Understanding Factors Affecting Consumer Behavior Towards Fashion Counterfeits: Reflection from Markets in Delhi (India).

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Acknowledgment

Our study on the counterfeit markets in Delhi would not have been possible without the support and encouragement received from the research team at Centre for New Economics Studies, OP Jindal Global University. We would like to thank Professor Deepanshu Mohan at the Centre for New Economics Studies (CNES), Jindal School of International Affairs for his constant support and encouragement that helped us to carry on the project and make it a reality.

We acknowledge the efforts of Mr. Viveka Nand Jha (M.A. Student at the Jindal School of Government and Public Policy) and Ms. Sanjana Medipally (Senior Research Assistant, CNES) for assisting us with field interviews undertaken during the project. The authors further request the readers of the report to share any inputs and comments on the research work undertaken.
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Abstract

The study investigates the factors shaping consumer behavior while purchasing counterfeits of luxury brands (within apparel and bags) across identified markets of Delhi (India). The fieldwork undertaken during the study involved a sample of 100 primary interviews conducted, featuring both male and female participants who purchase counterfeit apparels from Palika Bazaar and counterfeit bags from Karol Bagh. The survey examined the role of different factors- economic and hedonic, social and psychological that influence consumer purchase behavior in the case of luxury fashion counterfeits. The results help us understand the average profile of the consumer (in these markets) with her/his purchasing behavior reflecting an intertwined connection between various economic, social and psychological factors.

The report is divided into the following sections. The first section introduces the broader objectives and rationale of the study, followed by a review of the literature of studies on counterfeit markets and behavioral factors affecting consumer behavior. The third section explains the methodology used in the research with a framework of questionnaires used for interviews and primary surveys. The final section details the analytical findings from interviews conducted in both the markets. The researchers did not target specific consumers so the consumer profile emerged on the basis of the surveys collected. The average consumers shopping from Palika Bazaar are male students, mostly aged between 15-20 years, living in close proximity to the market (30 minutes or lesser) spending between 500-1000 rupees per visit. An average consumer in Karol Bagh is a working female aged between 20-25 years and spending between 2000-4000 rupees per visit. In both the markets, the consumers were driven by low prices and trendy products while purchasing identified counterfeit products.

Keywords: Counterfeits, Fashion products, Non-Deceptive, consumer behavior, apparels, handbags.
Introduction

The study offers insights into counterfeiting of fashion luxury branded apparels and handbags in specific markets of Delhi. The purpose of the study is to empirically examine the factors affecting consumer demand for counterfeits. The objective is to obtain an improved framework to predict consumer behaviour towards purchasing counterfeit products.

Even though there has been some research done on the behavior of consumers indulging in counterfeit purchasing in countries such as China, EU, USA, limited studies study the variables affection consumer behavior towards the purchase of counterfeit products (in retail) across the Indian markets.

Counterfeit goods can be defined as “Goods that bear a logo/patent/trademark that is similar to, or unnoticeable from a logo/trademark/patent registered to another company using the copied trademark for their profits and thus defame the original brand.” (Veloutsou 2007).

Simply, a counterfeit is the copy of original branded products. While an array of products are prone to counterfeiting, our study examines consumers who indulge in buying counterfeits of luxury fashion products. Through the study, there are a few questions sought to be answered:

- What are the factors that affect a consumer’s purchase behaviour while buying a counterfeit product?
- Which other factors apart from the ones considered influence consumer behaviour?
- What are the characteristics of average consumers who indulge in purchase of counterfeit apparels and bags?

Our research is further narrowed down to two line of products- clothes and handbags. The researchers have chosen these two products as part of a fixed basket. Clothes and Handbags were also identified to be the most in demand across the identified (counterfeit) markets in Delhi.

There are a few factors (detailed in the next section) that were identified after going through the already available literature on the topic. Based on the age, sex and expenditure of the consumers interviewed for the study, a consumer profile is created for each market to show the kinds of consumers who indulge in buying counterfeit products.
Literature Review

Counterfeits/Counterfeiting: A general Overview

The word “counterfeit” has been defined in several ways by scholars in different fields or different professions, namely sociologists, criminologists, business and marketing scholars and psychiatrists. (Vida, 2007). But when we take the word in the context of fashion or brands, there have been many debates on the exact meaning or a general overview to the question- what is a counterfeit brand?

Zaichkowsky and Lai (1999) defined counterfeit products as goods which are low-priced, lower quality replicas of high brands and illegal. Although this summed up a definition of the counterfeit fashion brand that could be understood by anyone, it overlooked the key issue of intellectual property rights or the brand value in the eyes of a differentiated customer. Although the study does not analyze the impact of counterfeits on intellectual property rights, they remain an important issue to be addressed when one defines counterfeit fashion brands because they are directly violated due to the sale of counterfeits. Product counterfeiting is defined as an illegal, unauthorized, and unlicensed manufacturing and distribution of goods whose characteristics are protected by Intellectual Property Rights. (Stumpf and Chaudhary, 2011).

The definition which is more pertinent to the study has been given by Veloutsou, 2007. He defined counterfeiting with respect to brand perspective, “Goods that bear a logo/patent/trademark that is similar to, or unnoticeable from a logo/trademark/patent registered to another company using the copied trademark for their profits and thus defame the original brand.” Brands play a crucial role in influencing the purchasing behavior of consumers. The results from the study support this statement as from the pool of consumers interviewed, 51% consumers in Palika Bazaar and 92% consumers in Karol Bagh said that they either sometimes or always looked for counterfeits of brands. This shows that people have a preference for branded products, even if they are counterfeits.

Counterfeiting has been defined as “the act of producing or selling a product containing an intentional and calculated reproduction of a genuine trademark” (McCarthy, 2014). Right from the packaging to labeling, a counterfeit product looks quite similar to the original product. It has a similar appearance to that of an original product but is priced way cheaper. Counterfeiting can be classified as either deceptive or non-deceptive.

Deceptive counterfeiting happens when the consumers unknowingly purchase a counterfeit product. They are made to believe that the products are real and are deceived into buying the
replica. Non-deceptive counterfeiting happens when the consumers know that the product they are buying is a knock off but still go ahead and purchase it.

**Factors Affecting Consumer Behaviour in Purchasing Counterfeits**

“Consumer Behavior” is defined as the behavior that consumers display while purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs.” (Schiffman, 2007) Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items.” This includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluation on future purchases, and how they dispose of. The factors that influence consumer behavior to purchase counterfeit products are vital to study for our research.

A study by Mathumita Mukherjee Basu, Sumit Basu & Jung Kook Lee, 2015 investigated six variables namely: **social motivation, personal gratification, perception, value, brand loyalty, and ethics.** As per views of Kambiz Heidarzadeh Hanzae and Saeed Jalalian, 2012, price determinants are not the only factors that influenced counterfeit purchase intention, personal and peer influence are known to be effective as well. The perception of perceived risk and loss of repute before friends due to use of counterfeits could be a deterrent against the use of counterfeit.

There is extensive research which examines the customer buying behavior relating to counterfeiting (Gentry et al, 2001, Zaichkowsky and Nia, 2000). A research by Boonghee Yoo and Seung-Hee Lee (2009) examined the effect of three groups of variables on purchase intention of luxury fashion designer brands and their corresponding counterfeits. The three groups of variables are past behavior (past purchases of counterfeits and originals), behavior towards buying counterfeits (by economic and hedonic benefits), and individual characteristics (materialism, the perception of future, social status, and self-image).

Research focusing on the consumer’s perspective on the issues related to the price determinants (Bloch et al, 1993, Miller, 1999) and other non-economical factors **such as** consumer behavior also exists (Ang et al, 2001, Tom et al, 1998). Various scholars and researchers have determined various other significant factors influencing the buying behavior of consumers towards counterfeit products (Karpova and Kim, 2010).
After going through the pre-existing studies on the consumer behavior towards counterfeits, the researchers narrowed down upon the following variables that could be majorly affecting the behavior of the consumers:

**Social Motivation**- Social motivation is a major factor for consumers to opt for counterfeit products. Every human being wants to be accepted in the society. The need to be perceived as well off or rich can induce the customers to buy counterfeits (Mathumita Mukherjee Basu, Sumit Basu & Jung Kook Lee, 2015). When the consumers want to feel that they belong to a particular group but don’t have enough money, they resort to counterfeits to showcase their affluence to others. Individuals feel confident if their peers notice them or praise them for the brands they are wearing. An important factor influencing counterfeit consumption is an individual’s desire to match up to certain standards and make an impression of himself/herself on others. If the status is a motivation for a consumer, then he/she is not likely to be very price and value-conscious than other consumers (Mathumita Mukherjee Basu, Sumit Basu & Jung Kook Lee, 2015).

**Value for Money & Low Prices**: Many consumers feel that the utility derived from a counterfeit product is the same as that derived from an original product. “Value is a lasting belief that rises above definite intentions and circumstances and thus, affects behavior and behavior. Paying lower prices, while maintaining some constraints in quality, refers to value consciousness” (Amrita Dhaliwal 2016). The price difference between the originals and counterfeits encourages the consumer to buy the counterfeit while compromising with the quality. Low price is one of the most significant factors which affects the consumer behavior in the counterfeit market. The imitated products are way cheaper than the originals. The low prices make them so alluring for the customers. Throw away price offered by the sellers is the primary reason why these markets are thriving. An average consumer is always constrained by a budget so the price is a primary factor that he/she will consider while purchasing a good. This could mean that if a product, with a big brand name attached to it, is available at a low price, the consumer will want to purchase it although it might be imitated.

**Psychological factors: Transient Nature of Fashion Trends**- “Fashion is transient, trends come and go” - Ralph Lauren. Fashion trends are not permanent, they keep changing and evolving with time. Clothes that might be in trend today have the potential of becoming old-
fashioned tomorrow. Consumers also don’t wish to limit themselves to certain styles. “Fashion, more than any other industry in the world, embraces obsolescence as a primary goal.” (Abrahamson 2011)

Since the fashion tendencies keep altering, consumers might want to buy clothes and bags at cheaper prices since they know that their investment won’t reap long-term benefits. The sense of personal gratification is greater when someone invests a higher amount of money in a commodity that can be profitable in the long run. Since clothes and bags lack this quality, for many consumers this could be a reason to buy counterfeits of these products. It has to be noted that many consumers have the option of bargaining with the sellers to bring down the price. Depending on how good a customer’s bargaining skills are, they buy the goods for an attractive price.

With the expanding middle-class population and a booming economy, the center stage of world economy is slowly shifting from the western world to countries such as India and China, and the global brands are slowly setting their footprints into the domestic retail market, the counterfeit products which were being exported due to a lesser share in the domestic market are finding a new range of Indian domestic consumers with increasing brand awareness.
Methodology
This study follows a mixed approach of ethnographic market research (EMR) and Descriptive method. EMR helped the researchers to understand consumers in terms of cultural trends, lifestyle factors, behaviors and how social context influences product selection and identifying market spaces to conduct descriptive research. A survey was selected as a tool to gather information from the targeted consumers of age group 15-35 years from different genders. To gain a better understanding of consumer thought, decision making and market spaces while purchasing counterfeit apparels and bags, the research team conducted in-depth interviews with 100 consumers. It is a semi-structured interview where certain specific questions and certain open-ended questions were asked to the participants.

The questionnaire is based on predefined factors which affect consumer behavior while purchasing counterfeit apparels and handbags, these factors have been derived from the literature already available on the subject.

Case Study Identification
The Ethnographic market research limited the study to market spaces within the metropolitan city Delhi as it serves a huge consumer base. Consumers from all around the globe are attracted to the markets due to a variety of products and a large number of sellers. Owing to the city’s location, connectivity, and cultural history, Delhi has always been an attraction for consumers.

Based on huge footfall and location of the markets the researchers identified two markets - Palika Bazaar and Karol Bagh to understand the behavior of consumers who purchase counterfeit apparels and bags. An observational study was conducted in the two markets, Palika Bazaar’s footfall for consumers purchasing counterfeit apparels was huge, whereas Karol Bagh demonstrated consumers who were interested in buying counterfeit bags.

The survey was conducted in Palika Bazaar and Karol Bagh, 60 interviews from Palika Bazaar and 40 interviews from Karol Bagh were obtained. The survey was conducted within 2 months (February and March 2018). The detailed analysis of these two markets is explained along with the comparison between the two markets in the next section of the report.
**Palika Bazaar**

**Profile of the Market**
The researchers chose Palika Bazaar as one of the markets to study the behavior of consumers while indulging in a purchase of counterfeit products.

**Location**
It is an underground market situated between the inner and outer circle of Connaught Place. Since it is located in the heart of the city, it attracts many national and international consumers. The ambiance of the market is a little dark as it is adorned with blue lights and can be intimidating for someone visiting the market for the first time but since the market is always hustling and bustling with consumers, one tends to settle in and instantly get swayed by the various products they are surrounded with and the vendors constantly calling them to visit their shops to purchase products. The market was set up in the late 1970s. It is well air conditioned so it is comfortable to go in summers also as the consumers would be able to escape the scorching heat. There are 7 gates of entry and exit which makes it very convenient to visit the market. It is usually crowded but that does not act as a hindrance while shopping. There is a Palika Bazaar Welfare Association, the members of which sit inside the market only.

**Overview of Palika Bazaar**

![Overview of Palika Bazaar](Source: Google Earth)

**Product Category**
There are hundreds of shops in Palika that offer a variety of products. One can find antiques, clothes, bags, footwear, accessories, home décor. The market is primarily known for the counterfeit clothes and electronics that it offers. The researchers narrowed down upon apparels
as the product group to be targeted as there are a variety of them available in the market at very low prices and if your bargaining game is strong, you can buy a good deal of products without burning a hole in your pocket. There is almost every brand’s copy available in the market. Lacoste, Armani, Michael Kors, Gucci, any contemporary brand that one can think of is sold as a counterfeit in the market. Clothes ranging from T-shirts to formals are available in the market.

**Analysis of Palika Bazaar**

**Consumer Profile**
The researchers interviewed 60 consumers and received some really intriguing responses. There were consumers from various age groups and various work profiles. There was no particular group that was pursued into interviews. The researchers wanted the group of interviewees to be inclusive so that no bias seeps in the results.

**Gender:** Out of the 60 customers interviewed, 47% were females and 53% were males.

**Age:** Below is a pie chart listing the different age groups of consumers:

![Age of Consumers Who Purchase Counterfeit Clothes](image)

![Diagram showing age distribution](image)
Based on the age groups identified in the questionnaire, 42% of the interviewees fell in the age group of 15-20 followed by 38% consumers falling in the age bracket of 20-25 years, 15% constituted the 25-30 age bracket and the remaining 5% consumers were above 30 years old.

**Interesting Fact**
- 63% of interviewees were students who also visit the market most frequently.
- 43% of consumers visited the market at least once a month.
- Out of this, 53.8% consumers had to travel for 30 minutes or lesser or reach Palika Bazaar. This shows that distance does a play role in determining the frequency of the visits made by consumers.
Expenditure: The question related to expenditure was based on how much money did consumers spend per visit in buying counterfeit apparels at Palika Bazaar

- 30% of the consumers interviewed spent approximately 500-1000 rupees per visit to the market.
- 27% of consumers spent 1000-2000 rupees and similarly, 27% of consumers spent 2000-4000 rupees per visit to Palika Bazaar.
- 60% of consumers usually exceeded the budget they had thought of for a single visit.

Below is a pie chart showing the expenditure:

![Expenditure of Consumers During Single Visit to the Market](image_url)

Awareness: All the people interviewed were indulging in non-deceptive counterfeit purchasing.
**Product and Brand Preference**

**Products bought:** Out of the 60 people interviewed, 63% preferred shopping for apparels in the market and 16% preferred shopping for bags or wallets along with apparels. Below is a chart showing the product preferences of the consumers while buying various products:

![Chart showing product preferences](chart.png)

Out of the 63% of consumers who prefer to shop for apparels in the market 92% of them under the age group of 15-30 years (both male and female) said that they buy branded clothes as well as counterfeit apparels. When these consumers were asked about their preference for counterfeit products over original branded products, 43% said that they sometimes preferred counterfeits if they were running on a low budget.

Out of the total number of consumers who preferred to shop for counterfeit apparels, 86.4% of the consumers preferred to shop for counterfeit T-shirt/Shirts and Tops followed by 47.5% of consumers who preferred to shop for counterfeit Jeans and Trousers.

**Counterfeits looked for:** participants were questioned if they looked for counterfeits of specific brands in the market, 51% said that they looked for counterfeits of particular brands sometimes. The copies of most prominent brands looked for were sports brands like Nike, Adidas, Reebok, Puma. Out of the few consumers who shopped for bags, only 15% preferred to look for copies of specific brands, which were usually Woodland, Michael Kors and Zara. Consumers who looked for counterfeit bags in Palika Bazaar 59% of them were females.
Below is a table containing a few questions based on ranking on a scale of 1-5

On a scale of 1-5, rank the following statements (1 being strongly disagree, 2- disagree, 3- neutral, 4-agree and 5 being strongly agree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wearing branded clothes improves my appearance</td>
<td></td>
<td></td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branded clothes I wear present an image of success</td>
<td></td>
<td>3</td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>I like to own branded clothes to impress people</td>
<td>2</td>
<td>9</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Being fashionable makes me feel equal to others (in terms of appearance)</td>
<td>3</td>
<td></td>
<td>4</td>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

Satisfaction of Consumers and Reasons to Buy Products

On a satisfaction scale of 1-5 (1 being highly unsatisfied and 5 being highly satisfied), 23% of consumers were highly satisfied with the prices of products offered in the market. Below is a chart showing satisfaction level of consumers with respect to prices:

![Satisfaction Chart]
On a similar question related to quality, not a single consumer was highly satisfied. 43% of consumers had a neutral stand.

**Bargaining:** When asked about their bargaining skills, 97% of consumers said they were able to bargain with the vendors in Palika to lower the prices of products. 10% of consumers could bargain anywhere between 60-70%.

**Duration:** When questioned about the longevity of the products bought from the market, 63% consumers said they used the products up till 12 months or till the time they were in trend and only 35% said that they used the product till the time it gave its full utility. This throws light at the transient nature of fashion trends.

**Influencing Factors:** The researchers had identified a few factors, that could influence the consumer behavior while splurging their money on counterfeit products. 61% consumers bought the products because they were in trend, 28% consumers bought the products because their peers or family members told them about the market and only 11% bought them because they spotted the similar products on their peers or family members. Below is a pie chart depicting this:
Other Factors: Apart from these three factors, the consumers were asked about the other reasons that motivated them to buy counterfeit products from Palika. From the pool of the interesting answers received, the predominant reason came out to be the low prices and variety of products available in the market. According to a majority of the consumers, the market provides goods at low prices. It gives them value for their money.

Interesting Fact
Some consumers cited the market’s location is being convenient as the reason for them to indulge in spending in this market.
**Karol Bagh**

**Profile of the market**
Researchers chose Karol Bagh as the second market to study the consumer behaviour while purchasing counterfeits. There is easy availability of first and other copies of luxury brands of bags in the market.

**Location**
It is situated in Central Delhi and approximately 2 km from the New Delhi Railway Station. It is one of the most popular and old shopping centres in Delhi which homes a number of branded air-conditioned showrooms as well as non-branded retail outlets and small attractive shops lined up on pathways that sell almost everything. It is a street market so there is a lot of walking involved to navigate through the market but there are many eating joints in the market that offer delicacies and some respite to the tired consumers. Despite the growing commercial infrastructure of the Karol Bagh Market, the market still retains an old world charm that instantly transforms any visitor into a historical ambiance. The market is generally hustling and bustling with people.

**Product Category**
Karol Bagh market has a plethora of goods to offer. It is further divided into different streets that house their own markets wherein each street market specializes in retailing a specific line of products. For example, Gaffar Market is a hub for electronic items. This shopping center has narrow pathways that are lined with small shops that specialize in supplying many imported products, ranging from mobiles, accessories to cosmetics, bags, watches, sunglasses, electronic or digital diaries, cameras, hairdryers and footwear. This is the market where Counterfeit products are easily available. Due to the low prices and a huge variety of products, it has become a wholesale market for online retailers or retailers who work on a larger scale. Although being a hub for electronic accessories, Gaffar Market also entails numerous shops that sell handbags (usually for women). Some of the major brands whose counterfeits could be found in the Karol Bagh market were Michael Kors, Prada, Louis Vuitton, Gucci, YSL, Ted Bakers, Zara, Dior, Chanel and Burberry.
Analysis of Karol Bagh

Consumer Profile

• **Gender**: Out of the 40 respondents purchasing counterfeit bags and wallets, 93% were females. Only 7% were males. These 7% males indulged in buying counterfeit bags as they were retailers of bags.

• **Age**: Below is a pie chart showing the various age groups of 93% female consumers.

![Pie Chart](image)

The study identifies that the maximum number of customers who purchase counterfeit bags from the market fell in the age bracket of 20-25, which accounts for 37% of total female consumers, whereas, 33% consumers were above 30 years old.

Out of the 37% female customers who lie in the age bracket of 20-25 years, 50% were professionals, 35% were students and 15% were self-employed, whereas consumers above 30 years old accounted for 33%, out of which 50% were homemakers and 33% were professionals.
Expenditure: Below is a chart showing the expenditure of customers per visit to Karol Bagh.

In the above representation, the maximum number of respondents spent between Rs 2000-4000 to purchase counterfeit bags during a single visit to Karol Bagh. 58% of these customers were professionals falling in the age bracket (20-25 years old) and 25% of them were homemakers (above 30 years).

Out of the customers who spent more than Rs 10,000 in their single visit, 55% were self-employed whereas, 45% of them were retailers.

The Frequency of Customers visiting the market to buy counterfeit bags

Frequency of Customers coming to Karol Bagh to Buy Counterfeit Bags

- Everyday
- 15 times in a month
- 3-4 times in a month
- Twice a month
- Once a month
- Once in 2 months
- Once in 3 months
- Once in 6 months
- Once in 12 months

- 0
- 2
- 4
- 6
- 8
- 10
- 12
The researchers found out that frequency of customers coming to the market is dependent on the distance between the market and their place of residence/office etc. There was no significant link between frequencies of visits to a specific kind of customer profile.

- **Awareness:** all the customers who purchased counterfeit bags (40 respondents of the survey) were completely aware that the products are copies of original brands.

**Interesting Fact**

- In this study, retailers emerged as another set of consumers in Karol Bagh which is also a wholesale market for bags.
- The retailers visit to buy copies of luxury brands at best prices.
- These prices are usually lower than prices quoted to consumers for the same products.
- From information shared by the retailers, the average expenditure of a retailer during a single visit to Karol Bagh is above INR 20,000.

**Behaviour towards Counterfeits**

When the consumers were asked about their preference of counterfeit bags over branded bags, 50% of them said that sometimes, they prefer counterfeits over branded bags and 42% said yes to copies of bags, however, only 8% customers strictly preferred original branded bags over counterfeits.

![Preference of Counterfeit Bags over Branded Bags](image)

This study followed the approach of proving by contradiction, through Likert scale, the behavior of customers towards original brands.
The survey also provided insights into preference of copies of specific brands – the most prominent brands mentioned by the consumers were luxury brands like Louis Vuitton, Michael Kors, Gucci and Dior. Hence, as per the consumer’s views, the brand name, the label, and identifying design characteristics such as logo, colour, pattern etc. are valuable.
Satisfaction of Consumers and Reasons to Buy Products

The assumed factors which influence the purchase of counterfeit bags in the research remain same as those identified for Palika. They are:

- Value for Money & Low Prices
- Transient Nature of Fashion Trends
- Social factors

The first factor – price- which brings an economic benefit of choosing counterfeit over original brand provides high satisfaction levels to customers as shown below.

![Graph showing satisfaction levels with respect to price]

Similarly, the participants were enquired regarding their satisfaction levels with respect to quality of counterfeit bags in the market, 50% of them ranked 4 - satisfied with the quality. Transient nature of fashion trends is represented on the basis of duration of use of counterfeit bags bought from Karol Bagh market.
Only 30% of respondents use counterfeit bags to full utility, rest 70% of customers use counterfeit bags for short duration up-to an year or till the time they are in trend.

**Influencing Factors:** The researchers had already identified a few factors, based on research that could influence the consumer behavior while splurging their money on counterfeit products. Based on the answers received from the interviewed consumers, 68% consumers bought the products because they were in trend, 22% consumers bought the product because their peers or family members told them about the market and only 10% bought them because they spotted the similar products on their peers or family members. Below is a pie chart depicting the reasons behind consumers indulging in buying counterfeit bags:
Comparison of the Two Markets
Product category: It was found that consumers prefer to shop counterfeit apparels from Palika Bazaar and counterfeit bags from Karol Bagh, therefore, the study does not compare the two markets on the basis of the counterfeit products sold in the respective markets but on the basis of average consumer profile of consumers buying counterfeit apparels from Palika and counterfeit bags from Karol Bagh.

The following are the parameters on which the average consumer profiles from both the markets are being compared: Age, Gender, expenditure on counterfeits per visit to the markets, the frequency of customers visiting the respective markets, the proximity of respective markets to residence or workplace and behavior towards brands. This section also compares the factors influencing consumers to buy counterfeit apparels and bags from the respective markets

Average consumer profile in Palika Bazaar and Karol Bagh are as follows:

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Palika Bazaar</th>
<th>Karol Bagh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>15-20 years</td>
<td>20-25 years</td>
</tr>
<tr>
<td>Gender</td>
<td>Males</td>
<td>Females</td>
</tr>
<tr>
<td>Expenditure on counterfeits per visit</td>
<td>INR 500-1000</td>
<td>INR 2000-4000</td>
</tr>
<tr>
<td>Proximity to the market</td>
<td>30 mins or less</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
Factors influencing consumer behavior while purchasing counterfeit products

From the above comparison of factors influencing consumer behavior while purchasing counterfeit bags from Karol Bagh and counterfeit apparels from Palika Bazaar, we observe similar reasons:

Maximum number of consumers in both the markets (68% in Karol Bagh and 61% in Palika Bazaar) buy counterfeit products because they are in trend, and only a few (10-11%) consumers said they buy counterfeits because they spotted them on peers and friends.
### Limitations

The limitations or challenges have been categorized into two groups: Methodological and Logistical challenges.

**Methodological Challenges:** It was difficult to survey the consumers in Palika Bazaar and Karol Bagh as there was some resistance that was shown by both the consumers and the vendors initially. Although in Palika Bazaar, there was a sense of familiarity that developed with the vendors over the course of few visits which eased the process of conducting the interviews, the same did not hold true for Karol Bagh as there was stiff resistance from the vendors and they had to be persuaded to a decent extent to let the researchers conduct the study smoothly. These markets are not very easy to conduct a research because most of the consumers would not agree to the interview due to shortage of time.

Another limitation of the study is the sample size. With a variation in the number of Consumers across the markets, an accurate representation of the market itself is questionable. A sampling
error may exist where a sample set may not truly represent the population. Given that the study extensively followed mixed approach, and the quality of research is highly dependent on the individual skills of the researchers and the results could be easily influenced by the researcher’s personal biases.

**Logistical Challenges:** Due to the paucity of time and resources, the research had to be limited to only two kinds of products and two markets of Delhi. Due to this, the scope of the study was restricted a potential of hampering the findings as the answers would be biased. The use of the word “counterfeit” irked a few vendors as well as consumers because the vendors seemed to get protective about their establishments as they feared that the researchers had the intention of undertaking some investigation on counterfeit markets. The resistance came from a few consumers also either due to the same reason or because some of them felt like they were being called out for buying counterfeits. The researchers made efforts to ensure that both the consumers and the vendors knew that the research was being conducted for study purposes and not with any latent intention.
Conclusion

As one of the key aims of this research study was to determine factors shaping consumer behavior while purchasing counterfeits (in apparel and bags) and whether the transient nature of fashion trends, value for money and social factors can be seen as the only factors affecting the consumer behavior, the study observes how “transient nature of fashion trends” could be seen as the main deterministic variable influencing consumer behavior (for the average consumer) as consumers prefer to buy products as per fashion trends. The average consumer doesn’t prefer spending too much money on them as fashion trends keep evolving. Even the determinant “utility and value for money” could be seen to have an effect because most of the consumers from the two markets shopped for the products for the reason that they were cheap whereas, social factor did not emerge as a major reason for consumers to get influenced into buying counterfeits.

The results from the study thus, indicate an intertwined connection between various economic, social and psychological factors that play a major role in affecting consumer behavior towards the purchase of counterfeits in Delhi. Since the study was only limited to markets of Delhi, we believe that the nature of such research can be expanded to other metropolitan cities (seen as hubs for counterfeits) across other States to know the pattern of consumer behavior while buying counterfeits there and see if they are any different from the consumer behavior identified by the researchers in the two markets of Delhi. The basket of products identified for research can further be expanded too, including other counterfeited products. We also believe this research work is crucial, as observed findings from the research can be used to identify and address larger concerns in India’s consumer market where counterfeiting poses a grave threat in the India’s rapidly expanding retail landscape.
REFERENCES


ANNEXURE 1

QUESTIONNAIRE

Consumer Behaviour while purchasing Counterfeit Products

1. How often do you visit this market? (In Months)

2. Which Products do you buy the most from the Market?
   - Apparels (Clothes)
   - Bags or Wallets
   - Accessories Like jewelry, and Makeup
   - Home Decor
   - Footwear
   - Electronics (Technology related Products)

3. Age
   - 15-20
   - 20-25
   - 25-30
   - Above 30

4. Gender
   - Male
   - Female

5. Occupation

6. Are you aware the products offered in this market are Counterfeit (copied)
   - Yes
   - No

7. Do you buy Branded Products?
   - Yes
   - No

8. Do you prefer Counterfeit (Copied) Products over Original Branded Products?
   - Yes
   - No
   - Maybe (sometimes)

9. How far is the Market from your residence or office (college/school)?
10. Approximately how much money do you spend shopping at this market during one visit to the market?
   • Rs 0 - 500
   • Rs 500-1000
   • Rs 1000-2000
   • Rs 2000-4000
   • Above Rs 4000

11. Did you exceed the budget that you had planned for this visit?
   • Yes
   • No

12. Under Apparels (Clothes) available in the market, which type of clothes do you buy the most?
   • Jeans and Trousers
   • T-shirts and Tops
   • Jackets, Coats and Sweaters
   • Dresses (Women) Formals (Men)

13. While shopping for clothes, do you look for copies of specific brands?
   • Yes
   • No
   • Maybe (Sometimes)
   • If Yes, Please mentions a few brands of your preference

14. While shopping for bags do you look for copies of specific brands from this market?
   • Yes
   • No
   • Maybe (Sometimes)
   • If yes, please mention a few brands of your preference

15. Have you noticed or seen counterfeit products available in this market are available in other markets of Delhi as well?
   • Yes
   • No
   • Maybe (sometimes)

16. On a scale of 1-5, rank the following statements (1- being strongly disagree, 2- disagree, 3- neutral, 4-agree and 5 being strongly agree)
   • Wearing branded clothes improves my appearance
   • Branded clothes I wear present an image of success
   • I like to own branded clothes to impress people
   • Being fashionable makes me feel equal to others(in terms of appearance)

17. On a scale of 1-5, how satisfied are you with the prices offered in the market? (1 being highly unsatisfied and 5 being highly satisfied)
18. On a scale of 1-5, how satisfied are you with the quality of the products here? (1 being highly unsatisfied and 5 being highly satisfied)

19. Do you bargain with the seller to bring down the prices of the products offered in the market?
   - Yes
   - No
   - Maybe (Sometimes)
   - If yes then by how much (Percentage) Approximately

20. For how long do you use the products bought from this market?
   - 0-6 months
   - Up to 1 year
   - Till the time products bought from the market are in trend
   - Till the time the products bought gives their full utility and wears off
   - Other reason

21. Do you buy these products because
   - they are in trend (Maybe you spotted them in a fashion magazine or on a celebrity)
   - peers or family members told me about it
   - spotted them on peers, friends or family members

22. Apart from the reasons mentioned above, are there any other reasons for you to buy counterfeit (copied) products from this market?