudes toward luxury originals and CTF serve different 	<ul style="list-style-type: none"> - Influence of social-adjustive and value-expressive functions on luxury CTF consumption depends on age - Positive or negative attitudes and functions these attitudes 	<p>Design of the research</p> <p>Literature</p> <p>Identification of the conceptual</p>

<p>Revisiting the influence of age in luxury counterfeit consumption in GCC countries</p>	<p>in the UAE while controlling for income. Since the pilot study had revealed an unpredictable result of the positive correlation between the age and counterfeit, a qualitative study was conducted. Drawing on functional theories of attitudes, it evaluates the psychological functions of twenty-four Emirati consumers, that are served by attitudes toward genuine and counterfeit luxury consumption. The findings unveil the effect of “generational culture” on consumption patterns and give advises on a possible improvement in communication strategies for anti-counterfeiting campaigns.</p>	<p>functions for different age groups</p> <ul style="list-style-type: none"> - Generational culture is responsible for differences in attitudes and their function 	<p>serve, are dependent on cohort-generation</p> <ul style="list-style-type: none"> - Segmentation of consumers based on “generational culture” 	<p>framework (alone) Data collection an analysis (alone) Drafting the article</p>
<p>Essay III</p> <p>I want it all and I want it now. Motivations of counterfeit luxury consumption among GCC consumers</p>	<p>Despite all the efforts to fight the counterfeiting issue, the demand for counterfeit goods continues to grow. This research investigates the motivations of counterfeit luxury consumption in the Gulf Cooperation Council (GCC) countries. Using a Means-End-Chain approach, this research uncovers four dominant motivational patterns and complexities that drive affluent GCC consumers to purchase counterfeit luxury products: Value-Consciousness, Belonging, Hedonism and Self-esteem. It emphasizes the effect of culture on motivations and consumer behavior in connection to counterfeit goods.</p>	<ul style="list-style-type: none"> - Four dominant motives for luxury counterfeit consumption: “Value Consciousness”, “Belonging”, “Hedonism” and “Self-esteem” - “Belonging” is a strongest value - “Value Consciousness” is still a strong value in a sample of affluent consumers 	<ul style="list-style-type: none"> - Affluent consumers purchase CTF to be able to buy more, especially trendy items - Consumers don’t regard counterfeit fine jewelry as fake - CTF consumption is “provoked” by luxury brands 	<p>Independent work</p>

5.3 Data collection

Following the pilot study data collection (section 3.3), this section will describe the data collection process for the qualitative part of the essays. Detailed data analysis process for each essay will be described in each respective chapter.

The purpose of this study is to discover and describe individual processes, both cognitive and social, that underlie the luxury counterfeit consumption of UAE nationals. Conducting research that involves UAE nationals in the country is challenging for a non-Emirati researcher, so, the much-appreciated help of insider Emirati students¹⁸ was used to access the respondents for both, the pilot study and the following interviews. They have not only approached the respondents in their immediate circle but also contacted some respondents using social media. Moreover, the students were present during most interviews and helped with translating some terms and expressions, when the participants had difficulties expressing themselves in English.

The data was collected over three consecutive years, starting in spring 2015. The first set of interviews comprised of 19 participants and were analyzed in Essay I. Second set of interviews (17) took place the following year. In the third year, another 11 interviews were conducted. For the analysis of Essay II, seven interviews from the previous data set were re-used. The selection of the interviews for re-use was dictated by participants age (especially the older age) and by the possibility to supplement the dataset (Hinds, Vogel and Clarke-Steffen, 1997). The re-use of qualitative data in management sciences is legitimate (Chabaud and Germain, 2007), as “*to be sure, secondary analysis is not limited to quantitative data*” (Glaser, 1962), as a re-use of qualitative data can give a researcher an opportunity to gain more substantial results (Bishop and Kuula-Lummi, 2017). Essay III represents the synthesis of 47 interviews that have been used for analysis through the laddering technique that allows to

¹⁸ Najla, Hamad, Alaweya, Nonor, Shaima

uncover levels of abstraction and personal values (Valette-Florence, 1998). Although for this Essay, all 47 interviews were considered, only 38 appeared to be valid for the analysis. This is a common practice in the method, as Reynold and Gutman (1988) state, that one-fourth of the interviews do not produce ladders and could be excluded from further analysis.

All the participants have agreed to be voice-recorded and that the data will be used for research purposes. No incentives have been offered for participation. The interviews were conducted in the city of Abu Dhabi, capital of the UAE. Since most of the governmental entities and companies are in Abu Dhabi, where UAE nationals from different Emirates who prefer jobs in the public sector¹⁹ are employed, the sample consisted of locals from different Emirates. Some interviews took place on the premises of the university, where the project was initiated, some in the offices where the respondents work, some in the restaurants if a participant wished to meet in a casual atmosphere. Sometimes the interviews took place in the houses of respondents. The majority of the sample consists of female respondents since the researcher is female and there is a cultural emphasis that is put on gender separation. Cherrier and Belk (2015) have reported similar experience when they conducted their study with UAE female nationals, stating that “*men would have had a difficult time interviewing*” (p. 321).

As mentioned earlier, we did not make a distinction between counterfeit consumers and non-counterfeit consumers when collecting the data. This has several reasons. First, the cultural aspect of intense desire to project a positive social image (Vel et al., 2011) could have had influenced the willingness to participate in the research on counterfeits, as well as it might have influenced the responses. Second, the tactic of not distinguishing buyers and non-buyers has enabled us to gain more profound insights into multiple facets of consumption practices. In Essay I, it was crucial to see and confirm the perception of risks that hinder the counterfeit

¹⁹ The National (2017), “Recruiters Seek Jobs for 9,000 Emiratis”. Web.

consumption, for Essay II the genuine consumption practices revealed positive and/or negative attitudes towards originals and counterfeits. Besides, filtering respondents based on experience with counterfeits would have made it impossible to discover the perception of different counterfeit product categories, such as fine jewelry, which is not perceived as counterfeit by the respondents (Essay III).

The interviews always started with general questions about the consumers purchasing habits. All interviewees mentioned luxury brands as their preferred brands, were eager to demonstrate what they wore at moment of the interviews, sometimes even showed their social media accounts, demonstrating different items, styles and looks. This vivid presentation of luxury purchases left the interviewers assured that all the respondents were luxury consumers and confirmed the findings of Alserhan and colleagues (2014), who described Emirati national consumer as a “*sum of brands*” (p. 5).

5.4 Epistemological stance

This section will discuss the research paradigm, epistemological stance and will follow by a data collection process relevant to understanding the interplay of data in this dissertation as a solid work comprising of three essays.

Given its the exploratory nature and orientation toward discovery, this thesis stems from “interpretivist paradigm”. Interpretivism (as a variation also constructivism (e.g., Denzin and Lincoln, 2008) views the reality and the world as socially constructed with inclusion of researcher in the observation process. Hereby, I give the preference for the term “interpretivism” as it stresses the involvement and the process of interpretation, understanding and making sense of experiences in a given context (Carson, Gilmore, Perry and Gronhaug, 2001).

The interpretivists believe that the observer of the reality and the reality itself cannot be separated. From epistemological position, the interpretivists consider that the knowledge they build through social construction, reflects their goals, culture history and other aspects (Weber, 2004) and focus on understanding the phenomena in a given context (Carson et al., 2001). Interpretivism as a paradigm is mostly opposed to positivism. The following table gives a brief overview of both paradigms.

Table 7: *Research paradigms* (Weber, 2004)

Metatheoretical Assumptions About	Positivism	Interpretivism
Ontology	Person (researcher) and reality are separate.	Person (researcher) and reality are inseparable (life-world).
Epistemology	Objective reality exists beyond the human mind.	Knowledge of the world is intentionally constituted through a person's lived experience.
Research Object	Research object has inherent qualities that exist independently of the researcher.	Research object is interpreted in light of meaning structure of person's (researcher's) lived experience.
Method	Statistics, content analysis.	Hermeneutics, phenomenology, etc.
Theory of Truth	Correspondence theory of truth: one-to-one mapping between research statements and reality.	Truth as intentional fulfillment: interpretations of research object match lived experience of object.
Validity	Certainty: data truly measures reality.	Defensible knowledge claims.
Reliability	Replicability: research results can be reproduced.	Interpretive awareness: researchers recognize and address implications of their subjectivity.

Since most of the research in marketing is focused on understanding why certain things are happening, I follow the view of Carson and colleagues (2001) in relation to ontology and epistemology in the belief that the reality is socially constructed.

The choice of epistemological stance implies the methodologies, access, description and the evaluation of the phenomena under investigation.

When using theory, positivist researchers refer to prior theories in the literature to be able to test the concept with available techniques, while in the interpretivist paradigm, the research studies are generally inductive, that allows the data to guide the research and the theory building (Carson et al., 2001).

Nonetheless, some researchers agree, that the distinction of both epistemological stances in relation to methodology don't represent a clear distinction. According to Gill and Johnson (2002), there is no single best approach to research methodology, that "*is a compromise between options in the light of tacit philosophical assumptions*" (Gill and Johnson, 2002, p. 6). Indeed, the positivist philosophy that uses quantitative methods to pursue the research and the interpretivist epistemology that employs qualitative analysis, have different objectives. While one is attempting to provide the evidence of certain patterns that characterize a population, other has an objective of understanding of phenomena based on a smaller number of cases (Dumez, 2016).

Although, social research method literature still argues if it is possible to use the methods stemming from different epistemological backgrounds in one study (Bryman, 2015), in the market research practice, the research projects nowadays are combined models or "qual-quant" hybrids that use the best of both methods (Imms and Ereaut, 2002). For instance, a growing body of positivist research uses a case study, a traditionally interpretive method (Weber, 2004). While both methods are associated with different worldviews, to categorize them as fitting one worldview more than the other, would create an unrealistic situation (Creswell, 2015).

Theory testing and mixed method

Two approaches are linked to theory testing and theory building: deductive and inductive. Deduction requires the development of conceptual and theoretical structure before it can be

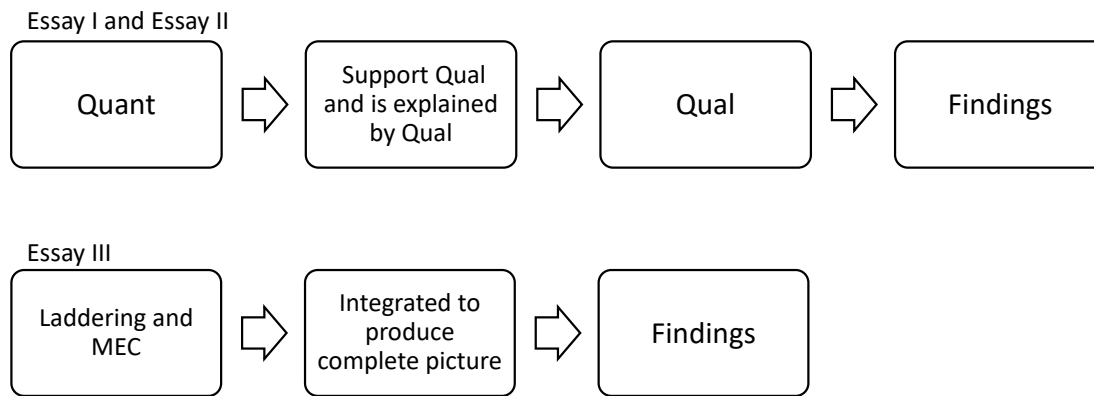
tested through the application of a theory. On the other hand, induction allows the data to guide the research and theory building. In the deductive research, the theory is a basis and guide, and in the inductive research it is the outcome. For interpretative philosophies of research, a balance of deductive and inductive might be most suitable (Carson et al., 2001), as for the present thesis.

This research that has the goal of identifying, describing and analyzing the counterfeit luxury consumption practices of UAE nationals, first draws on extensive existent knowledge in the domain of consumer behavior, luxury and counterfeit consumption, as shown in the literature gap (deduction). We then attempt to broaden the conception of the phenomenon (induction).

One of the factors important in the design procedure of the mixed-method research is the weight the researcher gives to one method or another, to what extent he treats the data, or to what extent he primarily uses induction for building themes or deduction to test the theory (Creswell, 2007). We have used the quantitative part as supportive form to a larger qualitative data. As a whole, the present research involves several stages. As we have seen in the previous chapter, the pilot study, that used a quantitative approach was conducted to answer the question of counterfeit consumption practices and to measure the associated risks (Essay I). The outcomes have led to two paradoxical outcomes: the perceptions of risk, that was further explored in the qualitative study of Essay I and the positive correlation of counterfeit consumption with age, an explanation to what Essay II is attempting to provide. This qualitative approach had inductively attempted to construct the meaning of the phenomenon. Essay III that employs the laddering technique and the Mean-End-Chain approach attempts to uncover the hidden values underlying the counterfeit consumption. The analysis of the cognitive chains represents a qualitative approach (Lynn and Pierre, 2012), but it sets apart from the other methods, as it represents a type of “crossing over” from the qualitative nature of the interviews

to the quantitative way of dealing with the information obtained” (Reynolds and Gutman, 1988; Reynolds and Phillips, 2008).

Figure 6 *Research design*



5.5 Trustworthiness in the qualitative research

The process in which different methods (sources, theories, researchers) are used to establish the trustworthiness of the study is called triangulation (Holloway and Wheeler, 2016).

Denzin (1978) offers four different types of triangulation:

1. Data triangulation
2. Investigator triangulation
3. Theory triangulation
4. Methodological triangulation

Despite the “Quant – Qual paradigm wars” (Denzin, 2010, p. 419) in the 70s and 80s when some researchers have claimed the incompatibility of both paradigms, in the 90s this incompatibility has been largely discredited, and many researchers have successfully combined quantitative and qualitative methods (Denzin, 2010). Triangulation, using mixed methods is an

alternative to validation and enables to increase scope, depth and consistency (Flick, 2002). The structure of this dissertation by publication has enabled the triangulation of different data, theories, methods, researchers as shown in table 8.

Table 8: *Triangulation*

	Essay I	Essay II	Essay III
Data triangulation	Survey, interviews	Survey, interviews	Interviews
Investigator triangulation	Co-authored study	Co-authored study	None
Theory triangulation	Perceived risk, coping strategies	Functional theories of attitude	Means-end theory
Methodological triangulation	Quantitative and qualitative	Quantitative and qualitative	Laddering

The internal validity and credibility (Lincoln and Guba, 1985) of the research were insured through member checking (Creswell, 2015) to confirm the accuracy of the account and through peer-checking (Krefting, 1991). The essays were also presented to a broader academic audience in various international conferences (detailed lists are provided in “biography” of each essay) and have received positive feedback. Essay I was published in the Journal of Business Research, Essay III is currently under review for possible publication and Essay II is in the process of being submitted.

6 EXTENDED ABSTRACTS

6.1 ESSAY I

COPING WITH COPIES: THE INFLUENCE OF RISK PERCEPTIONS IN COUNTERFEIT LUXURY CONSUMPTION IN GCC COUNTRIES

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. As risk perceptions have a strong influence on counterfeit purchase decisions (Albers-Miller, 1999; De Matos et al., 2007; Chen et al., 2014; Tang et al., 2014; Veloutsou and Bian, 2008; Vida, 2007, Viot et al., 2014), this study examines risk perceptions associated with non-deceptive counterfeit luxury consumption by the local population in the UAE. We have applied a mixed-method approach. Using a risk perception perspective to determine whether Emiratis do not perceive any risk in counterfeit consumption, we first conducted an exploratory quantitative study and demonstrated that Emiratis' perceptions of performance, psychosocial, and macro risks mainly hinder counterfeit luxury consumption.

In a qualitative study based on 19 interviews with UAE nationals, we then explored the strategies Emiratis use to cope with such risks and discovered four main strategies specific to wealthy and genuine luxury products consumers. 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.

Public policy makers and luxury brand managers fighting counterfeiting in the GCC could specifically target risks and counter the coping strategies that have been identified in this study.

6.2 ESSAY II

TALKING ABOUT MY GENERATION:

REVISITING THE INFLUENCE OF AGE IN LUXURY COUNTERFEIT CONSUMPTION
IN GCC COUNTRIES

Focusing on the influence of consumer age on counterfeit consumption, academics often report a negative influence, with younger consumers expressing a more favorable attitude toward luxury counterfeits and consuming more counterfeit items (e.g., Cheung and Prendergast, 2006a; Sharma and Chan, 2011; Tan, 2002; Tom et al., 1998). This negative correlation is explained by younger consumers' lower income and different values.

We investigate cultural explanation by considering the influence of consumer age on counterfeit consumption in the UAE, where income can be controlled. Like in other GCC countries, the discovery of oil led to a rapid accumulation of wealth, making both younger and older GCC consumers very rich (Cervellon and Coudriet, 2013; Pueschel et al., 2017), but the younger consumers were born and raised, in a very different economic, social, cultural and spatial context than their elders (Bristol-Rhys, 2010; Cherrier and Belk, 2015).

Since the pilot study confirmed a positive influence of consumer age on counterfeit consumption, we attempt to explain this unexpected finding by conducting a qualitative study of 24 female nationals. Drawing on the functional theories of attitudes (Katz, 1960), which

consider that attitudes serve psychological functions, we analyze the attitudes toward genuine and counterfeit luxury consumption.

The findings show that among older UAE consumers, the utilitarian and hedonic functions are better served by a positive attitude toward counterfeit luxury consumption, while the ego-defensive function is better served by a positive attitude toward genuine luxury consumption. In contrast, among younger UAE consumers, the hedonic, social-adjustive and value-expressive functions are better served by a positive attitude toward genuine luxury consumption. Important differences between those who were born before the country could benefit from the “oil money” and those who were already born in prosperity, explains why older UAE consumers consume more counterfeit goods than their younger counterparts.

These findings suggest that both public policy makers fighting counterfeiting and luxury brand managers should tailor their segmentation, communication and overall strategy according to the consumer generational culture. This paper expands the research on counterfeit luxury goods and enhances the role of culture in the functional theories of attitudes.

6.3 ESSAY III

I WANT IT ALL AND I WANT IT NOW. MOTIVATIONS OF COUNTERFEIT LUXURY CONSUMPTION AMONG AFFLUENT GCC CONSUMERS

Counterfeiting has grown drastically in the recent years, but it appears that anti-counterfeiting measures haven't produced useful results. Given the dependence of the market on consumers desire for counterfeits, it is crucial to analyze why consumers knowingly purchase counterfeit products. More academics are attempting to identify motivation, antecedents of motivations and drivers of such consumption, while the research concentrates

mostly in Western and Asian contexts (Bian et al., 2016; De Matos et al., 2007; Eisend and Schuchert-Güler, 2006; Kaufmann et al., 2016). Since counterfeit consumption is contingent on cultural contexts (Burgess and Steenkamp, 2006; Eisend, 2016; Veloutsou and Bian, 2008), the more profound understanding of motivations that underlie counterfeit consumption is needed. The present paper examines the local population in the UAE to deepen our understanding of motivations and cultural influences on the subject.

In the context of consumer behavior, motivations are a function of many variables, which are not always related to the actual purchase of the products. In case of counterfeit consumption, consumers may desire to optimize their resources or increase the number of items they purchase and possess (Jirotmontree, 2013; Perez et al., 2010), have a variety of choice and be fashionable or they just enjoy the process of shopping for fakes (Bian et al., 2016). This research employed the Means-End chain (MEC) approach to investigate consumers' motivations to buy counterfeits. We have identified four dominant motives for luxury counterfeit consumption: "Value Consciousness", "Belonging", "Hedonism" and "Self-esteem". "Value Consciousness" enables the consumer to buy a lot of items frequently, since despite their affluence some are unwilling to spend extremely high amount on original luxury goods on a regular basis. Others see a good opportunity of investment in counterfeit fine jewelry, as they perceive that gold retains its value. "Belonging" can be explained through societal structure and development since the country formation in 1971, where the expectations from the society are not easily satisfied purely with brand names or designs, but through "overconsumption" of luxury goods: original or counterfeit. Some consumers stress their "divine" intents and religious factors not to spend the money excessively on original luxury brands. Buying counterfeits, hunting for them and bargaining can fulfil the hedonic needs ("Hedonism"), typical for this culture. This experience reminds the consumers of traditional Arabic markets, and they also enjoy sharing the process with other members of the family and

friends. Finally, the consumption of counterfeits gives a boost to “self-esteem”. The findings imply that brand managers could tailor their strategies to meet the needs of the ethnic minority segment (UAE nationals represent slightly over 11% of the population in the UAE) and might design unique formats to reach this segment.

Practical consideration

For a better reading, each essay proposes a short abstract of its content. Transitions are also provided between essays.

CHAPTER II: ESSAY I:

**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

BIOGRAPHY OF THE ARTICLE

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- *Women Empowerment, UAE French Embassy*, Abu Dhabi, UAE, 20 March 2016
- *Monaco Symposium on Luxury*, Monaco, 7-8 April 2016
- *Atlas- AFMI Conference*, Nice, France, 6-8 June 2016

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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 et al., 2016; Staake et al., 2009), particularly in the luxury goods market (Arghavan et al., 2000; Bian and Veloutsou, 2007; Commuri, 2009). 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 and Michaut, 2014; Wilcox et al., 2009; Wilke and 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 and 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 and Shapiro, 1988a; 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 et al., 2002; Tang et al., 2014). If so, a negative correlation emerges between counterfeit proneness and income (Ang et al., 2001; Sharma and Chan, 2011; Tom et al., 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 et al., 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; Chen et al., 2014; De Matos et al., 2007; Tang et al., 2014; Veloutsou and Bian, 2008; Vida, 2007; Viot et al., 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 10th highest gross national income per capita in the world in terms of purchase power parity (World Bank, 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 and Staelin, 1994), that are the losses people may face in the event the risk comes to fruition (Kahneman and 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 and Staelin, 1994; Mitchell, Davies, Moutinho and 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 and Christodoulides, 2011). Financial, performance, physical, psychological, and social risks were among the first identified dimensions (Jacoby and 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 and Christodoulides, 2011) and are functionally interdependent: while one category of risk increases, the other categories can increase, decrease, or remain unchanged (Jacoby and Kaplan, 1972). These risk facets predict the overall risk perception and enhance understanding of consumer behavior (Featherman and 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; Chen et al., 2014; De Matos et al., 2007; 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 and Lennon (2006). Time risk is rarely taken into account in the literature on counterfeiting and scores as the least important dimension (Veloutsou and 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 and Shelley, 2009) or terrorism funding (Hamelin, Nwankwo and El Hadouchi, 2013).

The majority of scholars exploring counterfeiting from the consumer perspective base their research on data collected in the Western world (Eisend and Schuchert-Güler, 2006), though more recent research also considers Asian countries (Chen et al., 2014; Phau and Teah, 2009; Veloutsou and Bian, 2008). This focus calls for more cultural studies on the subject, as culture strongly influences the risks consumers may perceive in counterfeiting (Eisend and 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 and Cusumano, 2001) and collectivism is correlated with counterfeit consumption (Santos and 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 and 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 and Johnson, 2009; Kim and 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 and 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 and 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 and Schuchert-Güler, 2006). Psychology research (Lazarus and 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 (Gregory-Smith, Smith and 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 and 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 and 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 and Kulka, 1982) and that the strengths of one method can offset the limitations of another method (Scandura and 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 and 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 (Viot et al., 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 and 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 Table 9). To be noted, the items measuring the

perceptions of psychological and social risks, usually combined and treated as one measure in the literature (Jacoby and Kaplan, 1972), ended to load on the same psychosocial factor. Besides, the items measuring time risk did not prove to be efficient²², which lead 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 and Bian, 2008).

Table 9: *Item labelling and loading*

Latent variable	Manifest variables	Corr.
Performance	I would question the quality of the product.	0.87
	I would worry about its performance.	0.78
	I would be concerned about its reliability.	0.77
Psychosocial	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
	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
Macro	Buying fake products is unethical.	0.82
	Buying fake products creates unemployment.	0.76
	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
Legal	I might face legal problems when traveling abroad.	0.87
	I might face legal consequences.	0.86
	I fear the law.	0.81
Financial	I would feel that I have shopped impulsively.	0.85
	I would suffer important financial losses.	0.69
Physical	It would be harmful to my health.	0.74
	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

²² See Appendix C – Essay I, for further clarification

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 ρ_A , which is the only consistent reliability measure for PLS construct scores (Dijkstra and 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 Table 10). To assess the discriminant validity, we relied on the HeteroTrait–MonoTrait (HTMT) criterion that is inferior to 0.85 (see Table 11). The discriminant validity is then satisfied (Henseler, Ringle and Sarstedt, 2014).

Table 10: *Convergent validity and reliability indices*

Latent variable	Convergent validity	Reliability Rhô_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

Table 11: *Discriminant validity — HeteroTrait–MonoTrait ratio (HTMT)*

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

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 (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 and Moutinho, 2009; Bloch et al., 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 (Mitchell, Moutinho and 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 (Ang et al., 2001; Sharma and 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 (Cheung and Prendergast, 2006b; Kwong et al., 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 12 contains further details about participants' profiles.

Table 12: *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

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 recorded (average length of 37 minutes), transcribed, and analyzed retrospectively by applying Miles, Huberman and Saldaña'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) and previous finding (Gistri, Romani, Pace, Gabrielli, and 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 et al., 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] among her friends but if she does wear fake then probably her family does ... as well.” (Amina)

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 and Ahuvia, 1998). 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 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.

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 and 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 13 summarizes four specific coping strategies.

Table 13: *Risks and coping strategies.*

Coping strategy	Coping strategy description	Risk addressed
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

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 et al., 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 and Schuchert-Güler, 2006). The interviewees actually stressed their expertise in choosing the best counterfeits. Penz and Stöttinger (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).

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.

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.

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” (Mara).

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). 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 and Stöttinger, 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 and 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 and 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 and 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 (Staake et al., 2009). Consumers are often well aware of the risks associated with counterfeit consumption (Nia and 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 (Arghavan et al., 2000; Bian and Veloutsou, 2007). As such, counterfeiting has led governments, marketers, and researchers to consider a variety of countermeasures based on lawful, political, administrative, or business techniques (Eisend and Schuchert-Güler, 2006), such as hands-off, prosecution, withdrawal, warnings (Chaudhry and Walsh, 1996; Harvey and Ronkainen, 1985), use of high-tech labeling, co-opting offenders, or educating stakeholders at the source (Shultz and 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 and Stöttinger, 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 and Schuchert-Güler, 2006). Use of the proposed measurement quantitative tools in such cultural contexts does not allow probing into consumers' actual perceptions (Churchill and 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 (Ronkainen and Cusumano, 2001; Veloutsou and Bian, 2008), 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 and 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 (Eisend and Schuchert-Güler, 2006; Fernandes, 2013; Penz and Stöttinger, 2005) 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.

Essay I explored the perceived risks associated with counterfeit consumption and had demonstrated that performance, psychosocial and moral risks are mostly associated with such consumption. The uncovered paradox that despite the perceived risk, Emirati nationals still consume counterfeits had shown that they do it in a particular way. A qualitative study of UAE nationals' consumption puts forward four coping strategies that consumers develop to deal with the cognitive dissonance that arouses from the perceived risks. Essay I did not look into explaining another paradox that resulted from the pilot study: the positive correlation between age and counterfeit consumption.

Essay II explores the role of age in counterfeit consumption through the prism of the functional theories of attitude. We investigate different functions that serve positive or negative attitudes toward the consumption of genuine luxuries or their counterfeits depending on consumers' age.

CHAPTER III: ESSAY II:

**TALKING ABOUT MY GENERATION: THE
INFLUENCE OF AGE IN COUNTERFEIT
LUXURY CONSUMPTION**

ABSTRACT

Research suggests a negative correlation between consumer age and counterfeit consumption, explained by younger consumers' lower income and different values. We explore the influence of consumer age on counterfeit consumption in the United Arab Emirates (UAE), where income can be controlled. A pilot study reveals an unexpected positive correlation between consumer age and counterfeit consumption. Drawing on the functional theories of attitudes, a qualitative study of 24 female nationals examines the psychological functions served by attitudes toward genuine and counterfeit luxury consumption. The findings show a generation effect with important differences between those who experienced life before the effect of oil exploitation and those who were already born in prosperity, which explains why today's older UAE consumers consume more counterfeit goods than their younger counterparts. These findings suggest that both public policy makers fighting counterfeiting and luxury brand managers should tailor their segmentation, communication and overall strategy according to the consumer generation. This paper expands the research on counterfeit luxury goods and enhances the role of generational culture in the functional theories of attitudes.

Keywords: Counterfeiting; Luxury brand; Means-end chain; GCC consumers

BIOGRAPHY OF THE ARTICLE

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1 INTRODUCTION

The International Chamber of Commerce in Belgium (2017) estimated that counterfeiting drains US\$4.2 trillion from the global economy. Increasing at a faster pace than ever, counterfeiting is developing into a major global economic problem (Staake et al., 2009), especially in the luxury goods market (Bian and Veloutsou, 2007; Commuri, 2009), where it damages brand reputation, reduces demand for genuine products, and lowers business revenues (Kapferer and Michaut, 2014; Wilke and Zaichkowsky, 1999). Indirectly, counterfeiting also puts millions of legitimate jobs at risk in developed countries and fuels all kinds of illegal trading channels in developing countries (Wilcox et al., 2009).

To better address this problem, research has widely studied the antecedents of counterfeit luxury consumption, including the characteristics and motivations of the consumers who buy counterfeit goods (Bian et al., 2016; Eisend and Schuchert-Güler, 2006). Focusing on the influence of consumer age on counterfeit consumption, academics often report a negative influence, with younger consumers expressing a more favorable attitude toward luxury counterfeits and consuming more of them (Cheung and Prendergast, 2006b; Sharma and Chan, 2011; Tan, 2002; Tom et al., 1998). Interestingly, they have only proposed two explanations for this negative influence without disentangling them: first, a difference in disposable income (Kapferer and Michaut, 2014); second, a difference in cultural values, in terms of conscientiousness and materialism (Swami et al., 2009). The Gulf Cooperation Council (GCC) countries offer an interesting setting for further investigation of this second cultural explanation, as they allow to control for the first income explanation. In these countries, the discovery of oil led to a rapid accumulation of wealth, making both younger and older GCC consumers very rich (Cervellon, 2013; Pueschel et al., 2017). Still, younger GCC consumers were born, and raised, in a very different economic, social, cultural and spatial context than

their elders (Bristol-Rhys, 2010; Cherrier and Belk, 2015). We can consider that the economic shift occurred after the creation of the federation (1971), and the efforts made under Zayed's presidency to take the greatest benefits of oil exploitation, that have led to a rapid growth in the '80s after a decade of internationalization and important investment efforts, have created not a cultural split in the society.

After reviewing the literature, we report the results of an exploratory pilot study conducted in the UAE (United Arab Emirates) that, in contrast to existing consensus in research, confirms a positive influence of consumer age on counterfeit consumption. To explain this unexpected finding, we then conduct a qualitative study. We analyze the data through the lens of the functional theories of attitudes (Katz, 1960), which consider that attitudes serve psychological functions. We then show the existence of two generational cohorts, that prioritize different functions when they make their choices between genuine and counterfeit luxury goods. Among older UAE consumers, the utilitarian and hedonic functions are better served by a positive attitude toward luxury counterfeits, while a positive attitude toward genuine luxury goods contradicts their ego-defensive goals. In contrast, among younger UAE consumers, the hedonic, social-adjustive and value-expressive functions are better served by a positive attitude toward genuine luxury goods. This provides a deep qualitative insight on the reasons why older UAE consumers consume more counterfeit goods than their younger counterparts. A discussion of the findings and implications for public policy makers and luxury brand managers fighting counterfeiting in the GCC countries concludes.

2 ANTECEDENTS OF COUNTERFEIT CONSUMPTION

2.1 A focus on age and generations

Findings about the influence of consumer age on counterfeit consumption are inconsistent (see Table 14).

Table 14: *Age and counterfeit consumption in the literature*

Reference (chronological order)	Relation between age and counterfeit consumption	Explanation	Region
Bloch et al. (1993), J. of Cons. Marketing	No relation (general)	No explanation	US
Wee et al. (1995), Int. Marketing Rev.	Positive (for univ. books) / No relation (software, purse, watch)	Higher price of advanced college textbooks and reference books	South-East Asia
Tom et al. (1998), Psycho. and Marketing	Negative (general, CDs) / No relation (software, T-shirt, purse)	No explanation	US
Ang et al. (2001), J. of Cons. Marketing	No relation (CDs)	No explanation	Singapore
Phau et al. (2001), J. of Fashion Marketing and Manag.	Positive (clothing)	19-24 have a lower disposable income and are less willing to spend it on counterfeits compared with 25-34	Hong-Kong
Tan (2002), J. of Cons. Marketing	Negative (software)	No explanation	n.a.
Kwong et al. (2003), J. of Bus. Ethics	Negative (CDs)	No explanation	China
Cheung & Prendergast (2006), J. of Int. Cons. Marketing	Negative (DVDs) / No relation (clothing and accessories)	No explanation	China
Rutter & Bryce (2008), Sociology	Negative (leisure items)	Young consumers are the primary target of the leisure industry	UK
Swami et al. (2009), J. of Socio-Economics	Negative (general)	Consumers' conscientiousness and material values is a mediator	UK
Casola et al. (2009), J. of Econ Psycho	Negative (bunch of items)	Higher acceptability of counterfeits for young consumers	New Zealand
Sharma & Chan (2011), J. of Marketing Manag.	Negative (general)	Older consumers are more face conscious and materialistic, which offers a potential explanation	Hong-Kong
Riquelme et al. (2012), Education, Business and Society	Positive (general)	No explanation, nor any statistical test to support this observation	Kuwait
Kapferer & Michaut (2014), J. of Brand Strat.	Negative (general)	Mediation by resources, but data did not show any relation between income and counterfeit purchase	France

Comparing younger and older students, Wee et al. (1995) show a positive influence of consumer age on counterfeit consumption. Comparing older and younger students, authors demonstrate that older students purchase more counterfeit textbooks, because these are professional references or technical books that are more expensive than the textbooks needed for less advanced studies. Later, Phau et al. (2001) replicate this positive influence among young adults and find that younger consumers buy fewer counterfeits. They suggest that this is because younger consumers have less disposable income. Despite valuable insights, these results cannot be generalized beyond a population of young adults.

Considering a wider age range in Kuwait, Riquelme et al. (2012) provide figures that suggest that age increases intent to buy counterfeits; others find that age does not influence consumers' attitude toward counterfeits (Ang et al., 2001; Bloch et al., 1993). However, age is more often reported to be negatively correlated with counterfeit consumption, with younger consumers being more prone to counterfeits (Kapferer and Michaut, 2014; Kwong et al., 2003; Sharma and Chan, 2011; Swami et al., 2009; Tan, 2002). A few studies go further and propose that the influence of age may depend on the product category (Tom et al., 1998). As an illustration, younger consumers would buy more pirated DVDs than older ones but would not buy more counterfeit clothing or accessories (Cheung and Prendergast, 2006b).

Interestingly, the studies that have contributed to the consensus on the negative influence of age on counterfeit consumption did not offer a sound explanation, with two notable exceptions. Kapferer and Michaut (2014) propose that younger consumers are keener to buy counterfeits because they "may lack the resources to indulge in real luxury purchases" (p. 66). Yet, their analyses show no correlation between income and the probability of purchasing counterfeit products, de facto undermining the proposed explanation. Swami et al. (2009) demonstrate that younger consumers' materialism and lack of conscientiousness lead them to

buy more luxury counterfeits, suggesting that age-group-related values explain consumers' attitudes toward counterfeit consumption, but the authors did not control for differences in terms of income. However, other research questions the phenomenon of counterfeit consumption by analyzing the differences regarding generation. Research shows that when countries experience critical shifts in their economy and political settings, attitudes regarding counterfeits differ between age groups (Hanzaee and Taghipourian, 2012; Vazifehdust, Taghipourian and Ahmadian, 2011). Such events create irremediable changes, calling for analyses in terms of generations instead of age. Hauck and Stanforth (2007) refer to “defining moments” which shape and influence preferences and attitudes in a sustainable manner. They particularly underline the role played by the “coming-of-age” years, those events or changes experienced by people in their young adulthood. Iranian revolution

Hanzaee and Taghipourian (2012) show a generations' effect in Iran when it comes to attitudes toward counterfeit products. They identify the Iranian revolution as being the defining moment. Role of generation has also been proven to affect luxury products, perceptions and attitudes (Gao, 2016; Giovannini, Xu and Thomas, 2015)

Therefore, when an age effect exists, it is necessary to investigate deeper in consumers values to identify potential generation effects through “defining moments”. Considering the fact that studies on counterfeit are biased toward Western and Asian contexts (Bian et al., 2016; Eisend and Schuchert-Güler, 2006), and that UAE had experienced a major economic shift in the last years, it appears to be an excellent environment to study.

3 AGE AND COUNTERFEIT CONSUMPTION IN GCC

First, as we have seen in the pilot study that examined the correlation between age and counterfeit consumption among UAE adult consumers, we found out that those who acknowledge to consumer counterfeits are older than the non-consumers ($\beta=.061$, Wald's $\chi^2=3.503$, $p<.10$). Notably, age and income are not correlated ($\rho=.03$, $p>.79$) confirming that income is not age-dependent in the UAE.

By showing that UAE adult consumers who buy luxury counterfeits are older than non-counterfeit buyers, this pilot study runs counter to previous literature. Although it corroborates with the findings of Riquelme et al.'s (2012) in another GCC country, Kuwait. Moreover, it confirms the relevance of the GCC countries to explore the influence of consumer age and possible generational effect on counterfeit consumption. Being a setting where income does not depend on age, the GCC countries allow convenient isolation and extensive description of a generation effect as an explanation for the influence of age on counterfeit consumption.

4 EXPLORING EMIRATIS' ATTITUDES TOWARD GENUINE AND COUNTERFEIT LUXURY CONSUMPTION

4.1 Methods

Using a snowball recruitment procedure, we conducted 24 in-depth interviews with female-only UAE consumers to investigate why younger UAE consumers buy fewer counterfeits than their older counterparts. As in the pilot study, the choice of English was deliberately made considering that English has recently questioned the place of Arabic as first national language in UAE. Table 15 provides further details about participants' profiles.

Table 15: *Informants' profile*

Num.	Pseudonym	Age	Occupation
1	Sheikha	18-30	Lawyer
2	Nayla	18-30	Student
3	Farah	18-30	Banker
4	Nada	18-30	Public relations
5	Hesma	18-30	Banker
6	Woorod	18-30	Student
7	Fatma	18-30	Student
8	Shamka	18-30	Student
9	Hezna	18-30	Student
10	Falah	18-30	Student
11	Hala	18-30	IT sector
12	Mouna	18-30	Student
13	Amina	18-30	Student
14	Shaila	31-40	Economist
15	Tarfa	31-40	Banker
16	Raja	41-50	Housewife
17	Ghadeer	41-50	Computer Engineer
18	Moona	41-50	Teacher
19	Ghada	41-50	Gov. Employee
20	Mara	41-50	Armed forces
21	Alia	41-50	Housewife
22	Salma	51-60	Housewife
23	Taghrid	51-60	Social Worker
24	Mezna	51-60	Housewife

We used a qualitative design to provide a deep understanding of the underlying mechanisms at stake in GCC consumers' counterfeit consumption and to keep opportunities to make emerge original (Miles et al., 2014) and culture-specific explanations. The interviews began with general questions about shopping habits and experience with luxury goods and

continued with questions on consumption patterns by parents/children, the meaning of luxury consumption for each generation, and counterfeit consumption. The interviews were recorded (average length: 42 minutes), transcribed, and analyzed according to three primary themes: 1) attitudes and behaviors regarding counterfeits, 2) drivers of these attitudes and behaviors, and 3) shifts in values in UAE society.

To make sense of these themes, we draw on the functional theories of attitudes (Katz, 1960). Wilcox et al. (2009), along with Sharma and Chan (2017), used these theories to explain the consumption of luxury counterfeits but did not address the potential moderating influence of age. More relevantly, these theories have also recently been applied to luxury consumption by Schade et al. (2016), who proved that age influences the dominance of different functions in consumer attitudes toward genuine luxury consumption. In this research, we use a parallel perspective and study how age influences the dominance of different functions in consumers' attitudes toward counterfeit luxury consumption to explain our pilot study unexpected finding. Precisely, we consider that in the UAE consumer age, and consequently, the belonging to different generations influence how attitudes toward both genuine and counterfeit luxury consumptions serve different psychological functions.

4.2 Functional theories of attitudes

In the 1950s and 1960s, a class of theories proposed to focus on the functions that attitudes serve for the individual (Shavitt and Nelson, 2002). These functional theories of attitudes consider that various psychological motivations underlie attitude formation and change (Katz, 1960). An attitude is labeled “functional” when it helps to serve physical, social, or emotional functions. The same attitude can serve different psychological functions in different people, such that people may hold the same attitude for completely different reasons

(Locander and Spivey, 1978). Besides, more than one psychological function can explain an individual's attitude (Katz, 1960).

The research identified five major psychological functions in the late 1950s. The utilitarian function helps to maximize the rewards and minimize the punishments associated with objects in the environment (Sarnoff and Katz, 1954). The ego-defensive function meets the need to protect the self against potential internal or external threats (Sarnoff and Katz, 1954). The knowledge function aims at providing cognitive consistency to facilitate decision-making and control the environment (Katz, 1960). The social-adjustive function regulates social acceptance (Smith, Bruner and White, 1956), while the value-expressive function serves to express central values and identity, and enhance self-image (Katz, 1960).

Interestingly, these five functions have been reported to influence product evaluation and purchase intent concerning counterfeits. More precisely, the utilitarian function has a positive influence, while the ego-defensive and knowledge functions have a negative influence (Sharma and Chan, 2017). The social-adjustive and value-expressive functions have attracted particular attention in research, but the investigation of their influence has produced conclusive results. Wilcox et al. (2009) show that the likelihood of purchasing counterfeit luxury brands is greater when consumer attitudes toward luxury brands serve a social-adjustive function, but not when they serve a value-expressive function. Sharma and Chan (2017), in contrast, find that both these functions have a negative influence on counterfeit product evaluation and purchase intent, but offer no explanation, merely mentioning that they studied a mixture of luxury and non-luxury product categories. These mixed findings may result from the omission of certain moderating individual variables such as age. As shown by Schade et al. (2016), the social-adjustive function has more influence on genuine luxury consumption (not counterfeit

consumption) in late adolescents (aged 16-25) than young adults (aged 26-39), while the value-expressive function has more influence in young adults than late adolescents.

Interestingly, Grewal, Mehta and Kardes (2004) included the hedonic consequences of consumption in the utilitarian function, while most research in the field of luxury marketing stresses the specificity of the hedonic motivations driving luxury consumption (Dubois et al., 2001; Wiedmann, Hennigs and Siebels, 2009) Schade et al. (2016) subsequently introduced a distinction between the utilitarian function and the hedonic function, without finding any significant difference between age groups regarding the influence of the utilitarian and hedonic functions on genuine luxury consumption.

Regarding attitude formation and change, Katz (1960) underlines the influence of intercultural interaction, including contact with foreign cultures, on the dominance of the psychological functions identified. The dominance of the psychological functions served by attitudes toward genuine and counterfeit luxury consumption may thus differ between cultural groups, such as the groups consisting of younger and older UAE consumers. The discovery of oil in the GCC countries in 1958 increased exposure to western lifestyles, through the media but also through increasing travel and the growing number of expatriates in these countries. Education and the rapid accumulation of wealth also played a role in profound changes in GCC citizens' lifestyles (Bristol-Rhys, 2010; Cherrier and Belk, 2015). As a consequence, the older generation, who remember the times when there was much less wealth, no shopping malls and no international or luxury brands, is culturally very different from the younger generation. In line with Katz (1960), this study proposes that the UAE's recent major shift in cultural values has caused the dominance of the psychological functions served by attitudes toward genuine and counterfeit luxury consumption to differ between younger and older UAE consumers. This

could explain why older UAE consumers are found in our initial study to consume more luxury counterfeits than their younger counterparts.

4.3 Results

In line with the pilot study, our older informants displayed more favorable attitudes toward luxury counterfeit consumption than the younger age group, while also consuming genuine luxury items. The participants stressed critical changes the Emirati society faced after the exploitation of oil and explained how it shaped the new generation through the role played by psychological functions. Interviewees mentioned all the psychological functions except the knowledge function (i.e., utilitarian, hedonic, social-adjustive, value-expressive, and ego-defensive), but the functions' dominance varied depending on the informants' generation. All the quotations that follow are verbatim, apart from small clarifications indicated in square brackets for better understanding, as our interviewees were not expressing themselves in their first language.

Drawing the generation effect

Most of the interviewees stressed the existence of a generation effect. They consistently contrasted their perceptions and attitudes with the other age group.

We found that the young generation experienced so substantial changes that they might not change their attitude and behaviors to fit the views of older UAE consumers.

For me, I think that this strange of the concept of the luxury was after the '90s onward. People started thinking about the luxurious brands like bags or shoes or watches or accessories or even dresses. For me also, this concept has changed

because of the change of the lifestyle in the country. It has become different. It was simpler before, and now it's more open to the other world. (Mezna, 51-60)

The younger generation is well aware that the older ones do not approve their consumption habits. Some even try to hide overly expensive purchases from their parents. However, they are not willing to change their consumption patterns.

My mom said, she feels not comfortable about the way that they [younger ones] buy every time and always not one bag a year, whatever they have new - they will buy it. (Hala, 18-30)

When my daughter buys something more than AED 10,000, she asks everyone around her not to inform me. "I don't want mom to know about it, because she doesn't accept it." Religion wise this is not our education, not in religion as well. (Taghririd, 51-60)

It becomes obvious, that the older generation had a different “education”. By referring to education, they mean the education according to traditions and religious beliefs. Every member of the society had to fulfill certain expectations. Receive a basic education, get married, have children and take care of the household.

For me if I say I am like 40, in my age my mum told me that [you] always have the acceptance of what you have. Don't exaggerate your dreams. Whatever you are given, accept it or be happy with whatever you have. While the new generations, even if the parents can't buy it, they want them to buy it because they compare themselves with the level around them. (Ghadeer, 41-50)

It is important to stress that both, the older and the younger generations are well aware about the luxury brands and their counterfeited versions. When the older ones negatively discuss the purchases of their daughters and sons, they mention the brands they would buy. This fact assured the authors, that when the older ones are talking about the luxury counterfeit brands, they know the brands.

I have six children [...]. Princess Moza [the daughter], the eldest one. She is 19. She is in school, in high school. And yes, she just told me, she is the type of person to buy original brand or she doesn't buy a fake. She was asking me to buy a Givenchy bag, an original one. Although she is in school, but she wants to buy the Givenchy bag. (Ghadeer, 41-50)

Going into details, the differences were shaped through the lens of the Functional Theories of Attitudes.

Utilitarian function

The utilitarian function is based on a rational evaluation of the instrumental characteristics of objects or activities adopted to fulfill specific tasks (Katz, 1960). The product is considered as a means to an end, disregarding its prestige or exclusivity (Sharma and Chan, 2017). Hence, when consumers' attitudes serve a utilitarian function, they focus more on product quality and less on product image (Shavitt and Nelson, 2002). Corroborating Guido, Amatulli and Peluso (2014), in our study the older the consumers, the stronger the influence of the utilitarian function. Older UAE consumers explain that their consumption is more influenced by intrinsic product qualities than by branding. They clearly stress the functional aspect of the goods, beginning with the precious materials they are made of, and put less emphasis on extrinsic attributes, such as the exact style of the brand. They are not "brand persons" (Shamka, 18-30). By stating that, Shamka means, that although the older generation knows the brand names, they lack the sophisticated knowledge of the latest trends, fashion and the styles currently on the market. Moona makes it obvious when she reports very vividly her conversation with her daughter (mimicking the daughters' voice) when they were on holiday in Turkey and Moona was buying a fake.

I bought [one bag] from Turkey in Istanbul and that one shop [they] only had only one piece of Hermes. One time my daughter was with me in the same shop, so I said: "I want to buy this!" Then she said: "No mom!!! No! Please mother, no. It will make us feel shy and ashamed. Don't take it, this is the latest model. [...] Again she (the daughter) was [saying]: "Mom please don't take it!" I said: "Common! [...] Ok mama, pick any other thing but not Hermes!" Then I hold it [held the bag], I found it very very nice and practical to use, I had also the black color because I'm always wearing Abaya. (Moona, 41-50)

My mom, she thinks that we are wasting our money on original products and luxury brands, she thought with this money she can buy lot of gold for example, because gold is better, because luxury brands are not worth it. (Farah, 18-30)

I don't care about the name. Sometimes I don't even look at the name. [...] I [do] buy brands. The reason why I buy brands is because of the culture. I go for visits sometimes [Friday gatherings]; I need to have a branded bag or something branded. (Taghrid, 51-60)

Luxury is gold only. [...] The priority for me was the gold, because it was valuable. It had a value, more than thinking about "I buy a bag." It was not even in our thoughts at that time, at all. This strange concept of luxury was after the 90s. People started thinking about luxurious brands like bags or shoes or watches or accessories or even dresses. [...] I cannot recall the name. I bought the fake number one [the best-quality counterfeit] for me. (Mezna, 51-60)

Older UAE consumers purchase copies of luxury brands and justify their choice by functional attributes such as shape, quality ("fake number one") or price but use less branding rhetoric. In contrast, younger UAE consumers are extremely sensitive to branding and are very knowledgeable about luxury brands, trends, and the range of items available.

People from this part of the world love luxury brands [...] Stella McCartney, her casuals are super, super nice. [...] Dior, I like their shoes and their clothes [...] but the bags, I'm not a big fan. I like Miu Miu, the shoes sometimes, not the bags,

not the clothes. It depends, in every brand there are certain things that I like. (Nada, 18-30)

When they speak about luxury, their discourse is structured by brands: they do not buy “luxury items”, they buy “brand X luxury items”. While the older ones only would just state, that they bought a counterfeit bag or wallet, the younger ones will always mention the brand.

[I bought a fake] bag and the shoes. Wearing the shoes was painful, yes. It was Louboutin. The bag was Fendi. (Hesma, 18-30)

It is a number one (high quality copy), and I really liked it, why [shouldn't I] buy it? [...] I got the same thing [as original, but a lot cheaper. (Mezna, 51-60)

To conclude, the utilitarian function is better served by a positive attitude toward luxury counterfeits among older UAE consumers, which may partially explain why they appeared in the pilot study to be more likely to buy luxury counterfeits than their younger counterparts.

Hedonic function

The hedonic function, which relates to the pleasure or even excitement derived from consumption, is especially relevant to younger consumers (Tulviste and Tamm, 2014). Our younger UAE informers actually display a higher involvement in hedonic consumption than their older counterparts, who find little sensory satisfaction in genuine luxury goods and spending large amounts of money on luxury brands. As can be seen in their discourse, older UAE consumers criticize the modern cult of self-indulgence and conspicuous consumption.

I always care about the brand. After all, we like it. We can't resist it. Even if we think it's too pricey. In the end we like it, and we want to have it. (Shamka, 18-30)

[About her Stella McCartney item] I'll wear it at home and walk around, it's so gorgeous. (Nada, 18-30)

When we think about it, it's just a normal bag. Maybe the people are [making] it the same [way] as a normal bag, but I don't know, it becomes more beautiful. There are many girls [who] always buy everything brand[ed]. For me, I only buy bags. (Mezna, 51-60)

Consistent with the idea that enjoyment can be one of the motivations for consuming counterfeits (Eisend and Schuchert-Güler, 2006), older UAE consumers also report hedonism in counterfeit purchasing. They take pleasure in searching out counterfeits and haggling with the sellers, maybe because such an approach is more like shopping in traditional Arabic souks.

Then I kept looking, looking, looking, and asking, and I touched... I asked to see the other, the watch. I wear it. Then, I kept dealing with them, how about this? Then I left, and then came back. That's a strategy. [...] I saw many other shops. Then I go back to him again, and then I discuss it again. I got two watches for a better price. (Mara, 41-50)

In Thailand because it's a new place, because I'm a tourist and I want to see other markets there. I feel funny, happy also. (Alia, 41-50)

This level of enjoyment older consumers cannot achieve in the new, shiny luxury shopping malls. They need to be accompanied by the younger generation.

When I go alone, I don't know what to choose properly, so when I am with them [daughters], I feel more comfortable to go shopping. (Taghrid, 51-60)

To conclude, for younger UAE consumers, the hedonic function is better served by a positive attitude toward genuine luxury goods. For older UAE consumers, the hedonic function is better served by a positive attitude toward luxury counterfeits. This may partially explain why older UAE consumers appeared in the pilot study to be more likely to buy luxury counterfeits than their younger counterparts.

Social-adjustive function

Introduced by Smith et al. (1956), the social-adjustive function helps individuals to gain approval in social settings (Grewal et al., 2004). Strongly related to peer pressure, this function is supposed to facilitate and support social relationships. It is especially important in luxury consumption settings, which are known to confer social status (Vigneron and Johnson, 2004). Corroborating Schade et al. (2016), who underlined the social-adjustive function's dominance in genuine luxury consumption among late adolescents, younger UAE consumers buy genuine luxury products, especially visible ones, to meet social-adjustive goals. They display favorable attitudes toward genuine luxury goods as a way of adopting the attitudes of admired groups and matching their norms and values, which is not observed among older UAE consumers.

When I go with my friends in the college or anywhere, there are always luxury brands. Many people around us, they affect us, so you can't use normal brands. (Woorod, 18-30)

They compare themselves with the friends; and they are always getting brands, "I want to be like them". (Ghada, 41-50)

In the UAE, despite the relatively good quality of some counterfeits, being identified as a counterfeit consumer is perceived as risky (Pueschel et al., 2017) because of the consequences in terms of embarrassment and shame. Our data show that this psychosocial risk is especially salient among younger UAE consumers, while older ones display less anxiety at the idea of consuming counterfeits.

If I go out, or at a wedding or any party or a graduation party, I wouldn't let [my mom wears a fake]. If it really happened, I would get angry. My friends, they will know but then again mothers are different from us. (Hezna, 18-30)

If my daughter holds a fake brand or something which is not a brand, they will downgrade her. They don't accept her maybe [...] they might not consider [her

part of] the group, or [think] she's not from their side, or from the lower class.
(Taghrid, 51-60)

If I find a fake which looks nice, and I found that it's nice, even [if] I don't know the brand very well, I can buy it, I can hold it, I can shake it, I can use it. I'm okay. [...] For me, I don't have any problem if I buy a fake product [...] counterfeits are acceptable. (Mezna, 51-60)

To conclude, the social-adjustive function is better served by a negative attitude toward luxury counterfeits among younger UAE consumers, which may partly explain why the pilot study revealed they are less likely to buy luxury counterfeits than their older counterparts.

Value-expressive function

The value-expressive function drives people to give positive expressions of their central values, attitudes and beliefs to others (Locander and Spivey, 1978; Wilcox et al., 2009). Consequently, consumers whose goal relates to the value-expressive function buy products which communicate something about their self-conception. For younger UAE consumers, buying luxury products is a way to signal their identity. They want to show off and express that they follow western trends and stand out from the other classes to gain respect. Materialism is an important value for this age group, and overconsumption of genuine luxury goods helps achieve their value-expressive goal, which is not observed among older UAE consumers.

For me, I like to show off, I'm not that kind of humble person [...] Prada, Prada. All the time. (Falah, 18-30)

Now [people are] more in the society, working, studying. They see each other, they have latest trends, here they're known as the show-off [...] It's only for fashion, and it's for show only. (Worood, 18-30)

If you [the younger generation] wear it, that means you are a high class [person]. (Mara, 41-50)

Sometimes I am sitting with a person, and she doesn't put her eyes on my eyes while I'm talking. She's focusing on my earrings, or she's focusing on my necklace, or she's focusing on my watch. Come on. I really hate this, because you don't care about my personality. You don't care about the inside, you are valuing me about what is on the outside. (Moona, 41-50)

Older UAE consumers meet their need of status expression differently. Driven by traditional functional attitudes, they associate the overconsumption of luxury with “westernization”, loss of identity and cultural values. In their mind, buying excessively genuine luxury products for themselves would send out a negative message about them. Although they consume luxury goods, they are not necessarily buying luxury goods themselves. Thus, they express a positive attitude toward being given genuine luxury items as presents by their children, as this respects the Emirati culture which has an important tradition of present-giving, especially to parents. The genuine luxury gifts received signal their children’s achievements and their family’s social status. In such situations, genuine luxury goods take on a symbolic nature as the embodiment of the parents’ own unfulfilled dreams, especially regarding the education they never had.

First time I got a brand was when my eldest daughter worked. With her first salary, she bought me a Burberry bag as a kind of appreciation. Until now, I'm taking care of my bag. This was my first time I used a brand, I don't consider it special because it was a brand [but] because it's from my daughter, I find it very precious. (Taghrid, 51-60)

I have originals, as I told you. My daughters are buying [for] me. (Mezna, 51-60)

To conclude, the value-expressive function is better served by a positive attitude toward genuine luxury goods among younger UAE consumers and by an ambivalent attitude toward genuine luxury goods among older UAE consumers. This may partly explain why younger UAE consumers are less likely to buy luxury counterfeits than their older counterparts.

Ego-defensive function

The ego-defensive function serves to protect the ego from internal and external threats and reduce insecurities and anxieties (Sarnoff and Katz, 1954). Defense mechanisms associated with emotional conflicts include denial of reality, complete avoidance of the issue, or bolstering attitudes of superiority (Katz, 1960). Such negative emotions are visible in the discourse of our older UAE informants. Considering that younger consumers are wasting money buying luxury western brands that do not preserve their values, they clearly express a form of exasperation toward the importance younger consumers assign to worldly possessions and try to restrain them from excessive consumption of luxury goods.

My mom tells me "Don't spend too much on bags, don't spend too much."
(Hala, 18-30)

How much they will give their parents? Maximum 5,000. The rest [...] what are they doing with it? Buy a luxury car, luxury brands!" (Mara, 41-50)

Special things like Chanel and Dior need more money and I don't like to spend my money on this. Walla! [Exclamation in Arabic] I told them don't buy it for me, but they bought it. (Salma, 51-60)

Older consumers' defense mechanisms take the form of celebration of an idealized "golden" frugal past, in sharp contrast to expensive luxury brands, which are perceived as excessive, extravagant and disrespectful of tradition. This is particularly evident when they explain their views through stories about their youth and the less indulgent lives, they led in

the *pre-oil* period, stressing that life was much simpler “before” and that their dreams did not concern material possessions.

At that time, there were not many malls here. It was tailors. My auntie was a fashionable... She was designing her clothes. It was wow, at that time. (Ghadeer, 41-50)

The prosperity, it was not there before [...] we didn't have that much options before [...] now you can find it everywhere, the brands. (Taghrid, 51-60)

It was simpler before, and now it's more open to the other world. When I was young, I have never dreamed about something materialistic. I got married when I was 14, and I have always [been] dreaming about how I will continue my studies. I wish I could have continued studying. At that time, people were very simple. They didn't have the level of dreaming about something which is what the generation nowadays think about, like, buying this stuff, "Even if it's expensive I want to get it." No. Life was very simple. Our dreams were very simple. We were not thinking about anything else except the simple things. I wanted to continue studying. I got married but that was the thing. (Mezna, 51-60)

Those born in the *time when the exploitation of oil had just started*, consider oil as a reward from Allah, “earned through the belief and piety of [their] ancestors” (Bristol-Rhys, 2010: 53) and that “the wealth that came overnight can leave overnight” (p. 63) seem very anxious about the new Emirati splurging way of living. Interestingly, overconsumption of genuine luxury goods is considered contradictory to UAE traditions, but also contradictory to religious principles, with the older UAE consumers explaining that consuming luxury counterfeits is more consistent with Islamic principles.

From the religion point of view, fine. If I have the money, I buy for myself and I help the poor. If I don't have the money, I don't have to buy extra expenses only because I want to show off. (Ghada, 41-50)

The new generation, which is coming, is paying too much attention to brands - everything should be brand[ed]. They're not too close to God, to the religion. Yes, sometimes you find cheap things in a good quality at the same time [referring to counterfeits] [...] This is what Allah wants, and as a Muslim you have to say yes for everything from Allah. It is like testing you. Of course, I can afford original, but with this money I can do a lot of things for the poor, for orphans. (Moona, 41-50)

To conclude, the ego-defensive function is better served by a negative attitude toward genuine luxury goods among older UAE consumers. This argument may partly explain why they were found in the pilot study to be more likely to buy luxury counterfeits than their younger counterparts. Table 16 provides a synthesis of the results of our qualitative study.

Table 16: *Synthesis of the influence of attitudes on functions*

	Younger UAE consumers	Older UAE consumers
Utilitarian function is better served by a...		... positive attitude toward counterfeit
Hedonic function is better served by a...	... positive attitude toward genuine luxury	... positive attitude toward counterfeit
Social-adjustive function is better served by a...	... negative attitude toward counterfeit	
Value-expressive function is better served by a...	... positive attitude toward genuine luxury	... ambivalent attitude toward genuine luxury
The ego-defensive function is better served by a...		... negative attitude toward genuine luxury

5 DISCUSSION

To further extend research about the influence of consumer age on counterfeit luxury consumption, this research explores how consumers' generation influences counterfeit consumption in the UAE. It makes several contributions for academics, public policy makers fighting counterfeiting, and managers generally dealing with GCC nationals.

5.1 Theoretical contributions

This research contributes to the literature on counterfeiting, confirms the importance of culture in functional theories of attitude, and identifies generation as a crucial segmentation factor, especially in emergent countries.

Age and generational cohorts in counterfeit literature

This research first contributes to the luxury counterfeit research by expanding our understanding of the influence of consumer age on counterfeit consumption. The results of a quantitative pilot study show a positive correlation between consumer age and counterfeit consumption in the UAE, which runs counter to past literature (e.g., Cheung and Prendergast, 2006a; Sharma and Chan, 2011; Tan, 2002; Tom et al., 1998). As this pilot study concerns affluent UAE consumers only, it rules out any alternative explanation regarding the income differences and enables to focus on the cultural route of clarification proposed by Swami et al. (2009).

To explain the unexpected positive correlation between consumer age and counterfeit consumption, a qualitative study has been conducted, and its results analyzed through the lens

of the functional theories of attitudes (Katz, 1960; Smith et al., 1956), which postulates that attitudes serve various functions and help meeting psychological needs.

This research provides a deep understanding of counterfeit consumption in the UAE with a clear demonstration of an irremediable cultural gap between two generations. It shows that younger and older UAE consumers differ in their motivations to consume genuine and counterfeit luxury goods due to the shift in values the UAE experienced over the last 40 years (Bristol-Rhys, 2010; Cherrier and Belk, 2015). In the UAE, the discovery of oil and the prosperity that came with it, can be considered as a “defining moment” (Schewe, Meredith and Noble, 2000) that was “impactful enough to create cohort effects” (Noble and Schewe, 2003, p. 985). Our data provides evidence that the *older* generation (over the age of 30) and the *younger* generation (under the age of 30) form distinct generational cohorts, i.e. groups of “individuals born in the same time period, during which they have shared unique events created by their common age situation within history” (Ladwein, Carton and Sevin, 2009, p. 3). Precisely, the *older* generation experienced a simple, puritan and hermetic environment, while the *younger* generation was born into luxury, in an environment opened to western modernity. Given that early-life experiences shape later-life consumers’ attitudes (Holbrook and Hirschman, 1993 ; Rindfleisch, 1994) and values (Noble and Schewe, 2003), separating these two cohorts is of utmost importance to explain consumer trends and behaviors.

The analyses show that representatives of younger and older UAE generations do not place the same emphasis on a number of identified psychological functions because they do not share the same cultural background. The results present some evidence to explain why older UAE consumers attitudes toward luxury counterfeits that were found in the pilot study differ from the younger generation.

Given the uniformity in cultural and economic evolutions, we claim that our results can be generalized to GCC countries such as Qatar or Kuwait. Beyond, cultural and economic shifts such as the one experienced by GCC nationals occur in other parts of the world, such as in China, where millions of affluent individuals have recently and rapidly accessed to wealth and idealized western values. Iran might represent another opportunity for replication in the event of a lifting of embargo and Iran's reopening to international trade.

In the end, this research highlights the importance of generations in consumer behavior at a meso-level (Noble and Schewe, 2003), between the macro-level of the country (Hofstede, 2001) and the micro-level of the individual cultural values (Schwartz, 1992). As such, it contributes to the recent and increasing interest for generational differences in consumption (e.g., Bolton et al., 2013; Reisenwitz and Iyer, 2009) as in the workplace (e.g., Cennamo and Gardner, 2008; Smola and Sutton, 2002). However, the generational segmentation of the UAE exceeds the traditional technological segmentation between Generation X and Generation Y, the latter being digital native and merging its social life into technological devices. As such, our research finally underlines the ethnocentrism of the generational segmentations in use in the western countries between Baby-Boomers, Generation X, Generation Y and Millennials.

Generational culture in functional theories of attitudes

This research shows that among older UAE consumers, the utilitarian and hedonic functions are better served by a positive attitude toward counterfeit luxury consumption, while the ego-defensive function is better served by a positive attitude toward genuine luxury consumption. In contrast, among younger UAE consumers, the hedonic, social-adjustive and value-expressive functions are better served by a positive attitude toward genuine luxury consumption. Consistent with Schade et al. (2016), our research shows that the influence of social-adjustive and value-expressive functions on luxury consumption depends on age but

extends to counterfeit luxury consumption. It also extends previous research that used the functional theories of attitudes without exploring the influence of age when studying counterfeit luxury consumption (e.g., Sharma and Chan, 2017; Wilcox et al., 2009). Still, our detailed results are not always in line with the previous literature.

Extending Schade et al. (2016) findings, we demonstrate that belonging to older or younger generation influences the dominance of the utilitarian and hedonic functions. Going further, Swami et al. (2009) reported a positive influence of materialism on a willingness to buy luxury counterfeits, indicating that the hedonic function may be better served by a positive attitude toward luxury counterfeits among younger consumers. However, our findings demonstrate that for younger respondents the hedonic function it is better served by a positive attitude toward genuine luxury goods.

Another difference concerns the social-adjustive function. According to Wilcox et al. (2009) or Schade et al. (2016), the social-adjustive function is better served by a positive attitude toward luxury counterfeits among younger consumers, but we observe the opposite in the UAE. Our findings appear logical when we consider that the sample consists of affluent consumer who can afford to buy genuine items to indulge themselves but also to conform with the social expectation to buy and present luxuries.

Regarding the value-expressive and ego-defensive functions, we provide qualitative explanations for their influence and show the negative influence of the value-expressive function on counterfeit consumption, corroborating the results of Sharma and Chan (2017). This can be explained through younger consumers' need to express their social status and keep up with fashion. Further, we show a positive influence of the ego-defensive function for older consumers, contrasting with Sharma and Chan (2017). Although both generations do consume genuine luxury, the older generation seems to be more value conscious, as they had experienced

life before the prosperity that came from oil and had to work hard for their money. Further, they reject excessive genuine luxury consumption in the name of respect for local traditions and Islam.

In the end, contradictions with previous literature may be attributable to differences in culture depending on consumers' generation, which affects the dominance of psychological functions in counterfeit consumption. Besides, this research clearly demonstrates the relevance of considering individual moderating variables (e.g., age, gender) when studying the dominance of psychological functions in attitude formation and change.

5.2 Managerial contributions and recommendations

As older UAE nationals consume more luxury counterfeits than their younger counterparts, public policy makers should target them first.

Besides, they should adapt their anti-counterfeiting campaigns accordingly as functionally-relevant stimuli are supposed to be more persuasive than stimuli that do not match the functions served by an attitude (Locander and Spivey, 1978). As the *older* generation values functional attributes, campaigns targeting older nationals should emphasize price-quality inferences in advertising and authorized retail channels (Huang et al., 2004). Besides, as this generation experiences hedonism in the counterfeit shopping, public policy makers should impose greater penalties on buyers on fake markets, rather than concentrating on prosecuting suppliers only. Finally, as this generation has the urge to express its traditional and religious values, campaigns should also stress the moral consequences of counterfeit consumption. For example, a smart campaign could show a middle-aged Emirati in traditional dress, with the following caption (in Arabic): "Did you know that poor-quality fake products are made by

children and fund terrorism?” or “Don’t break the law, don’t support a trade that could harm our economy”. These posters could be placed in the malls and souks known to sell counterfeits (e.g., Karama, Madinat Zayed).

Meanwhile, to keep the *younger* generation away from counterfeit goods, campaigns should address their social-adjustive function and stress the potential risk of being identified as a counterfeit consumer. For example, a smart campaign could show a young Emirati with the following caption (in English): “Buying counterfeits shows you up as 100% fake”. The *younger* generation could also serve as ambassadors to influence the *pre-oil* generation in favor of genuine luxury goods. These ideas could be tested in future research.

More broadly, managers dealing with GCC nationals should always bear in mind that the *older* and *younger* generations were raised in different countries. They might share the same heritage, but not the same culture, and it is necessary to adapt plans and communications for these two different targets. In a more marketing-focused setting, marketers, including luxury brand managers, should build segmentations based on the generation to which consumers belong to, not merely in terms of demographics (i.e., same age group), family (i.e., children / parents / grandparents) or history (i.e., time needed to renew the population), but in a sociological sense, namely cohorts. The stakes are high as the Middle East is a region with one of the highest purchasing powers in the world.

5.3 Limitations and further research

Beyond interesting contributions, this research has some limitations that provide avenues for future research. First, the sample of the pilot study is limited to 90 respondents and biased toward female respondents. Still, GCC nationals are not used to answering surveys and

response rates are usually very low, especially among male respondents, making the conduct of quantitative surveys in the GCC very challenging. Going further, female-only consumers were interviewed for the qualitative exploration as women represent four out of every five luxury purchases (Okonkwo, 2016), and probably more in the GCC countries, and because they are more accessible than men in such countries. Though the pilot study does not show any gender-specific influence, future research should focus on men to confirm our findings.

Second, we chose to conduct a qualitative study of the dominance of psychological functions serving attitudes toward genuine and counterfeit luxury consumption, which is explorative in nature. This choice was first made because a quantitative study could not have revealed its underlying cultural mechanisms. Research on counterfeit consumption actually mostly relies on consumers in North American or South Asian countries (Eisend and Schuchert-Güler, 2006) and the use of traditional western-focused scales would not have allowed probing into GCC consumers' perceptions (Churchill and Peter, 1984). As an illustration, none of these scales could have appropriately apprehended the role of tradition and religion in the ego-defensive function. Still, the linguistic barrier may have prevented from gaining in-depth insights. The current findings must be understood in the context of this limitation. Now, future quantitative research could rely on our rich qualitative material to build scales that would be adapted to the Islamic culture and extend the external validity of our results using a more ambitious multi-countries data collection. This would allow replicating the conceptual framework we proposed in different cultural settings as culture is an important factor in counterfeit decision-making (Ronkainen and Cusumano, 2001; Veloutsou and Bian, 2008).

Third, this research focuses on counterfeit luxury consumption but could be extended to counterfeit non-luxury consumption, as Sharma and Chan (2017) suggest that the dominance

of psychological functions in the attitude toward counterfeit consumption could depend on product categories (i.e., utilitarian vs. hedonic). Besides, being counterfeit consumption, follow-up research works could aim at identifying other behaviors influenced by the belonging to one or the other generations in the GCC, such as the use of more digital social media to shop.

MAKING THE TRANSITION FROM ESSAY II TO ESSAY III

Essay II showed that older and younger Emirati consumers hold different attitudes that are served by various functions, explaining why the former would buy more counterfeits than the latter. The generational culture is presented as an explanation for the formation of different attitudes. The attitudes are influenced by individuals' motivations to purchase counterfeits.

By addressing the initial question about what drives Emirati consumers to buy counterfeits, Essay III utilizes the Means-End-Chain approach to uncover the values behind the consumption that guides their attitudes and behavior toward counterfeits.

CHAPTER IV: ESSAY III:

I WANT IT ALL AND I WANT IT NOW.
MOTIVATIONS OF COUNTERFEIT LUXURY
CONSUMPTION AMONG AFFLUENT GCC
CONSUMERS

ABSTRACT

This research investigates the motivations of counterfeit luxury consumption in the Gulf Cooperation Council (GCC) countries. Using a Means-End-Chain approach, this research uncovers four dominant motivational patterns and complexities that drive GCC affluent consumers to purchase counterfeit luxury products: Value-consciousness, Belonging, Hedonism and Self-esteem. Luxury brands and policy makers could use these main hidden final values to gain a holistic understanding of consumer motivations and develop stronger anti-counterfeiting strategies to discourage counterfeit consumption.

Keywords: Counterfeiting; Luxury brand; Means-end chain; GCC consumers

BIOGRAPHY OF THE ARTICLE

Pueschel, J. (Forthcoming) I want it all and I want it now. Motivations of counterfeit luxury consumption among affluent GCC consumers, *Management International*, *accepted with minor revisions*

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Atlas-AFMI Conference, Paris, 21-23 May 2018

1 INTRODUCTION

Counterfeiting has grown drastically in the recent years and could reach the global economic value from US \$ 1.7 trillion in 2015 to US \$ 2.3 trillion in 2022 (International Trademark Association (INTA) and the International Chamber of Commerce). INTA (2017) holds counterfeiting responsible for the loss of US \$4.2 trillion from the global economy and for putting 5.4 million legitimate jobs at risk. Luxury brand manufacturers are concerned about not only losses in revenues but also about the damage made to brands most valuable assets such as brand perception and reputation (Bian et al., 2016; Kapferer and Michaut, 2014). Taking into consideration the rapid growth of the counterfeit market it appears that anti-counterfeiting measures employed by governments and companies have not produced useful results. Given the dependence of the counterfeit market on consumers' desire for such goods, it is crucial to analyze why consumers actually knowingly purchase them, despite social, economic or physical risks (Amaral and Loken, 2016; Bian et al., 2016; Pueschel et al., 2017; Rosenbaum et al., 2016).

Research about drivers of counterfeit consumption has grown in the past decade, with more academics attempting to identify motivation, antecedents of motivations and drivers of such consumption (Bian et al., 2016; De Matos et al., 2007; Eisend and Schuchert-Güler, 2006; Kaufmann et al., 2016). Such studies are mostly conducted in Western and Asian countries (Eisend, 2016; Franses and Lede, 2015). Since counterfeit consumption is contingent on cultural contexts (Burgess and Steenkamp, 2006; Eisend, 2016; Eisend and Schuchert-Güler, 2006; Veloutsou and Bian, 2008), a deeper cultural research on the subject seems necessary. The present paper examines the counterfeit consumption by the local population in the United Arab Emirates. Several reasons drive this focus. First, because of the geographical position on a junction of trade routes between Europe, Asia and Africa, The UAE had become one of the

major transit hubs for counterfeit goods around the globe (OECD, 2017). Second, the country faces increased problems with counterfeits. In 2018, the Department of Economic Development (DED) reported the seizures of counterfeit goods worth AED 332 million (USD 90.2 million) and shut down of 13,948 social media accounts selling fake items (The National, 2019). Third, the literature on counterfeiting names the low price of counterfeited products as the primary decision factor for the purchase (Ang et al., 2001; Bian et al., 2016; Sharma and Chan, 2011; Tom et al., 1998). Since the population of the UAE is among the most affluent in the world, scoring place 6 in GDP per Capita in terms of purchase power parity globally (World Bank, 2018), it appears surprising that individuals with sufficient financial means purchase counterfeits. Hence, we can assume that the obvious price advantage of counterfeits is not a primary motivation for such consumption. Fourth, the research on luxury counterfeiting is very scarce in the region (except for Fernandes (2013) and Pueschel et al. (2017), where a massive accumulation of wealth caused profound changes in the society and values. Consequently, the central premise of this research is that personal, social, cultural and religious aspects influence consumers' motivations to consume counterfeits (Ronkainen and Cusumano, 2001; Santos and Ribeiro, 2006) and these motivations might differ from other countries. Specifically, the present research adopts a Means-End Chain analysis method that is appropriate for investigating consumers' motivational patterns (Gutman, 1982; Reynolds and Gutman, 1988) and is widely used to uncover consumers' covert cognitive structures i.e., the hierarchical constructs that are not instantly clear (Gengler and Reynolds, 1995; Guido et al., 2014; Lin, 2002; Wansink, 2000). The findings are of major interest for public policy makers and luxury brand managers fighting counterfeiting.

2 MOTIVATIONS AND COUNTERFEIT CONSUMPTION

Motivation signifies “psychological processes that cause the arousal, direction, and persistence of behavior” (Mitchell, 1992, p. 81). In general, a motivated person is “moved to do something” (Ryan and Deci, 2000). When a consumer feels the drive, urge or need to acquire a product, he goes shopping. Hence, the motivation is a goal-oriented behavior (Mowen and Minor, 1998). In the context of consumer behavior, motivations are a function of many variables, which are not always related to the actual purchase of the products (Tauber, 1972). Consumers don’t merely buy products, they buy tangible or intangible benefits that are driven by two types of psychosocial motives: personal and social (Tauber, 1972).

When studying the motives of counterfeit consumption, scholars mostly refer to the price advantage of these goods over their legitimate counterparts (Wang et al., 2005). Consumers desire to optimize and gain more control over their economic resources (Jirotmontree, 2013; Perez et al., 2010) or to increase the number of items they purchase and possess and often view the counterfeit items they possess as a route to happiness and social recognition (Moschis and Churchill, 1978; Trinh and Phau, 2012). A social group can also influence consumer behavior regarding counterfeits (Ang et al., 2001; Phau and Teah, 2009; Tang et al., 2014). Another critical component in the counterfeit buying process is the variety-seeking, which incorporates the desire to seek novelty and variety (Phau and Teah, 2009; Wee et al. 1995) and be “in-vogue” (Bian et al., 2016).

When comparing purchase situation in the home country where the counterfeits are not widely available vs. the situation when consumers are on holiday, Eisend and Schuchert-Güler (2006) have discovered that in the latter situation, the counterfeit purchases fulfill surplus purposes such as “souvenirs” or “spending the last bit of money”. Furthermore, when people are in a holiday mood, they are more inclined to engage themselves in counterfeit consumption

(Rutter and Bryce, 2008). The buying process of counterfeits and breaking the relevant law can further trigger a “thrill of hunt” (Bian et al., 2016), heighten the sense of fun, augment the experience of adventure and enjoyment (Hamelin et al., 2013). Some consumers may experience a big deal of excitement of fooling others by telling them they own the original (Perez et al., 2010), others merely desire to try the product (Gentry et al., 2006; Sharma and Chan, 2011, 2016) and if this trial is successful, they might even opt for the original version (Gosline, 2010).

Investigation of consumers motivations to purchase counterfeits can offer valuable insight into factors that drive the purchase decisions, thus further complementing the existing literature. Of particular interest to this research is the exploration of the motivations that go beyond the price advantage. The study employs the laddering technique (Reynolds and Gutman, 1988) and Means-End Chain (MEC) analysis that allows the detailed analysis of the cognitive motive structures.

3 METHODOLOGY AND RESEARCH PROCESS

3.1 Means - End chain analysis

This research employs the Means-End chain (MEC) approach to investigate consumers’ motivations for buying counterfeits, and more precisely their cognitive motives through the creation of linkages between pertinent attributes, utility components that result from them, and individuals’ values. MEC analysis has been applied widely through various research domains (Reynolds and Phillips, 2008), including cross-cultural studies (Baker, Thompson, Engelken and Huntley, 2004).

The MEC approach was developed by Gutman (1982) to portray how consumers categorize information about products in the memory and to understand their purchasing

choices. The central assumption of MEC is that the consumers' decision-making process is represented through a hierarchical network of attributes, consequences and values. Therefore, the MEC is a model that pursues the explanation of how the attributes of a product or service (means) are linked to consequences that result from usage of the product which are linked to values (ends or desired end goals) (Gutman, 1982). The attributes relate to characteristics of the product (e.g. price, style). The consequences are understood as results that are provided to the consumer by the attributes (Reynolds and Gutman, 1988). Each consequence supports one or multiple values (ends) in the life of the individual (Gengler and Reynolds, 1995). So, the ends are "valued states of being such as happiness, security, accomplishment" (Gutman, 1982). This analysis is focusing specifically on the linkages between attributes, consequences and values, and allow researchers to identify the specific segments with explicit hierarchies, while considering the hierarchical nature of the stimuli (the elements of A-C-V) (Valette-Florence, 1998)

The MEC analysis which is based on the in-depth interviews has the advantage of providing an exhaustive and deep insight through guiding the participants to construct a ladder by linking their motivations and consequences to the attributes of the product. These attributes reveal the final values that are related to consumer' choice. Laddering is an efficient method to draw these links (Wansink, 2003). The ladders of each individual respondent are decomposed into direct and indirect components and filed into implication matrix. The results of MEC are visualized in a hierarchical value map (HVM) (Reynolds and Gutman, 1988). The present research uses the traditional laddering procedure (Reynolds and Gutman, 1988) to facilitate reflections on consumers' personal buying motivations of counterfeit luxury goods and on the relationship among attributes-consequences-ends.

3.2 Procedure

In-depth interviews were initiated to understand more about the underlying mechanisms of luxury counterfeit consumption. 38 in-depth interviews were conducted with UAE national female consumers. concentration on female population has two main reasons: females are more engaged in the shopping process, and as the interviewer was female, the access was more comfortable from the cultural point of view, where the big emphasis is put on gender separation. The help of Emirati students was used to gain access to interviewees.

Table 17: *Informants' profile*

No	Pseudonym	Age	Occupation
1	Alia	40-45	Housewife
2	Fatma	18-25	Student
3	Mona	40-45	Teacher
4	Amina	18-25	Student
5	Hessa	30-34	Internal auditor
6	Shamka	35-40	Housewife
7	Noura	26-30	Lawyer
8	Sheikha	26-30	Lawyer
9	Salma	51-55	Housewife
10	Raja	46-50	Housewife
11	Shaila	30-34	Economist
12	Meead	18-25	Consultant
13	Woorod	18-25	Student
14	Falah	18-25	Student
15	Maitha	18-25	Student
16	Ghadeer	40-45	Computer Engineer
17	Hesma	26-30	Banker
18	Hala	18-25	Employed
19	Mouna	18-25	Student
20	Nada	26-30	Head of PR

21	Shahad	18-25	Student
22	Taghrid	56-60	Social worker
23	Tarfa	35-40	Banker
24	Farah	18-25	Banker
25	Mosa	18-25	Student
26	Mezna	56-60	House wife
27	Ghada	40-45	Gov. employee
28	Mara	46-50	Armed forces
29	Shaima	26-30	Financial sector employee
30	Osha	18-25	Auditor
31	Samiya	26-30	Government employee
32	Maram	18-25	Student
33	Sumaya	26-30	Employed - private sector
34	Reem	18-25	Gov. employee
35	Hanan	18-25	Financial sector employee
36	Warda	18-25	Student
37	Saleyma	26-30	Gov. employee
38	Alya	26-30	Banker

As counterfeit consumption is rather a sensitive topic due to high perceived social risk (Pueschel et al., 2017), there was no initial distinction between buyers and non-buyers of counterfeits. The recruitment process started with the direct network of the researcher, then the snowballing procedure was used to recruit further participants, others were recruited through social media sites. The interviews were conducted in English, because it is considered the primary communication language in the UAE and even questions the position of Arabic as a first national language (Al-Issa, 2017). If some respondents didn't feel confident in expressing their exact thoughts and opinions in English, the help of an interpreter was used to ensure the depth of the responses.

The interviews started with an extended small talk and general questions about shopping habits. Not surprisingly, when talking about these habits, respondents spoke predominantly about luxury brands. This process allowed the researcher to remain assured that all the respondents are real luxury consumers and have confirmed the ownership, and habitually excessive consumption luxury products. Later, the researcher asked questions about the consumers' experiences with counterfeits. The approach of delaying questions about counterfeit experiences has proven itself as effective, especially when dealing with a culture in which face consciousness is highly valued. When the respondents manifested avoidance behavior, the techniques proposed by Reynolds and Gutman, (1988) were used to deal with blockages. When participants had difficulties identifying their motives, the "third person probe" was applied, whereby they were asked about how others they know feel about counterfeits in similar circumstances.

The interviews were conducted in different locations and lasted on average 37 minutes. The interviews were recorded and transcribed. The data had been analyzed using the three main steps: 1/ content analysis, 2/ construction of implication matrix, 3/ construction of Hierarchical value map (HVM).

A content analysis was carried out using Nvivo11 in which different types of elicited elements were identified. The codes were assigned using the Reynolds and Gutmans' (1988) levels of analysis: attributes, consequences, and values. All the codes were revisited and revised, so some codes of the same hierarchical level were combined in summary codes. Based on the analysis of ladders, eight attributes appeared. These attributes relate to fifteen consequences, which in turn lead to six values.

Figure 7 Overview of Means-End chain elements

Attributes	Consequences		Values
1 Quality	9 Avoid being fooled	17 Invest	25 Value consciousness
2 Price	10 Smart-shopping: expertise	18 Smart-shopping: saving	26 Self-esteem
3 Gold	11 Be in-vogue	19 Show cultural hierarchy	27 Hedonism
4 Accessibility	12 Buy more	20 Uphold culture	28 Pragmatism
5 Functionality	13 Collaborative consumption	21 Uphold religion	29 Belonging
6 Fashion	14 Easy to use	22 Pretend it's an original	30 Self-direction
7 Genuine brand attributes	15 Enhance social status	23 Be unique	
8 Informal consumption	16 Feel closer to family and friends	24 Resist to big corporations	

In order to address the issue of intra-coder reliability (Miles et al., 2014) all the codes were triple-coded by the researcher at three different periods of time (Miroso and Tang, 2016). Following the content analysis presented in this section, the next section summarizes the results from ladders and MECs that were created for each respondent.

4 RESULTS

The reasons for consumer purchase decisions are not always obvious (Wansink, 2003). Although a consumer might quickly respond to questions related to the product, these responses are often not the fundamental reasons for their decisions (Rokeach, 1973). Further, the attributes, consequences and values are reported to identify the main motivations for counterfeit purchases.

4.1 Implication matrix

The ladders and elements were entered in LadderUX to produce a summary score matrix and to create an Implication Matrix and the Hierarchical Value Map (HVM), i.e., to perform the analysis of both direct and indirect relations (elements are related through another element) between adjacent elements. The HVM is constructed through computing the numbers of direct implications (A directly precedes B) and indirect implications (A indirectly precedes B). Whereby, the researcher selects the “significant” threshold value to define the meaningful implication between different levels of abstraction (Reynolds and Phillips, 2008).

The numbers in the matrix are expressed in a way, such that direct relations are represented to the left in the cell and indirect to the right. For instance, “Price” (2) leads to “Smart – Shopping - Saving” (18) 12 times directly and 1 time indirectly. It shows that the “Price” is 12 times directly connected to desire to feel smart about the purchase and save money; and 1 time because of another reason that is indirectly connected to smart-shopping feeling and desire to save.

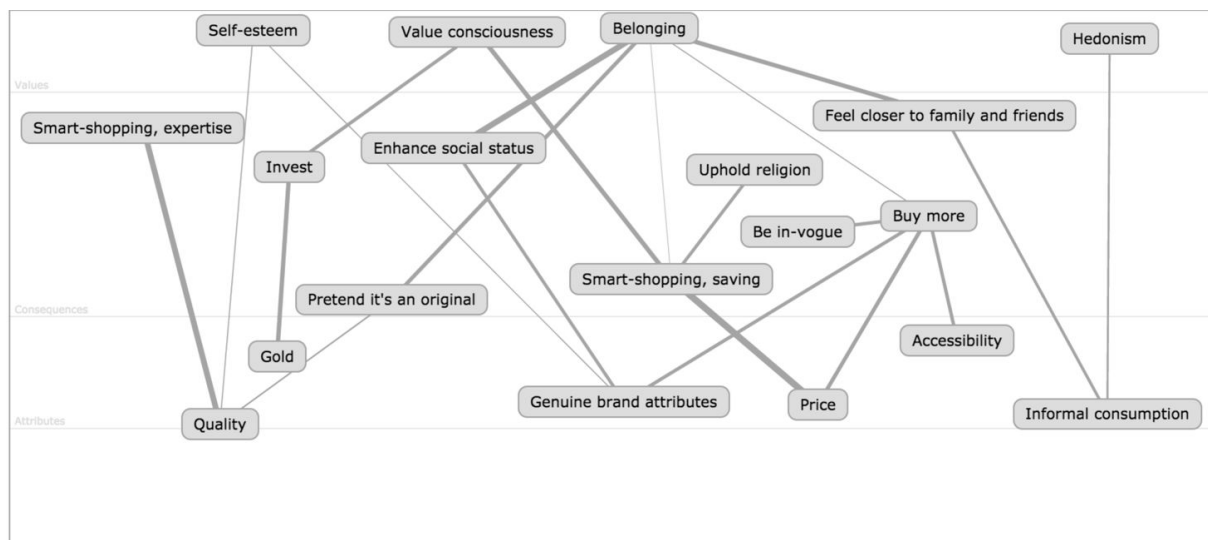
Table 18: *Implication matrix*

	IMPLICATION MATRIX	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	sum
1	Quality	2 0	12 0	0 1	2 1	1 0	1 0	1 0	0 2		3 0	1 1		0 1	3 4	0 1		0 1	0 6	0 2	1 1	0 5	0 1	27 27
2	Price			0 2	8 0	0 1		2 0	2 1		12 1	0 1	0 2	2 5	0 1		2 0	1 5	0 3		0 1	0 4	0 5	29 32
3	Gold	1 0								9 1	3 0		1 1	1 0	1 0	1 0	1 1	0 8	0 1			0 2	0 2	18 16
4	Accessibility		1 0	0 1	7 0	1 0	1 0	0 2	3 0		4 0	0 1		0 1	2 0				0 1	2 2	1 0	0 7	0 1	22 16
5	Functionality						2 0				2 0	0 2		0 1					1 2			0 1		5 6
6	Fashion			2 0	1 0	0 1			2 0				1 0	1 0	1 0				0 1				0 4	8 6
7	Genuine brand attributes	1 0	1 0	3 2	7 0	1 0		6 4	2 1			1 0	4 0	1 0	2 0				0 7	1 0	0 2	2 12	0 1	32 29
8	Informal consumption	1 0			1 1	1 0			6 0		1 0		0 1			1 0			0 1	4 2		0 5		15 10
9	Avoid being fooled		1 0														1 0	1 0					1 0	4 0
10	Smart-shopping, expertise			0 1	1 0										3 0	0 1		1 0	4 1	1 0		0 2	0 1	10 6
11	Be in-vogue				7 0			1 0	1 0				1 0						5 0				9 1	24 1
12	Buy more							3 1	2 0		2 1		1 0	3 1	2 0			1 1	1 4	3 0	1 0	2 8	1 0	22 16
13	Collaborative consumption								3 0		1 0							1 0					1 0	6 0
14	Easy To Use							1 0				2 0		1 0					0 1				0 1	4 2
15	Enhance social status								1 0		1 0		3 0						3 0				11 3	19 3
16	Feel closer to family and friends												2 0	1 0	1 0					0 1			9 4	13 5
17	Invest										1 0		1 0				1 0	7 0					1 0	11 0
18	Smart-shopping, saving											2 0	1 0	6 4	3 0			9 4	2 1	1 1	3 0	1 7	5 0	33 17
19	Show cultural hierarchy													1 0	1 0				4 0				0 1	6 1
20	Uphold culture														1 0			0 1			1 0	5 0		7 1
21	Uphold religion															1 0	1 0		1 0			4 0	1 0	8 0
22	Pretend it's an original															1 0		0 1	3 0	1 0		8 0	1 0	14 1
23	Be unique																		2 0					2 0
24	Resist to big corporations																						2 0	2 0
25	Value consciousness																							0 0
26	Self-esteem																						1 0	1 0
27	Hedonism																							0 0
28	Pragmatism																							0 0
29	Belonging																							0 0
30	Self-direction																							0 0
	sum	5 0	15 0	5 7	34 2	4 2	4 0	14 7	22 4	9 1	30 2	6 5	15 4	17 13	20 5	3 2	6 1	22 21	25 29	14 8	7 4	52 67	13 11	

4.2 Hierarchical Value Map (HVM)

In the implication matrix the elements of the ladders are decayed into direct and indirect implications, while for HVM the “chains” from the data are constructed (Reynolds and Gutman, 1988). The HVM is a graphical representation of the A-C-V chains. For its construction, the researcher needs to set the “cut off” values. These are the minimum numbers of links between the elements that must be identified before researcher considers the item. Only the concepts that have been mentioned at or above the cut off level were included in the HVM to produce the most informative and stable HVM (Gengler and Reynolds, 1995; Reynolds and Gutman, 1988). The cut off levels have been set at 5, the usual level as suggested by Reynolds and Gutman (1988). The complete set of data obtained in the in-depth interviews consists of 207 ladders, with an average of 5.4 ladders for each respondent.

Figure 8 *Hierarchical value map*



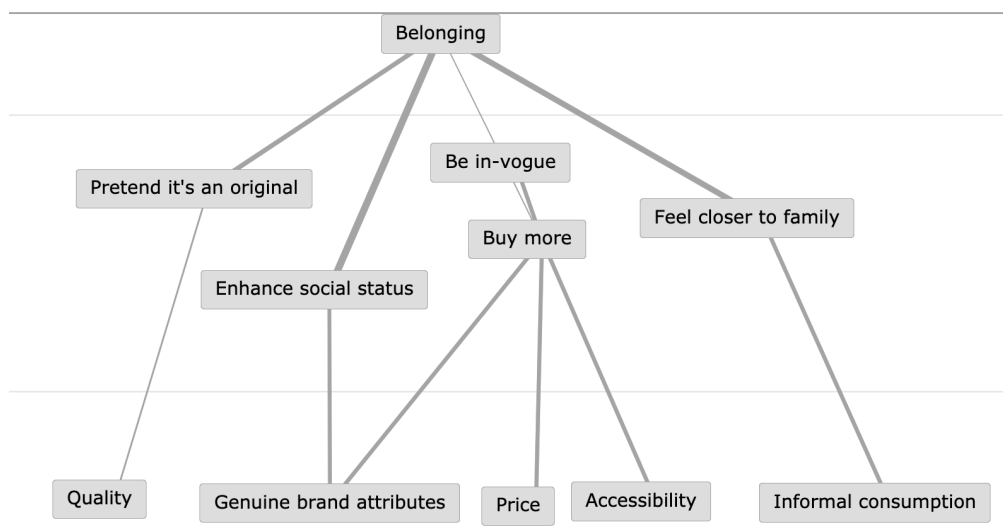
Based on the strength of associations and the count of direct and indirect links for the elements, “Belonging” and “Value Consciousness” appeared to be the strongest motives and “Enhance Social Status”, “Smart-shopping, saving” and “Smart- shopping, expertise” the dominant consequences, while “Price”, “Quality” and “Accessibility” are the major attributes

of counterfeit products. Further, values such as “Self-esteem” and “Hedonism” can be identified.

4.3 Dominant patterns

Belonging

Figure 9 *Belonging*



The desire to “Enhance social status” is the predominant consequence driving participants’ value “Belonging”. Consumers buy the goods that have the attributes of original brands such as the brands' names or design to conform to social expectations. Participants describe the pressure they face on a daily basis to own and demonstrate branded luxury items.

Show off, yeah. It is to show off and as I told you, they think that it (buying counterfeits) is to show people that we have the money to buy it (luxury brands) and we have the style. (Mosa)

People buy counterfeits to convey the image of luxury consumers as expected from them but would like to hide the fact that they own a counterfeited item and “Pretend it’s an original”.

They buy! People tend to buy the fake one, not to tell others that it's fake. They buy it to convince you that this is an original one. Original brand. Luxury item. (Saleyma)

Furthermore, to be accepted in their society, respondents have to frequently buy many luxury items. They feel the pressure from their society to present the latest trends, continuously “Be in-vogue”, demonstrate that they know the trends and follow the fashion.

Some people say, why spend money when I can buy it for half the price [...] because they want to show that they're part of a certain community and they want to have a lot of options to change their bags all the time because with all this fashionista peep [...] Now there's this new trend of having 10,000 shoes and 10,000 bags and 100 outfits. Every day she's wearing a new shoe and a new bag and a new outfit and new jewelry. (Nada)

The attribute “Accessibility” refers to the fact that the counterfeits can be easily purchased, and “Genuine brand attributes” lead to consequences “Buy more” and “Be in-vogue”.

Sometimes the desired item of the original brand is not available in the country. Especially it applies to limited edition collections. Consumers still want to own these items faster than others, but collections are being sold out too quickly. It is astonishing how fast the counterfeiters react to these demands and supply the market with the latest “IT-items”. Shamka explains that she wanted to buy the original “IT-bag”, but it was not available in the legitimate store, and she subsequently found a counterfeit version. It was “Accessible” and gave her the possibility to “Be in-vogue”.

I say the truth. I have one [fake] bag Dolce and Gabbana - the rare one. I looked for it. For the original one here, they didn't have it [...] I don't know. Like, I don't like waiting. If I want something, I want it now. I will go buy and have it NOW! (Shamka)

Data reveals that “Belonging” can be divided in two segments. First, “Belonging” to society, supported by the consequences “Enhance social status” and “Pretend it’s an original”, and the second one is “Belonging” to immediate family circle and close friends, supported by consequence “Feel closer to family and friends”. Consumers don’t want to be identified as counterfeit buyers and refrain from sharing their experiences with counterfeits with the broader audience and normally keep those experiences as “little secret” within a family. This attribute refers to the “secret product” itself, as well as the often adventurous circumstances under which the counterfeits are purchased or “best practices” about the places and best suppliers of fakes. Respondent have stated that when they buy counterfeits, they like to be accompanied by a family member. These shared experiences and “secret action” enable the consumers to perceive the consequence of “Feeling closer to family and friends”. Moona describes her network of counterfeit sellers and buyers within her family – an experience she could only share with people she trusts:

This lady with her husband went to China. So, in her mind it was to buy fakes and sell them again - like a business. She’s one of our family, you know. It’s like secret you know, because it’s illegal. ...So, I told my sister: “common buy from them!” and I said [to sellers]: “she’s my sister!” (Mona)

Like Mona, Worood is also describing how she wants to support her close friend who is trying to build a business with counterfeits and help her start-up company.

I have one of my friends with me, she’s my college-mate at college, she used to go to Thailand and buy the fake products, but it looks like original. She has her own business she used to sell them here. [...] I would like to support my friend in her business, to help her. (Worood)

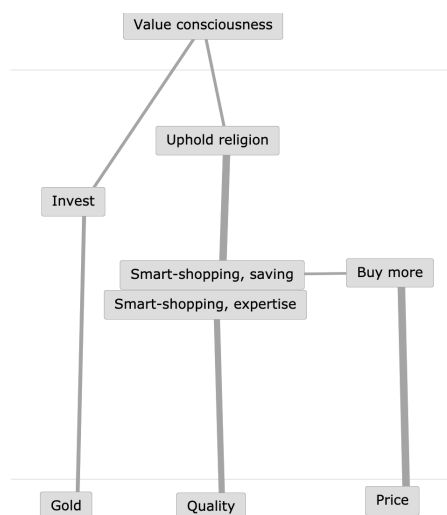
Noura explains the necessity to keep counterfeit purchases as a secret with the fact that people who are not close to her might tease or judge her for buying counterfeits, so, they have to hide the fact that they engage themselves in such consumption from others.

But, people they don't (tell others that they have a fake). They could ask me like, my sister for example my sister, they could ask me: this is of real or fake? Because it is really nice, how much? I want to buy it. Like this. Is it real or fake? I could tell my sister if it is fake or not.... But sometimes there comes a lady that she just wants to tease you. Okay? (Noura)

Obviously, some consumers opt for counterfeits to cope with the pressure from society, but there are also those who enjoy the process of buying and consuming counterfeits, as the following sections demonstrate.

Value - Consciousness

Figure 10 *Value - Consciousness*



It is not surprising that being exposed to the pressure to “excessively consume” luxury, the people are trying to cope with it. Although all of the respondents could afford the genuine

brands, they can buy probably many items of high luxury brands per year but have difficulties to keep up with the expectations to purchase plentifully every month.

*"This AED 10.000 (\$US 2750), I can buy many things, fake, copy ones." [...]
Instead of spending all this money on one piece. Yeah, yeah. (Shaima)*

*No, I didn't actually buy anything above AED 20.000 (\$ US 5500), till now,
except the watch...About 45.000 (\$US 12.250). Other things like clothes and shoes
and bags, I didn't buy (anything) above 20.000. (Saleyma)*

“Price” is the most mentioned attribute of counterfeit luxury items. The obvious price advantage of counterfeits helps consumers to optimize their resources and lower acquisition price, in the UAE, consumers give their preferences to certain types of counterfeits – trendy and of the “right” quality. Consequently, the monetary saving allows the consumers to increase the number of the goods they can obtain for the same amount of money (“Buy More”), feel smart about their decisions and satisfy the “Value Consciousness”.

*I know a family and they are rich. They can afford like thousands of those
bags, but they say, why should I pay like 20,000 (\$ US 5500) on one bag where I
can pay like 20,000 on like six different bags? Yes, we can afford it but why should
we waste when we can get like more quantity? (Maram)*

Data shows that consumers allocate a budget for shopping, and although this budget is sufficient to purchase an original, it is still not sufficient to buy multiple trendy genuine items but counterfeits allow the consumers to satisfy the desire to own plenty of new items. Moreover, buying fakes, consumers experience the satisfaction of being a smart shopper (“Smart-shopping, saving” and “Smart-shopping, expertise”)

*I don't care about other what they say about me because this is my money
and I buy what I want, and I prefer to use my money in other things like help others
and buy gold, so it's not important to buy (real) brands. (Warda)*

Many participants explain their “Smart Shopping - Saving” by the desire to “Uphold religion”. They stress on their motivations to align with religion through their behaviors, views and also consumption, as the society in UAE values Islamic religion and traditions. The ways to express these motivations are diverse. Some respondents describe their desire to help people in low-income countries by purchasing counterfeit products produced in these countries and not the real brands:

God told us to share our good, what he gave us. You must help people with your money. You might build a mosque, you might build a school in some poor country. There are so many good ways. But waste it on the brands - NO. (Alya)

I can buy a AED 1,000 (\$ US 272) bag and instead of paying 10,000 I would take the 9,000 and give it to charity or do something good for the poor people. And, it's not good to spend that much of money in one stuff that I can [/get]it for like half of the price. (Reem)

Consumers are willing to live in accordance with the religious principles of Islam, preserving their culture and traditions. The notion of the copyright is not present in the culture or religion so, consumers view the counterfeits as a mean to make a "correct" or “smart” choice when deciding to buy counterfeit or highly priced original luxury goods. Interviewees enthusiastically report about their intentions to participate in charitable actions and opposing these actions to excessive consumption of material goods.

While talking about luxury brands, many participants mention luxury fine jewelry. Interestingly, even those participants who said that they rejected counterfeit items in general, proudly announced that they buy ready-made fake jewelry or would ask a jeweler to produce the exact copies of jewelry from luxury brands, including brand names and serial numbers

It was a real gold with real diamonds, but it was a fake one. [...] And the thing is, if you look at in the inside, it's engraved with the laser "Cartier". (Sheikha)

My friend, her aunt, she goes to the gold shop and gives them a sample of Van Cleef. They copy the exact same thing and they do the necklace, bracelets and earrings. (Hanan)

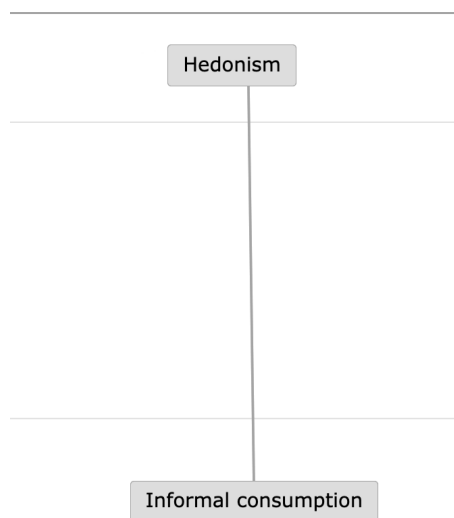
Overall in the sample money is better invested in precious materials such as gold, and since gold retains its value, unlike fashion items, respondents don't view these items as counterfeits of a lower quality and don't consider paying for the original item when the items along with a trademark can be easily and relatively cheap duplicated by any jeweler.

I prefer to buy this luxury accessories from gold shop because, also it looks the same as original accessories, and original accessories- it's too expensive, so in the gold shop I can get it cheaper than the original accessories. (Warda)

As we have seen, the attribute "Price" is still strongly represented in the data, despite the affluence of the respondents. But the consequences it is connected to and the end-value demonstrate the social pressure for over-consumption of luxury items. Next, value "Belonging" portrays in more detail the societal expectations.

Hedonism

Figure 11 *Hedonism*



When referring to the places where respondents buy counterfeits, they mention markets (such as Dragon Mall, Karama market in Dubai or Madinat Zayed market in Abu Dhabi) or markets in Asian countries that remind the consumers of old traditional markets (souqs). Since the country had undergone a fast transformation and “westernization”, many, especially older consumers feel nostalgic about the old times and want to experience enjoyment during adventurous shopping with friends, places they can bargain and prove their negotiation skills, which are traditionally required when shopping on Arabic markets. It is not surprising to observe the link between the attribute “informal consumption” and value “Hedonism” as the purchase process and consumption of counterfeits have a ludic dimension to it. In modern luxury malls they cannot experience the act of enjoyment while bringing the price of the item down or “hunting” and searching for the “best deal”. Mara describes with excitement her tactics in negotiating the price for counterfeit on the market when she had to leave the shop to demonstrate no interest and then come back to buy the item at a lower price.

Then I kept looking, looking, looking, and asking, and I touched the [item] [...] I asked them (the seller) to see the other, the watch. I wear it (tried it). Then, I kept dealing with them, how about this? Then I left, and then came back. (Mara)

It was just one of the shops that we were randomly passing by, and I found the bag to be in very good shape actually, and I was surprised, so they welcomed us. They told us there's a back place where they keep the secret door. So, when we went there, I saw this stuff, so I thought, why not? (Tarfa)

Consumers not only experience the thrill when shopping and consuming counterfeits, but also enjoy utilizing the items to boost their self-esteem.

Self-esteem

Figure 12 *Self-esteem*



Consumers have to ensure that the look of the item is the closest to the original, so, it is crucial to control the “Quality” of the items to be able to use them as a deceiving tool. Sometimes it is astonishing how much knowledge it requires to purchase a “good” fake item. Not only all the respondents were aware of different levels of quality of fakes such as A-Level, A-quality or number one fake. It did not seem to be a great challenge for the interviewees to pick the perfect fake, just out of the reason that they know the luxury products and their exact attributes very well (“Genuine brand attributes”) and are eager to apply this knowledge to evaluate the fake and make the right choice or discard the “non-fit”.

For example, Lady Dior, if it's the original one, it comes hard and the fake - softer, because I compare it to Lady Dior because I have Lady Dior. (Fatma)

I bought one time a watch, this one (Shows her real Cartier watch), but not this one. The bigger one... Doesn't show it is copy... I know how to select the copy. (Mayam)

Participants are ready to compromise on minor differences if the shortcomings of the copy are only known to them and are not visible to the others. The ability to cleverly choose a right item allows them to feel “smart” about their decisions and to demonstrate expertise in luxury (“Smart-shopping, expertise”) building their “Self-esteem”.

If no one will know this bag is fake, it's okay for me to wear it... I will not take it (bag) because (if) it's not look like an original. (If) It looks like original, I would take it, but if not, I will not accept it. (Warda)

Remarkably, there is another group of consumers who are motivated to enhance their self-esteem through announcement to the broad audience that they buy fakes and are not afraid to admit it.

Honestly, I once heard a lady from a very well-known family, people who are really rich, and they can afford it. However, she says that, "I do buy fake bags." And we told her, "How come? Like you're from this family, how come you're buying a fake bag?" She said, "Who would ever expect me not carrying a real bag?" (Samiya)

Concluding it can be noticed that the value “Self-esteem” is linked to the attribute “Quality”. In fact, respondents refer to counterfeits as an inferior version of genuine items but love their own ability to assess the quality very precisely and feel smart about their purchase decisions.

5 CONCLUSION AND IMPLICATIONS

5.1 Theoretical contribution

This article contributes to the nascent but expanding field of luxury counterfeit research and consumers’ motivations underlying such controversial behavior and demonstrates that cultural aspects play an important role in such consumption proving that counterfeiting is not

“culture free” (Eisend et al., 2017; Santos and Ribeiro, 2006). Despite having received attention from academia, the more profound understanding of motivations that underlie counterfeit consumption is still scarce.

This research demonstrates the importance of various motivations beyond the traditional monetary advantages. It confirms that in specific cultural settings, where the citizens have undergone a rapid cultural and economic change, even the affluent luxury consumers who possess enough means to purchase the original, turn to shadow markets (Pueschel et al., 2017). Consequently, the findings do not appear to validate the view that consumers who start having the income to afford the genuine brand, no longer purchase counterfeits (Eisend et al., 2017; Wee et al., 1995; Yoo and Lee, 2012).

This research had identified four dominant motives for luxury counterfeit consumption: “Value Consciousness”, “Belonging”, “Hedonism” and “Self-esteem”.

The identified motive “Value Consciousness” was rather unexpected, as the sample consisted of affluent luxury consumers. Although, the attribute “Price” is strong in the data, in contrast to previous findings that suggest that consumers buy fakes purely for their economic benefits (Albers-Miller, 1999; Dodge, Edwards and Fullerton, 1996; Harvey and Walls, 2003; Prendergast et al., 2002; Yoo and Lee, 2012), this research demonstrated that affluent consumers still purchase counterfeits on a regular basis, but do so for other reasons rather than purely monetary ones.

The current research shows that consumers buy counterfeits to increase the number of goods they can purchase for the allocated budget. While they do possess enough means to buy many high-priced luxury goods per year, they are unwilling or unable to spend this amount on luxury goods every month. However, consumers still feel the pressure from their society to present new looks on a regular basis. They have to look “representable”, not only to keep their

own face and position in their society, but it is also expected from their members to exemplify the family, whose honor they must guard. The diversity of fake goods and designs allow respondents to satisfy the desire for self-presentation as fashion forward and “in-vogue”, moreover, to own the pieces faster than the others in the reference group, either at work, at their traditional gatherings on Fridays, or in public places.

The present research has identified a new dimension in counterfeit consumption: desire to “invest”, and can expand our understanding of counterfeit goods, consumers, and their motivations. Consumers’ desire to “Invest” their money in gold jewelry that copies the design of luxury brands seems not to get enough attention from researchers yet. At this point, it is important to understand how this product category is perceived. The results have shown that consumers seem not to differentiate much between fashion and fine jewelry due to its “fashion factor” and changing collections of luxury fine jewelry. To them, the counterfeited versions of fine jewelry, when it is made out of real gold, are “recyclable”. This type of counterfeit items is widely available in gold markets (shopping malls dedicated to fine jewelry only) and not only looks like the original item from the outside, but also carries the necessary brand names and serial numbers of the genuine item, although, these details can only be seen in a very close examination. Furthermore, these fakes are extremely hard to identify as such, even by a specialist, and often require a gemologist who is specialized in luxury fine jewelry to detect the differences in stones and settings of the fake (Vogue, 2017). The respondents stressed the fact that gold retains its’ value over time and can be easily “recycled” into a new item when the piece has been already demonstrated in public for a certain period. As a consequence, consumers view this process as a creative way to update their looks according to the trends. Astonishing though it is, this type of jewelry is not perceived as counterfeit, rather as investment. Such views can be explained through the culture, where thriftiness is also

welcomed by their society, which expects a woman in her role as a wife and mother to manage resources wisely.

The strongest motive for counterfeit consumption that has thus been identified is “Belonging”. This result can be vindicated through societal structure and development since the country formation in 1971. The society in the UAE has had a very rapid transition. The discovery of oil has enabled a fast accumulation of wealth for the country and its’ citizens. Newer and bigger malls appear every year; new brands are constantly opening their shops in the region. Luxury brands are trying to overbid each other by offering consumers the latest trends, inviting them to purchase more and more. Among UAE nationals, luxury became a part of their daily life, and the society expects from its members to own and demonstrate latest trends from best luxury houses. Consumer behavior is influenced by the society (Ang et al., 2001), the social position of the individual or aspired group, and so people seek luxury products (Viot et al., 2014) that can help them facilitate this assimilation. To cope with pressure society, some consumers opt for counterfeits. The results demonstrate the desire to uphold the expectations of the community (“Belonging”) through status-related motives (Cordell et al., 1996): “Enhance social status”. Demonstration of wealth in the UAE through highly visible social symbols is inevitable and allows better probabilities of climbing the social ladder. Emirati consumers are not only motivated to show their ability to pay high prices for goods, rather also use those to obtain the perceived power when presenting them in the society (Vel et al., 2011). This result can be extended to further countries, where the economic development led to the formation of the “nouveau riche” class. Such is the case in China (Jiang and Cova, 2012), where the consumers experience similar pressure to present the luxury items in order to belong to the aspired group. While the majority of research reports a consumer’s desire to belong to the group through consumption of counterfeits which perform the same functions as original goods (Bekir, El Harbi and Grolleau, 2013; Stöttinger and Penz, 2015), in the case of

GCC consumers, this desire is not easily satisfied purely with brand names or designs, rather through “overconsumption” of luxury goods: original or counterfeit.

Since counterfeits provide good value (Thaichon and Quach, 2016), consumers explain the possibility to use the difference they saved in more honorable ways: such as donating to a charity, building mosques or helping others. While “political thinking” is not present in their society, the sentiments the respondents demonstrate, are different from what is described in the literature as a motivation to take revenge on big corporations or Schadenfreude (Marticotte and Arcand, 2017). In the case of our respondents, they explain that their consumption is religiously motivated, although, in the country with dominant Islamic norms, it would be forbidden to violate people’s rights, material or intellectual (Beekun and Badawi, 2005). Alserhan (2010) explains that for Muslims, the trade relationships, despite their nature of satisfying earthly desires, must be forged with a “divine intent” between both parties involved in the trade. Consumers state that they can pursue this “divine intent” through the consumption of counterfeits: some want to help people in poor countries through buying their products or would opt for fakes to prove to themselves that they are not splurging on overpriced luxury products, since “wasting” is considered as a sin in Islam. Nevertheless, the consequence “uphold religion” can be, in this context, regarded as a neutralization technique (Bian et al., 2016) or coping strategy to deal with moral risk (Pueschel et al., 2017), as it helps the consumers to deal with cognitive dissonance, gain social approval, or at least avoid social judgement, when reporting their counterfeit consumption or in case they are identified as a counterfeit consumer, through connection to “divine” intentions.

Further, since consumers in the present sample are purchasing counterfeits not to use them over a longer period and desire to adopt the “trendy look”. When it comes to a comparison to genuine items, counterfeits seem to match the buyers’ needs (Tang et al., 2014; Thaichon

and Quach, 2016). In our case, the counterfeits are seen as disposable, once the trend is replaced by another. And so, buying these types of items, consumers feel smart about their ability not only to save money but also about their ability to pick the right product. As a regular original luxury consumer, they know the brands and the products perfectly and can utilize this knowledge to purchase the perfect fake.

Taking into consideration the consequences mentioned above, it seems that fast-changing seasons, limited edition collections have created a “norm” for the consumer to frequently “update” their wardrobe and looks. The “artificial rarity tactics” (Kapferer and Valette-Florence, 2016) by introducing limited editions and capsule collections have forced the consumer to desire the certain brand and the “latest look” at any price (high or low). Therefore, genuine luxury brands themselves generate a need for counterfeits by creating “luxury pressure”. For the present sample of affluent luxury consumers, it seems to force them to turn to counterfeits, especially when the “IT - items” are not available or sold out in legitimate stores. The strategy many luxury brands have implemented to increase the profitability by moving their manufacturing partially to lower labor cost countries or increasing the volumes through licensing that had backfired on them as predicted by Kapferer and Michaut in 2014. Indeed, luxury brands are facing a significant challenge: to find a right balance between satisfying the demand and retaining its’ exclusivity and rarity.

Another surprising finding refers to the value “Self-Esteem”. Previous research has supported the idea that consumers acquire counterfeits to boost their self-esteem (Sharma and Chan, 2017; Stöttinger and Penz, 2015). Interestingly, the findings showed another dimension to self-esteem and self-confidence. In the case of GCC nationals, almost everyone can buy originals, everyone can buy counterfeits, but not everyone can have status and the confidence

to tell others about their counterfeit purchase. This requires self-confidence and a powerful social position to ensure that one will not be judged.

Furthermore, consumers fulfill their hedonic needs (value “Hedonism”) through shopping for fake items on markets where they can bargain and negotiate the prices like on old traditional Arabic souq. Similar experiences were reported by Gistri et al. (2009) and Hansen and Møller (2017) where consumers satisfy their ego by getting a discount and enjoy bargains which provide an additional source of psychological value (Darke and Dahl, 2003). Although the product is fake, the experience is real, especially when enjoyed with family and close friends. Collective sharing of the experience of a purchase is a critical element in consumption (Holt, 1995) thus, the purchase selection of the location and consumption of the items contribute to the pleasure and satisfaction (Gistri et al., 2009). Many academics have studied counterfeit consumers across various nations (Penz and Stöttinger, 2008; Rawlinson and Lupton, 2007; Teah, Phau and Huang, 2015; Veloutsou and Bian, 2008), however, there is still very little research exploring counterfeit consumers in Muslim countries (Riquelme et al., 2012).

5.2 Managerial implications

The present research is the first exploratory investigation concerning the motives of affluent consumers in GCC countries to purchase counterfeits. Since consumer behavior has to be understood within a cultural context (De Mooij and Hofstede, 2011), the awareness of identified motivation patterns can help managers of luxury brands and policymakers to design effective brand protection strategies and foster the anti-counterfeiting campaigns.

This research has identified four main motivational patterns that are all strongly influenced by the culture in the UAE. It implies that brand managers could tailor their strategies

to meet the needs of the ethnic minority segment (UAE nationals represent 15% of the population in the UAE) and might design unique formats to reach this segment. Since the GCC consumers are among major consumers of luxury goods (Bain & Company, 2017), luxury brands may consider strengthening communication with the consumers. The emphasis should be put on long-term investment in the originals versus short-term financial gratification from the purchase of the fakes. Luxury brands are not just selling goods, but creating stories, which in their turn create emotional connections. These stories make the brands and the items unique. By buying original items, consumers buy uniqueness and sometimes they need to overcome some cultural barriers to be able to enjoy the product (Kapferer and Bastien, 2009). Companies need to stress that along with the superior quality of the products and the craftsmanship comes the assurance that original goods are an investment, not only monetary one but also a cultural investment and the development of a good taste, something that no fake product can offer.

To elaborate on the fact that consumers still desire for a “chase of a good deal”, retail stores might offer private sale events. Although those should be offered very selectively, involving only specific products accessible only to specific customers, over a strictly limited period of time, in order not to destroy the worth of the brand (Keller, 2017). Besides, stressing on the fact that when consumers want to experience the “thrill” when buying counterfeits, luxury brands need to extend their experiential marketing strategies. These strategies might look beyond the traditional fashion shows, where the customer is a passive viewer, but at developing an interaction where the seller and the customer co-create the experience (Atwal and Williams, 2017). For instance, customers may experience the same fashion show running in Paris through the virtual reality device in Dubai or be “teleported” to another store around the world and experience the shopping in a different setting. Further, stressing on the value “Be in-vogue”, the approach “see now, buy now” that enjoys popularity among luxury houses recently (e.g., Burberry, Moschino, Ralph Lauren), and enables the consumers to purchase the

collections fresh off-the-runway, could limit the immediate access of counterfeiters to the products.

As the value “Belonging” is linked to status consumption, policy makers can create an advertisement campaign “someone will spot a fake anytime” or “no saved money is worth the embarrassment”. Finally, since the government of the UAE strives to ensure sustainable development in the country, creating the balance between economic and social development (Vision 2021), policymakers may want to create a campaign signaling that “originals are cheaper in the long run” (Staake and Fleisch, 2008, p. 54).

5.3 Limitations and further research

The study is exploratory in nature and is purely based on qualitative methods. The data analysis used in this research was performed by a single researcher, which might affect the intra-coder reliability. It could be beneficial to test the motivational drivers employing quantitative survey and identify the controls of different motivations and their influence on counterfeit consumption choices. The replication of this research in other affluent Muslim countries could provide additional insights into cultural aspects influencing the motivations to purchase counterfeits.

CHAPTER V: GENERAL CONCLUSION

In this dissertation, we have endeavored to demonstrate the complexity of the counterfeit consumption. Starting with the question whether UAE nationals consume counterfeits or not (pilot study), we have then devoted ourselves to the question of perceived risk and have identified coping strategies that consumers develop to cope with the cognitive dissonance that arouses from counterfeit consumption (Essay I). We then have addressed different attitudinal functions that are served by counterfeit products, and generational differences in consumption practices (Essay II). Finally, we have examined the motivations behind this consumption (Essay III). Complementing the contributions and implications presented in each essay, we now will synthesize the steps and issues that we faced in this research and will finalize this chapter with implications for managers and policy makers, and avenues for further research.

1 FURTHER CLARIFICATIONS ON FACETS OF COUNTERFEIT CONSUMPTION

This dissertation explores the counterfeit consumption in the GCC countries, addressing the call made by researchers (e.g., Eisend and Schuchert-Güler, 2006; Kapferer and Michaut, 2014) for more profound cultural studies on the topic of consumers' response to counterfeits.

Addressing the gap in the literature regarding the consumption practices of affluent luxury consumers, we report a few notable and counterintuitive findings. While prior research had confirmed the negative correlation between income and counterfeit consumption (e.g., Ang et al., 2001; Tom et al., 1998) and documented the absence of intention to buy counterfeits by genuine luxury consumers (Kapferer and Michaut, 2014; Yoo and Lee, 2012), the results of this dissertation provide the evidence that even consumers without financial constraints engage

in such type of consumption. However, they do it for other reasons than financial ones. We have confirmed that income is not the only key driver of counterfeit consumption (Franses and Lede, 2015), and have revealed that counterfeit consumption is contingent on culture, corroborating the results of Eisend (2016). The UAE has presented a perfect field for this type of investigation of affluent consumers, due to the possibility to control the respondents' income and consumers' high exposure to luxury brands. Indeed, despite the global slowdown in the luxury sector, UAE is still considered one of the most attractive markets for luxury brands (Deloitte, 2017).

This dissertation contributes to the counterfeit consumption literature by advancing theoretical knowledge about the motivations and drivers underlying this consumption in several ways. Despite existence of the broad pool of research on luxury counterfeit consumption, the majority of the studies apply quantitative design and have largely neglected the more appropriate qualitative design to study cognitive processes and psychological motivations (Bian et al., 2016). We have uncovered the psychological processes that underlie consumers' responses to counterfeits

We first have explored the coping strategies, through connecting cognitive dissonance that appears through risk perceptions associated with this type of consumption. Precisely, four different coping strategies are used by consumers —the “A-quality” strategy, the “black chameleon” strategy, the “fashionista” strategy, and the “believer” strategy.

Previous research seems to neglect the connection between the risk perceptions and motivations (e.g., Eisend and Schuchert-Güler, 2006) or seems to consider the risk as a motivation itself (Bian et al., 2016). We demonstrate a psychological interplay between the risks, coping strategies, motivations and attitudes. Going deeper into the investigation of motivations for counterfeit consumption, we further have drawn on functional theories of attitudes (Katz, 1960) and have demonstrated that the desire for fakes hinges on different

functions. Moreover, the positive attitudes toward genuine or counterfeit products differ, depending on the age of the consumers. While the results of Essay II suggest that the respondents can be divided into two groups: those under 30 years old and those who are over 30, this distinction is more complex than just the age of the individual. It refers to the changes in the society since the discovery of oil and the shift in the cultural values, that have created a cultural gap between two groups of generations. These generations then have formed their distinct cohorts: the older generation was born into puritan life, the younger one into luxury. These experiences explain the differences in the attitudes and values that have shaped behavioral patterns and highlighted the importance of generation in consumer behavior at a meso-level.

Further, applying the Means-End chain approach, we investigate the real motivations that underlie consumption of counterfeits in the UAE by uncovering the hidden values behind the consumption practice. Consequently, we demonstrate that cultural norms and expectations create pressure for the consumer to own more luxury items. Alserhan et al. (2014), who studied the luxury consumption of Emiratis, state that the luxury consumption of a person in the UAE reaches “the point where that person becomes a sum of brands”. Further, the authors are worried: “What if this sum becomes a person’s self-worth or community worth?” (p. 5). This pressure is forcing some of the consumers to a trade-off between genuine and counterfeit items.

So, counterfeit consumption is contingent on culture, where society commands the motivations for such consumption and influences the attitudes and functions they serve. This influence of culture becomes more evident from the motivations and values perspective. For instance, consumers strive for “belonging” (Essay III), as they want to be accepted in the society; their attitudes toward consumption (genuine or counterfeit) serve different functions, especially social functions (social -adjustive and value-expressive) are strongly influenced by culture (Essay II), depending on the environment and events the respondents have experienced

in their life. Being exposed to social expectations and pressure, consumers that perceive risk, develop coping strategies to deal with the cognitive dissonance and mitigate this risk when consuming counterfeits (Essay I). The next section will address the findings further presenting authors' reflexive analysis.

Moral risk, religiosity and ethical judgments

This thesis has proposed a new dimension of risk: a moral risk that had not been discussed in the extant literature since the majority of previous research had not been conducted in Muslim countries. Only a very recent study in Tunisia by Souiden, Ladhari and Zarrouk Amri (2018) had shown the negative effect of religion (Islam) and personal religiosity on purchase of counterfeits. The majority of the respondents in their study (68.2 %) had a monthly income of less than USD 750, so it remains unclear, if people with stronger religious beliefs would prefer original items to counterfeits, or if they just demonstrate less interest in consumption in general. Nonetheless, our results confirm the role of religiosity by identifying a moral risk, but going further, we demonstrate that consumers apply the believer coping strategy to deal with this risk.

In general, addressing the religious references in this dissertation, we have proven religiosity to be an influential factor for the responses to counterfeit consumption, as personal religiosity shapes ethical judgments, behavior and influences ethical beliefs (Magill, 1992). Ethical dilemmas are solved as a function of two evaluations: deontological (the rightness or the wrongness) and teleological (consequence of the act) (Hunt and Vitell, 1986). According to Forsyth (1980), persons' ethical ideology can be classified based on scores in relativism (deontological perspective) and idealism (teleological perspective). Middle Eastern countries that adopt ethical principles of Quran would support philosophies that are less relativistic and more idealistic (Forsyth, O'Boyle and McDaniel, 2008). Consequently, the marketing ethics in Islam are twofold: first, they are based on principles of the Quran, that are absolute and fixed.

Second, these ethics have the goal of value maximization for the whole society (Saeed, Ahmed and Mukhtar, 2001). Taking those both Islamic marketing principles into consideration, it appears logical, that consumers in the UAE use the “believer” strategy to deal with moral risk, as they explain that with the money they save, they intend to benefit the society, e.g., build mosques and schools. So, the motivation underlying this type of consumption is connected to “divine intent”, confirming the statement of Alserhan (2010) that “all actions and motions undertaken by a Muslim, if motivated by a pure intention become good deeds regardless of their outcomes” (p. 105). What we observe in our sample, is that the counterfeit consumption poses the question of morality for the consumer, but the motivation to be involved in such consumption is dictated by the intention of the “good deed” rooted in the religious beliefs.

Moral values are culturally and socially constructed, where culture functions as a filter for the ethical choices (Belk, Devinney and Eckhardt, 2005). Furthermore, there is also a lot of variance in consumer ethics within one country and cultural setting (Auger, Devinney and Louviere, 2004). Corroborating these results, we have demonstrated the differences in generations of Emiratis and the ways they experience culture.

In the interviews, the Emiratis have also mentioned that they believe oil was given to them by God for all the sufferings the ancestors had to go through by living in harsh conditions for a very long time before the oil discovery (Bristol-Rhys, 2010). After the country started profiting from the oil, the population became very wealthy. Although, there are different sentiments regarding the way one should spend the money. While some are stressing the fact that they have to be careful with money and spend it wisely since it is gift from above, others believe that as long as they pay their zakat (alms, that every Muslim has to pay after her or his needs are met, to those in need), they can spend their money by treating themselves. It seems that the older ones are more careful with their spending because they were deprived in the past and had experienced harsh life conditions, while the younger generation feels more entitled to

spend the money. Viewing the situation in the UAE society, we can agree with Jones (2017) who describes this transition in the country as a move “from enlightenment to entitlement” (p. 128).

Furthermore, the older generation condemns the overconsumption practices of the younger ones, viewing these practices as “westernized” detachment from traditions and religion. So, the question of being a “good consumer” from the religious point and its ethical interpretation differ depending on age and personal perception.

Materialism, overconsumption and well-being

As we have seen, some view the ethical consumption as “moderate consumption”, others do not perceive any wrongdoing in the lavish consumption of luxuries and see it as a mean to treat themselves in the best way since the blessings and the money are given from above.

As we have demonstrated, the older generation of Emiratis has expressed the condemnation of materialism. Analogous results have reported Ger and Belk (1999) by describing the materialistic desires among the older Turkish population. The authors have shown that the older Turks don't desire anything materialistic, and if, they only wish to have more for their children.

Similar, in our sample the materialistic component is referred by the older consumers in relation to the children. Older consumers have demonstrated ambivalent attitudes toward luxury consumption, served by the value-expressive function. The original luxury items are mostly bought when shopping together with their children or presented as a gift. When consuming such items in public, the consumers desire to demonstrate that their children can afford to buy expensive gifts, signifying children' achievements. This again elevates the social standing of the whole family.

The materialistic desires of the younger generation can be connected to the consumer well-being. Previous research has focused on the connections between materialism and well-being and has demonstrated that the materialists are less happy and satisfied with their life (Swinyard, Kau and Phua, 2001). For materialists, the possessions are related to success and happiness (Richins and Dawson, 1992), they pursuit extrinsic goals, instead of investing resources and activities in intrinsic goals, that are more beneficial for well-being (Ryan and Deci, 2000). Since the increase in prosperity in the society, the country has faced the problem of “sudden wealth” and consequently, excessive consumption of goods. As our results show, consumers in the UAE seem not to be satisfied with just buying luxury goods. To “keep up with the Joneses” they have to buy excessively – if not only genuine items, then at least the best versions of counterfeits. However, overconsumption has its consequences, as it can produce distress to individuals who overconsume, especially those with the goal of social approval (Crocker and Wolfe, 2001). Besides, overconsumption damages natural resources and the environment (Sheth, Sethia and Srinivas, 2011). To ensure the sustainable development of the country, the population needs to be educated about the consequences of overconsumption. One might need to be reminded, that Sheikh Zayed (the founder of the country, who is highly regarded among the population) urged “young men to live within their means, to live as his generation had done without maids, cooks and drivers” (Dresch and Piscatori, 2005, p. 147).

Counterfeiting as Product, Action, Experience

The research demonstrated that consumers are evaluating a very complex set of criteria when considering counterfeits. This set of criteria can be assessed as the multi-angled perception of the phenomenon of counterfeiting. Mainly, there are three facets to counterfeiting: counterfeiting as a product, counterfeiting as an action and counterfeiting as an experience.

Many points of **product** dimension have been discussed in the literature. The findings of all three essays indicate that consumers in the UAE are engaged in a trade-off activity between genuine and counterfeit products. But what product attributes trigger this trade-off?

When explaining luxury consumption, the prestige pricing is mentioned as a factor to make the luxury products more desirable and indicate high quality and status (Kapferer and Laurent, 2016; Vigneron and Johnson, 1999). Although the Emirati consumers engage extensively in luxury consumption, they remain “value conscious” and want to feel smart about their purchase decisions (Essay III). Therefore, in their evaluation of counterfeit versus original goods, the financial factor is still relevant. Nevertheless, we can argue that it is not the lower price of counterfeits that drives the consumer to purchase, but the difference between counterfeit prices and the high price of legitimate luxury goods. In this trade-off, consumers explain the desire to cleverly manage their resources and finally be seen in society as a “wise” budgeter (Essay III) and utilize the “believer” strategy (Essay II) to justify the preference for counterfeits. Furthermore, the price of original items contributes to the formation of a positive attitude toward counterfeits serving the value-expressive and ego-defensive functions (Essay II).

Another important aspect of the counterfeit products in this dissertation is fashionability of the items, their high quality and design. Although the fashion and novelty seeking have been discussed in the previous literature (Gentry et al., 2006; Tatić and Činjarević, 2012), it seems necessary to specify, that a fashion seeking consumer not just opts for counterfeits, but opts for counterfeits of last fashion models. The results have shown that additional to fashion factor; consumers view the items according to the quality (i.e., the A-quality strategy) and the rarity of the original, that might influence their attitudes toward counterfeiting as a phenomenon. It is worth mentioning that some fake bags, for instance, some types of Hermes Birkin are being sold for thousands of dollars. Consequently, the buyer’s profile of this type of fakes would

differ from the profile of those those who would buy a replica of Louis Vuitton “Speedy”. It is a question of the price, how much a consumer is ready to pay for a perfect fake and how much effort he or she is ready to invest.

Counterfeiting as an **action** can be viewed as an interaction with the product. As shown in Essay II and III, counterfeited items are being used either as tools for integration (serving for instance the social-adjustive function), dissimulation from others (value-expressive function) or revolt against “westernization” (ego-defensive function). Another aspect of interaction with a product is the possibility to blend it into overall appearance without giving away it’s unoriginal nature (the Black Chameleon strategy).

Counterfeiting as an **experience** refers more to the game and the thrill consumers experience when shopping and consuming counterfeits — starting with the search of the products on the markets through a middle man, visiting back rooms or contacting retailers via social media, over picking the “perfect” product, to consumption that can turn into the game of “fooling others”. Talking about “others”, participants mostly refer to the surrounding when they go out, to work or university. The topic of counterfeits is not discussed with a broader audience, mostly within the family, as the results of Essay III show, because family members are the most trusted ones to keep the “secret” and will not judge such practice of consumption.

One country – two different worlds

The living conditions, lifestyle and consequently the consumption practices in the UAE have changed as fast as the life had radically changed with the discovery of oil. These changes are so recent that there is an enormous gap between generations, that is reflected in their determinative experiences as well as their expectations from life (Crabtree, 2007). Whiteoak et al. (2006) describe this change as a shift from Gemeinschaft society, depicted by particularistic relationship to more institutional Gesellschaft society (Tönnies, 1957) and stress the tension

between the generation under 30 years old Emiratis and those older, as a tension between tradition and modernity in the UAE, where both forms currently co-exist.

In our research, such differences have been proven to influence the attitudes toward consumption practices. What has been stressed by older participants, is the interdependency of the families in a community to seek each other's help for sheer survival (Crabtree, 2007) and self-sufficiency in consumption practices. Surely life was harder before the prosperity, since all the members of the society had to work hard and contribute to the community; these living conditions existed in the very recent past and were witnessed by older participants. The survival of the family depended on the contribution of each member. Under such conditions we cannot even talk about the desire to uphold a certain lifestyle, but about the indemnity of existence. In contrast, the generation of their children do not face such responsibilities and are even referred to a "laissez-faire society" (Crabtree, 2007, p. 586), who let their children be raised by nannies and maids, meals cooked by chefs and being "limousined" around by drivers.

This sharp distinction of the generational cohorts echoes in almost all areas of life, including work values and attitudes. UAE nationals over 30 have also been proven to hold more conservative attitudes toward the role of the woman in the workplace. Further, the younger UAE nationals hold more favorable attitudes toward "wasta" (an act or a person that mediates or intercedes on behalf of another person (Cunningham and Sarayrah, 1994), as the job market becomes more competitive. Besides, the younger generation is more individualistic than their older counterparts (Whiteoak et al., 2006). Also, the older Emiratis are believed to have better work ethics (Lim, 2013).

Since it had been long anticipated that the oil reserves would decrease (Whiteoak et al., 2006), the political environment in the UAE heavily promotes the Emiratisation (nationalization of the jobs). Nonetheless, the government has to ensure the appropriate level of education to prepare the current and also the future generation with the right set of attitudes

and skills toward work to ease the reliance on a foreign workforce. Because the danger is real, as the remark attributed to Sheikh Rashid, the ruler of Dubai who died in 1990, states: “My grandfather rode a camel, my father rode a camel, I drive a Mercedes, my son drives a Land Rover, his son will drive a Land Rover, but his son will ride a camel” (cited in Morton, 2016, p. 202).

The nouveau riche class

Regarding desire for luxury and the emergence of the nouveau riche class, one can make a parallel to other countries that have experienced the fast transition of the marketplace: such as Russia that turned from communism to capitalism, or China, that had transformed from government planned to more market-driven society (Durvasula and Lysonski, 1999). The luxury segment has grown in the past years with Chinese consumers being the major growth drivers. Besides, other countries such as Russia who have profited from the weak euro rates and stronger consumption.

The consumption patterns of the nouveau riche class in those countries are similar to those ostentatious consumption patterns in the UAE. For instance, in Russia during the Soviet times the luxury was condemned. But with the collapse of the Soviet Union, the whole trading system had changed, and western luxuries became available to Russian consumer in the country itself and thanks to fall of iron curtain. China had also grown economically and politically in the last decades, becoming a superpower, where exposure to luxury brands creates an insatiable appetite for such goods (Teah et al., 2015). The new type of consumer from these countries makes the researchers re-think the ideas of materialism and conspicuous consumption (Trinh, 2014), where status is the prime driver for purchase of luxury goods (Bian and Veloutsou, 2007; Kaufmann, Vrontis and Manakova, 2012; Teah et al., 2015; Wang and Song, 2013). In both countries, the wealth concentrates in the upper economic class but this new wealthy class is still price conscious, and when it comes to consumption of counterfeits, they value the price

difference between the original and fake (Khramova, 2012; Wang and Song, 2013). Unlike the situation in the UAE, where the “big money” comes from the oil revenues, the price consciousness in China and Russia is dictated by the consumers’ attitudes toward money and the way they view the relationship between money and hard work. These consumers would look for prominent items that signal wealth, but also success and professional achievements (Durvasula and Lysonski, 1999). Whereas in the UAE, luxury consumption is just a routine and the counterfeit consumption is just a game - albeit a risky one: “buy as much as you can and hide it as good as you can”.

2 MANAGERIAL IMPLICATIONS

For many years, the issue of counterfeiting has been brought to attention by legitimate brands. As a result, in recent years, the UAE has started to stress the importance of fighting counterfeits. Previously it was acknowledged that the availability of counterfeits had attracted tourists in the country (Rahman et al., 2013). For instance, Karama market in Dubai that is known for its counterfeits, used to be among the top 10 attractions on TripAdvisor until recently. In the past two years, police started raiding the popular selling points. However, it seems that these attempts from police had only limited the open and obvious availability of fakes. The shop owners became much more careful and creative in the way they sell their merchandise in fear of a fine. Confirming the fact that measures countering the counterfeiting activities that concentrate on the supply side only cannot confine the desire for the products. This stress the importance of investigation of the demand side.

Surprisingly, legitimate brands show little concern for counterfeit product demand. For instance, Gucci believes that their high-class affluent consumers would not purchase counterfeits (Wang and Song, 2013). Nonetheless, this thesis has shown, that precisely this

segment of consumers should be under the radar of anti-counterfeiting campaigns since their trade-off between the original and counterfeits results in direct losses of revenues for legitimate brands.

Furthermore, consumer behavior must be understood within a particular cultural context (De Mooij and Hofstede, 2011) and what might work in one country, will not necessarily work in another. So, the international anti-counterfeiting measures addressing the demand side might find no resonance in a specific culture, such as the UAE. Managers and policymakers should keep in mind that constraining and confining only the supply side does not affect consumers' demand, but understanding the real motivations, attitudes and risks is crucial for developing effective countermeasures. In other words, the results of this thesis show that the positive attitudes toward counterfeits can serve the hedonic function mentioned in Essay II or bring the enjoyment of bargaining process to the consumer as mentioned in Essay III. Furthermore, the study reiterates that stricter controls of the markets, together with the introduction of penalties for the buyers might be better productive countermeasures.

As we have shown, the consumers in the UAE do not perceive the legal risk, when buying or importing counterfeits, but do perceive moral risk. It could be more effective to appeal to moral obligation and religiosity. Most of the consumers are not aware of the connection of counterfeit business with other illegal activities, such as child labor or terrorism funding. Governments and companies might think about enhancing the perception of adverse outcomes, calling upon the risks. Thinking about possible communication for the anti-counterfeiting campaign, one possibility is, putting a "human face" on impairments of counterfeiting to stress on their commitment toward society and individuals that are affected by the consequences of counterfeiting (Ang et al., 2001).

Furthermore, while developing the anti-counterfeiting campaigns, it is essential to adapt them to functionally-relevant stimuli and match the functions served by an attitude (Locander

and Spivey, 1978) for a specific target group. For instance, the social-adjustive function can be addressed with a strong emphasis on the psychosocial risk of being uncovered as a counterfeit consumer. Consequently, distracting the coping process by making the risks and coping strategies obvious, might have more effect on consumers than purely presenting figures about the seizures or damages of counterfeiting to the brands.

Further, this research has shown that the consumption of counterfeits is situation specific. For instance, consumers will avoid wearing fakes when attending big social events, such as weddings or religious celebrations, but use them in less formal settings. The results can support the recommendation of segmenting the markets according to product usage situations. The results of Essay III have shown that consumers evaluate multiple attributes of the counterfeit products that at the end influence the decision of counterfeit purchase. This discovery has implications for marketers. They need to take into consideration the consequences and more importantly values drawn from the products or purchase situations and ensure that the strategy fits the expected benefits. This practice may lead to a more efficient strategy and give a clear idea when the legitimate products lose to their counterfeit counterparts in a trade-off. As we have shown, the older consumers value the utility of the products in relation to their low price. For this group, the original luxury products manufacturers could stress the long-lasting quality and timeless designs. For the younger ones, the utility of counterfeits seems to lie in “disposability” of counterfeits. It can be advised that the campaigns stress the excellent quality of the originals compared to counterfeits and advise the consumer to buy one real item instead of twenty bad ones. Besides, the brands should try to re-direct the consumption pattern and emphasize the connection between the “original” or “genuine item” and “genuine consumer”.

Still, the importance of proper communication regarding the consequences of counterfeiting has to be repeatedly stressed. The results have demonstrated that Emiratis do not perceive a macro risk, this can have two reasons. First, consumers seem to be ill-informed

about the negative effects of counterfeiting that affect not only provenance economies but also the local economy. Second, at the time of data collection for the Essay I, UAE had not yet introduced the VAT. Since January 2018 all businesses have to pay 5% VAT. According to the UAE government, the additional income from the tax should help the country to move toward its vision in reducing the dependency on oil and improve public service²⁶. Emiratis need to be made aware of the damages their country can face due to tax losses resulting from illegal activities. At the end it is them, the local population and the future generation, who will suffer from adverse effects.

3 ISSUES FACED IN THE RESEARCH JOURNEY AND LIMITATIONS

For this section, the pronoun “I” is used to support its narrative nature and the subjective standpoint of the researcher.

This thesis started with the broad question why the local population in the UAE would engage in counterfeit consumption. As shown in the introduction, there are only three studies that address this topic in the GCC region: Fernandes (2013) in the UAE, Riquelme et al. (2012) in Kuwait and Albarq (2015) in Saudi-Arabia. The question that arises is that if the region does not attract the attention of academics, is it worth studying? I was trying to demonstrate that exactly this region offers a unique and exciting setting for the research. Although the research process itself was not without some underwater stones. Studying such a sensitive topic as counterfeit consumption in the UAE is challenging, especially when it involves the local population. Fernandes (2013), who investigated the counterfeit consumption in the UAE, confirms this point. He clearly states, that he deliberately did not ask the respondents’

²⁶ The Official Portal of the UAE Government. Value Added Tax (VAT). Web.

nationality, as this might have biased them and provoked wrong answers. It is not clear to what group of “nationals” or “residents” he refers, but it shows that the topic is delicate.

First, I would like to highlight some obstacles that I have faced during the data collection process. This research had employed the mixed-method approach, which is a “design for collecting, analyzing and mixing both, quantitate and qualitative data in a study in order to understand the research problem” (Clark, Creswell, Green and Shope, 2008, p. 364). Regarding the data for the on-line survey, the challenge was the modest response rate. It has been often stressed in the literature that obtaining a random sample in the GCC is extremely challenging (Cunningham and Sarayrah, 1994; Robertson, Al-Khatib and Al-Habib, 2002; Whiteoak et al., 2006), especially from the male population. One possible explanation is that Emirati men are not used to such type of inquiry, another possibility is that the topic of shopping did not appeal to them.

Further, conducting personal interviews was a more complex issue. Every researcher in the qualitative inquiry is gendered and multiculturally situated and will use a set of ideas to view the world (ontology) that specifies the questions (epistemology), which, in their turn, are studied (analysis) in a certain way (Denzin and Lincoln, 2006). Reflecting on my own experience in the fieldwork, I first will look at the influence of a whole-person-researcher on the research, which is called a prospective method (Edge, 2011). Here, when considering the influences of the persona, the most prominent ones are my gender and ethnicity.

Although I didn't have a feeling that the male respondents that I met had a problem being interviewed by a female, the barrier was more to convince male respondents to come to the interviews in the first place. Gender separation is a part of culture in the UAE. For instance, most governmental educational institutions have two different campuses for male and female students. Consequently, for me as a female researcher, it was easier to find access to female respondents.

The role of the researcher in the qualitative inquiry is quite unique, as the researcher and the participants, both co-construct the qualitative research. Therefore, it is in researcher's obligation to create an atmosphere of comfort and trust (Roger, Bone, Heinonen, Schwartz and Slater, 2018). In this specific setting, the process of ensuring the culturally expected comfort, resulted in dominance of female respondents. Furthermore, the topic itself is delicate and so the creation of trustful atmosphere was a crucial part in the process, as not all the participants were ready to talk about their counterfeit experiences from the beginning. Sometimes the "third person probes" led to "first person story", when participants would first talk about others whom they knew would consume counterfeits and afterwards would remember their own experiences and provide very rich insights. I am truly grateful to all the participants, who trusted me with their stories, invited me to their homes and gave me the opportunity to learn more about the culture.

The second point I would like to refer to is my own ethnicity. I wonder, if an Emirati researcher could have produced deeper insights. First, although the help of Emirati students was crucial and helpful for the data collection, reporting the results, especially on religious versus national and traditional aspects might be more precise. Furthermore, on several occasions when I was presenting my research in a formal setting, I have experienced some resistance. So, I wonder how the same results would be perceived by an Emirati audience, if this was a report from an "insider", someone who belongs to society, not just culturally but also juridically. Nevertheless, my prolonged stay in the field and interaction with the nationals had aided me in collaboration with respondents and had facilitated the generation of credible data (Creswell and Miller, 2000).

Besides, the research was conducted in the UAE. Consequently, further research can be expanded to other GCC countries to validate the findings. Further, all three studies are exploratory in nature, and the results cannot be generalized. Hitherto, the objectives were to

describe and identify rather than to generalize (Creswell, 2007). The validity and reliability of the data were ensured through an interrater reliability check when the researcher codes and re-codes the data in different time points (Mackey and Gass, 2015) and then through “peer audit” (Creswell, 2015). Nevertheless, the results still might command some quantitative validations with a more specified hypothesis. Moreover, the consumption of counterfeits is illegal in their nature and to a certain degree condemned by society, as proven by the existence of perceived psychosocial risk. As already reported, I have put many efforts to ensure the anonymity and the atmosphere of trust, stressing the scientific purpose of the study, but still, using a self-reporting technique might be biased and be influenced by the desire of the participants to produce socially acceptable responses.

4 AVENUES FOR FURTHER RESEARCH

What we have intended to accomplish in this research study, is to present the reality, as seen and constructed by the consumers. Still, many aspects remain uncovered and there are plenty exciting routes for future research to consider.

Further investigation into the correlation between religion and counterfeit consumption, or perhaps even the level of religiosity of respondents and counterfeit consumption might aid to gain more understanding of such practices in general and answer the specific question that emerged from the results of the essays in this dissertation. As mentioned before, the research on counterfeit consumption in Muslim countries is scarce. Research on influence of religiosity on consumption is not an easy task, as Al-Mutawa (2013) warns, that exploration of the consumption patterns of Muslims merely based purely on the Islamic text (Quran references) can be deceiving, since this inquiry might only summon the “ideal image” and not necessarily reflect the reality. The reality of a Muslim woman, today in a globalized world, is that

consumption is a part of their life. In GCC the luxury consumption is a part of their life. However, still, consumer ethics cannot be seen separately from religious beliefs and tradition — neither the consumption of genuine items nor the consumption of counterfeits. Further research could look into different levels of religiosity and address the question: When religious aspects influence the motivation? Is there a distinction between such motivation and the “believer” coping strategy, as presented in Essay I? Are there generational differences in personal religiosity?

Furthermore, the counterfeit consumption in the GCC is both driven and influenced by culture; especially the social risk and subjective norms influence the attitudes toward counterfeits. What we can summarize in all three essays is that the outcomes of purchases and consumption are emotional. Emotions can be antecedents of attitudes (Johnson and Stewart, 2005), and are essential as motivators for the behavior (Penz and Stöttinger, 2012). Further research could explore the interplay of positive emotions such as fun or joy and negative emotions like guilt or shame in pre- and post-purchase situations.

Third, additional, studies could explore further the cultural influences in the GCC countries where the nationals reveal their cultural background, religious beliefs through wearing the national dress: the black gown “abaya” and “sheila” for women, white gown “kandoura” for men. Through the local dress code many social, cultural and religious cues are already communicated to the other members of the UAE society. Talking about the symbolism in the national dress, it is important to notice, that Emiratis have adopted gowns after the discovery of oil and urbanization of the settlements. As Bristol-Rhys (2010) notices, the white gown for men, could not have been worn before, just because there was no running water or washing machines to wash and keep white fabrics white. They were adopted by the GCC nationals to distinguish themselves from the foreigners when these started to arrive in the region. If so, it would be exciting to explore whom precisely, the Emiratis regard as their

reference group when it comes to conspicuous consumption of luxury goods: original or counterfeit. This investigation might lead to the identification of further cultural aspects that might affect the consumption patterns, product categories, and even specific trade-off techniques.

Going further, future research might look at the disposability factor of the counterfeit items; or the ways consumers in the UAE are getting rid of counterfeits vs. originals. We have shown, how from a cultural standpoint, it is expected from consumers to follow the latest trends, designs and collections. The logical question that arises is, what happens to the items when they are out of fashion or have been already presented? Do consumers make a distinction between originals and counterfeits when separating from the items? In our cultural setting, where the national population consumes excessively, disposability and price seem to be the most significant advantage of counterfeit goods. Can original brands compete with counterfeits at this point? To examine this question, further research might look at consumers attitudes toward the disposability of counterfeits. Since luxury brands are now less tied to traditional seasons and introduce several collections per year, they have rendered trendy luxury items themselves disposable and brought back to the surface the price factor (Juggessur and Cohen, 2009), forcing the consumer to consider the trade-off. What role do the disposable nature of fashion and the interplay of price and value of the brand play in consumers choices? And how the original brands can use the gained knowledge to win this battle?

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Appendices

Appendix A: Counterfeiting figures

Figure 1. Percentage of value seized globally (source: OECD, EUIPO, 2016)

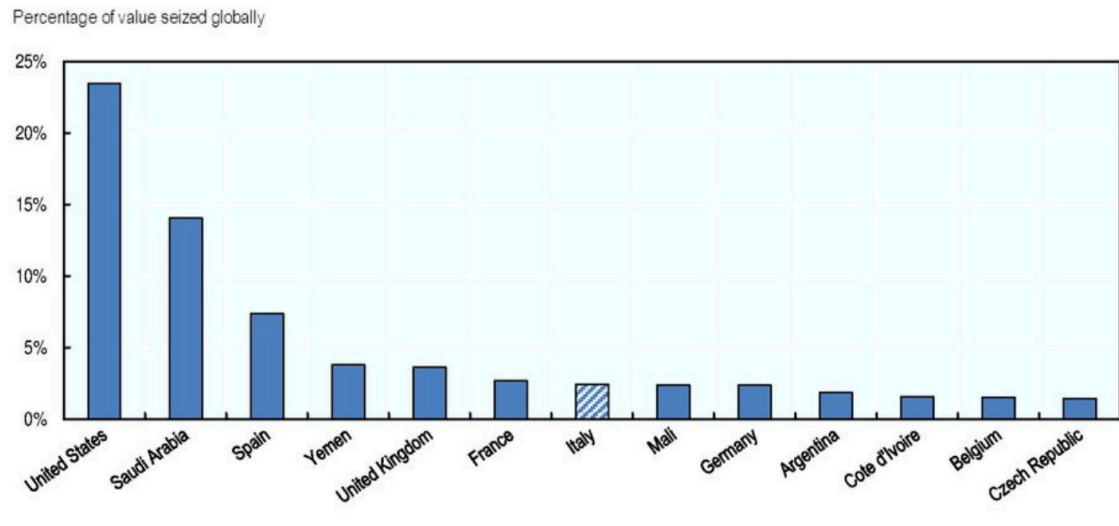


Figure 2. Top categories by articles (source: Report on EU customs enforcement of intellectual property rights – results at the EU border 2016)

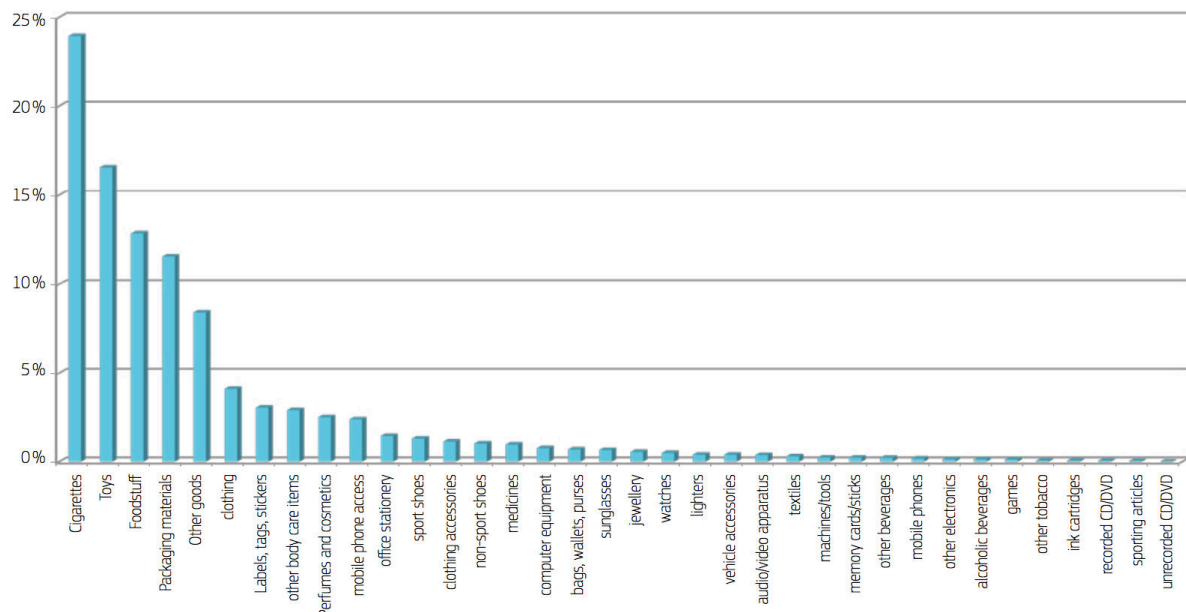


Figure 3 Top categories by procedures (source: Report on EU customs enforcement of intellectual property rights – results at the EU border 2016)

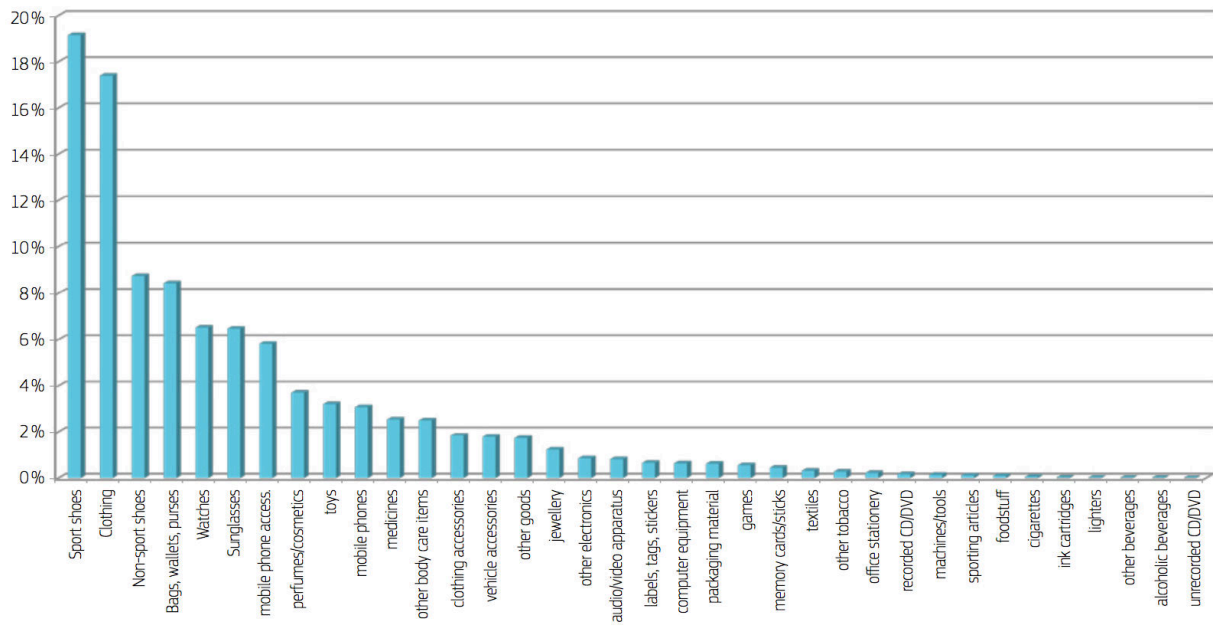
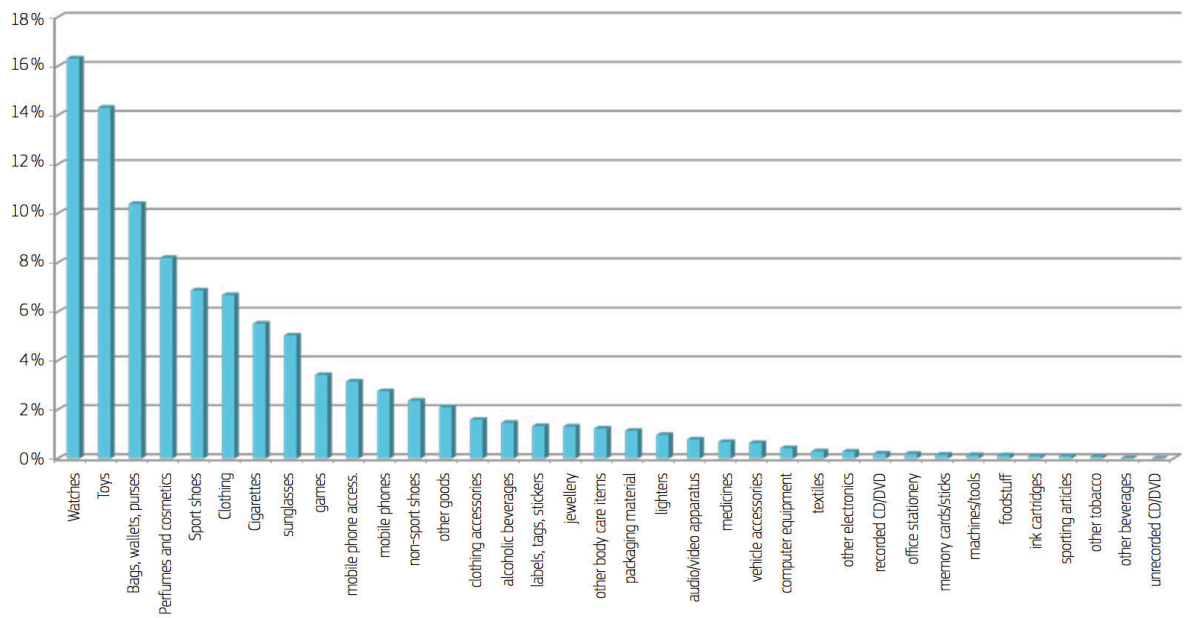


Figure 4. Top categories by values (source: Report on EU customs enforcement of intellectual property rights – results at the EU border 2016)



Appendix B: Pilot study²⁷

To perform a further analysis of buyers of counterfeits and those who mix counterfeits and originals, we have conducted further tests. It is important to note, that the results should be regarded with great caution, as the number of respondents is extremely low to make sound conclusion. Nonetheless, some tendencies still can be observed.

When comparing the buyers of counterfeits with those who mix counterfeits and originals, a logistical regression analysis including the age, gender, income and shopping expenses ($\chi^2 = 18.56$, $p < 0.05$, Nagelkerke $R^2 = 0.6$) shows that those who mix both counterfeits and originals are spending more on shopping (Wald = 3.98, $p < 0.05$). They also tend to have higher income (Wald = 2.92, $p < 0.10$) and more frequently to be women than men (Wald = 3.24, $p < 0.10$). The results are presented below have to be taken cautiously, considering the small samples of respondents involved in this analysis.

Observed		Predicted		
		Mixing		Percentage Correct
		buy CTF	mix	
Mixing	buy CTF	8	2	80.0
	mix	3	20	87.0
Overall Percentage				84.8

	Coefficient	S.E.	Wald	df	Sig.	Exp(B)
Age	.034	.071	.234	1	.628	1.035
Income	.922	.539	2.926	1	.087	2.515
Shopping	3.003	1.506	3.977	1	.046	20.149
Gender	2.676	1.486	3.244	1	.072	14.521
Constant	-10.898	4.680	5.424	1	.020	.000

²⁷ Appendices B and C have been added to provide details in order to answer the questions asked during the pre-defense by a committee member

Crosstabulation of mixing and gender

		Gender		
		male	female	Total
Mixing	buy CTF	4	6	10
	mix	3	20	23
	Total	7	26	33

Appendix C: Further clarifications to Essay I

In order to determine the interrelationships among the questionnaire items regarding the perceived risk, factor analysis was performed. The number of factors to be extracted was based on the following criteria: minimum eigenvalues of 1.0; each factor contains individual items with a minimum loading of 0.4 (Costello and Osborne, 2005). Factor analysis had demonstrated that the time risk item has low communalities (0.341) and don't contribute to underlying factors. After a varimax rotation, where the items for time risk didn't load, a six-factor solution had been chosen, eliminating the time risk.

			Factor coefficient after Rotation					
	Communalities		Factor loading					
	Initial	Extraction	1	2	3	4	5	6
Psychosocial	1	0.736	0.9					
Psychosocial	1	0.792	0.894					
Psychosocial	1	0.837	0.879					
Psychosocial	1	0.858	0.874					
Psychosocial	1	0.861	0.843					
Psychosocial	1	0.854	0.838					
Macro	1	0.536		0.822				
Macro	1	0.661		0.754				
Macro	1	0.725		0.743				
Macro	1	0.542		0.678				
Macro	1	0.734		0.662				
Macro	1	0.655		0.644				
Legal	1	0.824			0.859			
Legal	1	0.833			0.855			
Legal	1	0.849			0.8			
Performance	1	0.726				0.873		
Performance	1	0.75				0.761		
Performance	1	0.795				0.758		
Physical	1	0.703					0.744	
Physical	1	0.658					0.677	
Physical	1	0.669					0.677	
Time	1	0.551						
Financial	1	0.487						0.847
Financial	1	0.755						0.65
Time	1	0.341						0.497
			Extraction Method: Principal Component Analysis.					
			Rotation Method: Varimax with Kaiser Normalization.					
			a. Rotation converged in 7 iterations.					

Appendix D: Questionnaire



Hello,

The survey you will participate in has no commercial purpose. The data collected are entirely anonymous and will be used only for scientific purposes.

There is no right or wrong answers, only your opinion

interests us. Thank you in advance for your cooperation!

In your opinion, to what extent are the following adjectives associated with luxury?

	Very weakly associated						Very strongly associated
Expensive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sophisticated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Snobbish	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extravagant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Desirable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Elitist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate which of the following luxury products you bought or received over the course of the last two years (multiple answers are possible):

- A scarf or tie worth more than AED 400
- Another piece of clothing of a luxury brand for AED 800 - 2,000
- At least one more piece of clothing of a luxury brand for AED 800 - 2,000
- A leather good (shoes, bags & luggage, accessories) for AED 1,000 - 3,000

- Cosmetics or perfume worth more than AED 300
- An article of jewelry for AED 1,000 - 2,000
- A watch for AED 3,000 - 25,000
- A pen or lighter worth more than AED 800
- None of the above products

Please indicate which of the following fake luxury products you bought over the course of the last two years (multiple answers are possible):

- A scarf or tie
- At least one more piece of clothing
- A leather good (shoes, bags & luggage, accessories)
- Cosmetics or perfume
- An article of jewelry
- A watch
- A pen or lighter
- Mobile and electronics (e.g., Apple Watch)
- None of the above products

Please indicate which of the following luxury products you bought or received over the course of the last two years (multiple answers are possible):

- A piece of clothing worth more than AED 2,000
- At least one more piece of clothing of a luxury brand worth more than AED 2,000
- A leather good (shoes, bags & luggage, accessories) worth more than AED 1,600
- An article of jewelry worth more than AED 2,000
- A watch worth more than AED 25,000
- A mobile phone worth more than AED 5,000
- Hi-fi stereo or video equipment worth more than AED 10,000

- A piece of furniture worth more than AED 25,000
- Porcelain worth more than AED 5,000
- An automobile worth more than AED 300,000
- A sailing or motor yacht worth more than AED 1,500,000 None of the above products

To what extent do you agree with the following statements?

	Do agree at all	not at all	Do agree or disagree	not or disagree	Totally disagree
I regularly consume products from luxury brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am willing to buy luxury brands within the next 12 months.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I regularly consume fake products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am willing to buy fake	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to buy fake products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like possessing fake products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I regularly consume fake products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I have already bought a fake luxury product as a gift while travelling to certain countries.

Yes

No

I have received a gift I knew was not an original.

Yes

No

If I were to purchase a fake product, ...

	Do agree at all	not at	Do agree or disagree	not or	Totally disagree
... I would question the quality of the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I would worry about its performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I would be concerned about its reliability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... people's opinion of me would be negatively affected	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... It would be embarrassing if someone discovers that I wear a fake.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... would not feel comfortable having it in public.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I would feel ashamed to have it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I would like to be sure not to receive negative criticism from people I meet.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
...I would like to be sure not to receive negative criticism from my family.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I might face legal problems when traveling abroad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I might face legal consequences.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I fear the law.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
...I would suffer important financial losses.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
...It would be harmful to my health	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
... I could hurt myself if the product is made out of bad materials.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

... I would feel it is dangerous to use it.

Buying fake products

	Do not agree at all		Do not agree or disagree		Totally disagree
... creates unemployment.	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
... supports child labor.	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
... helps fund terrorism and crime.	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
... is unethical	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
... damages the economy.	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
... has negative consequences on employment.	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
... supports child labor.	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
... has negative consequences on employment	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>

Few questions about you...

What year were you born in?

What is your gender?

- Male Female

What is the highest level of education you have completed?

- Less than High School
 High School / GED
 Some College
 2-year College Degree
 4-year College Degree
 Masters Degree
 Doctoral Degree
 Professional Degree (JD, MD)

What is your nationality?

- Emirati national Non national

What Emirate are you from?

- Abu Dhabi
 Dubai
 Sharjah
 Fujeirah
 Um-Al-Quwain
 Ras-Al-Khaimah
 Ajman

What is your combined monthly household income (in AED)?

- Less than 10,000
- 10,000 - 20,000
- 20,000 - 40,000
- 40,000 - 60,000
- 60,000 - 80,000
- 80,000 - 100,000
- 100,000 or more

How much money do you spend on shopping every month (in AED)?

- Less than 5,000
- 5,000 - 10,000
- 10,000 - 15,000
- 15,000 - 20,000
- 20,000 or more

Remerciements

If you want to be informed about the results of this research once it is finished or participate in further researches for Paris-Sorbonne University Abu Dhabi, please leave your email below.

RÉSUMÉ

Les trois essais de cette thèse offrent un cadre conceptuel pour comprendre la consommation de produits de luxe contrefaits dans les pays du Golfe par des consommateurs parmi les plus riches au monde. Le premier essai examine les risques associés à cette consommation et identifie les stratégies mises en place par les consommateurs pour faire face à la dissonance cognitive qui en résulte. Le deuxième essai éclaire l'influence positive, et inattendue, de l'âge du consommateur sur cette consommation par l'histoire singulière des pays du Golfe. Le troisième essai met en avant les motivations à cette consommation qui n'étaient pas encore apparues dans une littérature généralement assise sur l'étude des consommateurs occidentaux et asiatiques.

MOTS CLÉS

Consommation de contrefaçon, consommation de luxe, consommateurs du Golfe, Emirats Arabes Unis

ABSTRACT

The three essays of this thesis provide a conceptual framework to explain GCC affluent nationals' luxury counterfeit consumption. The first essay examines the risks associated with such consumption and identifies the coping strategies used to deal with the resulting cognitive dissonance. The second essay explains the unexpected positive influence of consumers' age on such consumption by the specific historical context of the GCC countries. The third essay reveals GCC consumers' motivations to such consumption that were not mentioned in a literature usually concentrated on Western and Asian consumers.

KEYWORDS

Counterfeit consumption, luxury consumption, GCC consumers, United Arab Emirates