

## THE DETERMINANTS OF PURCHASE INTENTION ON COUNTERFEIT SPORTSWEAR

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### ABSTRACT

This study looks into the determinants of purchase intention on counterfeit sportswear based on Theory of Reasoned Action. This is a cross-sectional study and purposive sampling was applied. Survey data was collected from 200 respondents aged below 30. Using Partial Least Square Structural Equation Modeling (PLS-SEM), result indicated that attitude influences purchase intention on counterfeit sportswear, where attitude is predetermined by materialism and subjective norms but not integrity. Creating an environment which disfavor the attitude towards counterfeits is important in curbing counterfeits consumption issue.

**Keywords:** *counterfeits, integrity, materialism, subjective norms, attitude*

### INTRODUCTION

Counterfeiting is defined as the illegal reproduction of original products by copying the trademark, label, and packaging to come out with identical products (Kay, 1990). Counterfeiting is continuously growing as an illegal industry, which posing impacts on many sectors. Counterfeits has flooded the market and increased at a speedy rate (Phau & Teah, 2009). The International Chamber of Commerce (ICC) stated that the counterfeit goods in the year 2008 worth 650 billion dollars approximately when summing up all of the counterfeit markets across countries.

Several countries have been notorious for counterfeiting business, such as China, Brazil, India, and Indonesia. Malaysia is known as one of the origins of piracy and counterfeit besides Thailand, China, and India (Haque et al., 2009). Havocscope Global Market Indexes (2011) exhibited a statistic showing that Malaysia has piracy and counterfeit value for RM 464 million in the market. Many products are being counterfeited, such as clothing, handbag, CD and VCD, shoes and even drugs (Havocscope Global Market Indexes, 2011). Sportswear included mainly fashion clothing and other accessories, such as sport watch, sport shoes, and sport bottle as well. It becomes the target of counterfeiters because the imitation of sportswear requires less technical skill (Transcrime, 2010).

Although many brand marketers have taken independent legal action against counterfeiters (Ashuri, 1993), the counterfeiting of sports brands continues to grow rapidly in the global market (Phillips, 2007). Despite of numerous measures taken and regulations enforced, counterfeiting in Malaysia is still standing. A short conclusion can be made that rules and

regulations mainly restrict and hit the supply side of the counterfeits. However, there will be supply whenever there are demands. To help marketers and governments in solving this issue, the focus should be diverted into the demand side of counterfeits. In other words, the understanding of the factors influence attitude and purchase intention on counterfeits is essential as this can be helpful to probe into the underlying psychology aspect of counterfeits purchase behavior. Therefore, the objective of this study is to investigate the factors influencing purchase intention on counterfeit sportswear.

## LITERATURE REVIEW

### *Theory of Reasoned Action*

Theory of Reasoned Action provided the theoretical framework for this study. It was established with three elements, which were behavioral intention, attitude, and subjective norm. This theory suggested that an individual's behavioral intention is the function of his or her attitudes toward the behavior and subjective norm (Fishbein & Ajzen, 1975). According to Theory of Reasoned Action, an individual's intention to perform certain behaviors can be forecasted in the circumstance which the attitude and subjective norm are known. Therefore, purchase intention on counterfeit sportswear can be explained by an individual's subjective norm and attitude towards counterfeit sportswear. In addition, an individual would develop high purchase intention on counterfeit sportswear if their attitude towards counterfeit sportswear is positive and vice versa, based on the concept of behavioral intention which purported that an individual's willingness to involve in certain behaviors is defined by attitude (Fishbein & Ajzen, 1975).

### *Theory of Moral Reasoning*

The Theory of Moral Reasoning was developed by Lawrence Kohlberg by adapting the psychological theory primitively by Swiss psychologist, Jean Piaget (Crain, 1985). The purpose of Theory of moral reasoning is to describe and explain the judgment and decision of an individual when he or she encounters an ethical dilemma. The judgment and decision will base on the evaluation of decision outcome, whether it is punishing or rewarding (Phau et al., 2009). Since buying counterfeit sportswear can be posed as an immoral act, Theory of Moral Reasoning provides a foundation for this study to investigate into the role of an individual's integrity in purchasing counterfeit sportswear.

### *Integrity*

Originally, the word "integrity" was originated from Sanskrit and it brings the sense of intact, virgin, and complete (Bauman, 2013). Later, this word was used as a moral phrase in Latin language before its extension of use to a greater degree. According to Harul et al. (2012), integrity can be defined as the personal ethical standard of an individual. Normally, individuals who fall in this category always live by the law. Integrity was examined in a wide variety of contexts, including both business literature and philosophy literature. According to Kohlberg's Theory of moral reasoning, competency, sensibility, and perceive of justice, and lawfulness will influence one's behavior. The influence of moral values will have impacts on the perception and judgment of an individual on the involvement in unethical activities (Phau et al., 2009). Sense of justice plays an important role in determining the consumption pattern of a person. However, consumers do not necessary perceive purchasing counterfeit products as a criminal deed, although they were actually supporting illegal activities (Matos et al., 2007). For instance, Liao and Hsieh (2010) voiced different opinion that the purchase of counterfeit products is not considered illegal but merely promoting counterfeit business growth.

### *Materialism*

Materialism can be referred as the degree of importance of possession for an individual (Belk, 1995). It also related to those possessions as a core value in one's life (Richins & Dawson, 1992). According to Richins and Rudmin (1994), materialism as a consumer trait can be so extreme to a stage which consumers serve it as a life goal and approach to achieve happiness and satisfaction, neglecting other life aspects at the same time. There are different explanations of the concept of materialism. Belk (1995) viewed materialism as personality traits which included possessiveness, non-generosity, and envy. On the other hand, Richins and Dawson (1992) had diverse perspective. They saw materialism as a set of personal values, which possession and acquisition are one's personal goal. Although both approaches have different views, they do come to an agreement on the harmfulness of materialism if it interferes individual's higher personal goal, such as personal growth and social relationship (Muncy & Eastman, 1998). Mixed results have been found in the investigation of relationship between materialism and the consumption of counterfeits (e.g., Lu & Lu, 2010, & Yoo & Lee, 2004). Materialism can inhibit the purchasing of counterfeit sportswear because materialistic consumers may emphasize on the possession and demonstration of original pricey goods to show that they are wealthy. On the other hand, materialism can also promote the purchasing of counterfeits because counterfeits are replacements come with an affordable price, ideal for those materialistic consumers with limited budget.

### *Subjective Norms*

Subjective norms refer to the perception of an individual on people who are deemed important to him; whether they think he or she should perform certain behaviors (Fishbein & Ajzen, 1975). Subjective norms are social norms involved moral concept which functions in the development of an individual's attitude (Mann, 1969). The degree to which the consumers will be affected by social influence is depended on the sensitivity and susceptibility to the social pressure (Riquelme, Abbas, & Rios, 2012). Persuasion theory pointed out that an individual can change their attitude indirectly due to the process of internalizations (Eagly & Chaiken, 1993). Therefore, important people surrounding someone, such as friends and family may generate some hindering or impelling effect to the consumption of counterfeit products because people are tend to stay in line with the norms.

### *Attitude towards Counterfeit*

An attitude can be referred as a mental position towards an object, such as a person or an occasion which can impact the attitude holder's emotional states and subsequent actions (Ajzen & Fishbein, 1975). Attitude encompassed three components: affective, cognitive, and conative. Affective relates to the feelings and emotions of consumers towards the objects and ideas. Cognitive is the understanding and interpretation of the objects and ideas. Conative refers to the intention and actual behavior. Three of these elements can come with different sequences to form an attitude depends on situations (Clow, & Baack, 2015). Past researches (e.g., Eisend & Schuchert-Güler, 2006; Phau & Teah, 2009) have shown that personality and social factors are the determinants of attitude towards counterfeit products. Examples of personality are materialism, integrity, and value consciousness while social factors can be subjective norms or culture. Individual can holds favorable or unfavorable attitude towards counterfeit sportswear and the attitude in turn determines the decision to consume counterfeit sportswear.

### *Purchase Intention*

Purchase intention can be defined as the willingness and readiness of an individual to buy certain products or services (Ajzen & Fishbein, 1980). Also, purchase intention is a presented attitude related to future choice decision (Bouhlef, Mzoughi, Hadiji, & Ben Slimane, 2011). In brief, purchase intention is the developed feeling to buy something before the happening of actual buying behavior. According to Ajzen and Fishbein (1975), purchase intention is constituted by an individual's evaluation, attitude, and other external factors, such as subjective norm, and then only the purchase intention will result in actual buying behavior. Marketers are always concerned about the consumers' purchase intention as it would help them to gain better prediction of consumers' behavior which would provide insight for market projection later (Tirtiroglu & Elbeck, 2008). Purchase intention was found to be a better gauge than behavioral measure to understand and get a picture of consumers' thoughts because consumers may face restriction or limitation during action of purchase. As such, purchase intention was used in this study to measure the tendency of consumers to buy counterfeit sportswear.

## **HYPOTHESES DEVELOPMENT**

Rokeach Theory (1968) voiced out that value can influence belief and attitude. If an individual conceive of integrity as an essential value to him or her, the individual will have negative attitude towards the counterfeits (Harun et al., 2012). In addition, researches consistently found consumers who have greater integrity value, such as honesty, politeness, and responsibility will not have favorable attitude towards counterfeits (Ang et al., 2001; Wang et al., 2005; Matos et al., 2007). When one uphold high integrity as his or her core value, he or she will avoid involving in unethical act, such as consumption of counterfeit goods because such act violate the laws and invade the right of others. Therefore, the first hypothesis is postulated as below:

*H<sub>1</sub>: There is a negative relationship between integrity and attitude towards counterfeit sportswear.*

Kozar and Marcketti (2011) asserts that individual with high level of materialism will have low ethical standard and in turn, more favorable attitude towards counterfeit. Counterfeit purchases are often related to luxury brands and goods for the purpose of creating superior personal image and status. Therefore, relationship between an individual's levels of materialism and ethical attitude towards counterfeits is expected to exist. Hence, the second hypothesis is postulated as below:

*H<sub>2</sub>: There is a positive relationship between materialism and attitude towards counterfeit sportswear.*

Persuasion Theory (Eagly & Chaiken, 1993) and Cognitive Dissonance Theory (Festinger, 1957) explain the form and changes in attitudes due to the influence from people surrounding an individual. Subjective norms are found to have positive effect on the attitude towards counterfeits (Riquelme, Abbas, & Rios, 2012). Attitude towards counterfeits is found to be influenced by normative susceptibility, which suggest that an individual will buy counterfeit if the behavior will impress others positively (Ang, Cheng, Lim, & Tambyah, 2001). Therefore, the third hypothesis is postulated as below:

*H<sub>3</sub>: There is a positive relationship between subjective norms and attitude towards counterfeit sportswear.*

Attitude-purchase intention had been widely discussed in marketing and consumer behavior literature. According to Theory of Reasoned Action, there is positive correlation between attitude and behavioral intention (Ajzen and Fishbein, 1980). When an individual exhibits favorable attitude towards an object, he or she is more likely to purchase it. Researches show that attitude towards counterfeits positively influence purchase intention of counterfeits (Kim &

Karpova, 2010; Ang, Cheng, Lim, & Tambyah, 2001). Therefore, the fourth hypothesis is postulated as below:

*H<sub>4</sub>: There is a positive relationship between attitude towards counterfeits and purchase intention.*

Rokeach Theory (1969) proposed that value and belief will influence attitude of a person. Furthermore, the theory suggested that values are fundamental dispositions for individual's beliefs, attitude, and behavior. Meanwhile, Theory of Reasoned Action (Ajzen & Fishbein, 1980) declared that attitude can influence behavioral intention. Homer and Kahle (1988) illustrated the relationship of value-attitudes-behaviors in a study of natural food shopping. Likewise, Fulton et al. (1996) discovered that wildlife value orientations predicted attitude toward fishing and hunting, in which attitude played the role of mediator between value orientations and behavioral intentions to involve in such activities. Vaske and Donnelly (1999) study did show the same result of full mediation effect in wild land preservation context. Hence, this study anticipate the same effect will be showed in the context of counterfeits purchase, with integrity and materialism as the values, attitude towards counterfeits as the mediator, and purchase intention as the behavioral intention. Therefore, the fifth and sixth hypothesis is postulated as below:

*H<sub>5</sub>: Attitude towards counterfeits mediates the relationship between integrity and purchase intention.*

*H<sub>6</sub>: Attitude towards counterfeits mediates the relationship between materialism and purchase intention.*

It has been argued that the influence of an individual's attitudes on behavioral intention is contingent on subjective norms (e.g., Acock & DeFleur, 1972; Andrews & Kandel, 1979). The finding from Kim, Ham, Yang, and Choi (2013) showed that consumers' behavior of reading nutritional labeling at casual-dining restaurants is developed by subjective norms which create favorable attitude in reading nutritional labeling). Hence in the context of purchase intention on counterfeit sportswear, the same mediation is expected. Subjective norms influence an individual's attitude towards counterfeit sportswear, and the attitude exerts effect on the purchase intention. Therefore, the seventh hypothesis is postulated as below:

*H<sub>7</sub>: Attitude towards counterfeits mediates the relationship between subjective norms and purchase intention.*

## METHODOLOGY

### *Sample and Data*

To test the conceptual model and associated hypotheses, survey questionnaires were distributed to consumers by using purposive sampling technique. Both online questionnaire and face-to-face administration were used to achieve better response rate (Dillman et al., 2009). This study was a cross-sectional study where the data was collected over a period of 3 months and eventually 200 useable responses were collected, which exceeded the sample size of 165 calculated using G\*Power software (Faul, Erdfelder, Lang, Buchner, 2007). The targeted respondents were Malaysian young-middle age adults who deemed to uphold a more active lifestyle and engage more in sport activities. The demographic data is depicted in Table 1. It is shown that there were 91 (45.5%) male respondents and 109 (54.5%) female respondents. About 53 (26.5%) respondents who age 20 years old and below while 147 (73.5%) who age 21 to 30 years old.

### Measures

First, the Rokeach value survey (Rokeach, 1973) is adapted to measure integrity, which previous research has shown cronbach alpha of 0.916 (Phau, Sequeira, & Dix, 2009). Second, materialism measurement is adopted from Sirgy (1998), with cronbach alpha of 0.826. Third, subjective norms measurement is adapted from Ajzen (2006), which previous research has shown cronbach alpha of 0.84 (Altawallbeh, Soon, Thiam, & Alshourah, 2015). Fourth, measurement for attitude towards counterfeits is adapted from (Triandewi & Tjiptono, 2003), with cronbach alpha more than 0.70. Fifth, Measurement for purchase intention is adapted from Mei, Ling, and Piew (2012), with cronbach alpha of 0.786. In this study, both 5 point and 7 point Likert scales are applied to measure the response of respondents towards the items for variety of intensity. Exogenous constructs were measured by 5 point Likert scale while endogenous was measured using 7 point Likert scale. The rationale behind this is to remedy expected common method bias which resulted from common scale attributes (MacKenzie & Podsakoff, 2012).

Table 1: Demographic Data

Demographic	Frequency	Percentage
Gender		
Male	91	45.5%
Female	109	54.5%
Age		
20 and below	53	26.5%
21-30	147	73.5%

## RESULTS

Due to the reason that data collected in this study were self-reported through a similar questionnaire conducted throughout a similar time, common method bias was examined using Harman's single-factor test (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). The results revealed that the largest variance explained by the first factor was 38.63% of the total variance. All variables are not loaded on one factor or if one factor did not explain the majority of the variance. Therefore, common method bias is not significant in this data set.

This study applied Partial Least Square Structural Equation Modeling (PLS-SEM) to analyze the research model. One of the reasons to choose PLS-SEM over CB-SEM is that less restriction is placed on the unbiased estimates of the sample size (Falk and Miller, 1992). Besides, not many rigid restrictions were made in PLS-SEM, such as population, scale measurement or distribution (Haenlein and Kaplan, 2004). In addition, PLS-SEM is a preferred analysis tool as the objective of this study is the explanation of variance (prediction of constructs) (Hair, Hult, Ringle, & Sasterd, 2017).

SmartPLS version 3.2.6 (Ringle, Wende and Becker, 2015) was used to conduct PLS-SEM and the two-stage analytical procedures by Anderson and Gerbing (1988) was followed. Measurement model was first tested (reliability and validity of measures) followed by the examination of structural model (testing the hypothesized relationship). Bootstrapping method (5000 resample) was used to test the significance of the path coefficients and the loadings (Hair et al., 2017).

### Measurement Model

In assessing measurement model, reliability and validity will be examined. Internal consistency reliability was measured using composite reliability while indicator reliability was examined

through the outer loadings. Besides, convergent validity was evaluated through average variance extracted (AVE) (Hair et al., 2017). As depicted in Table 2, all composite reliability of constructs exceeds the recommended benchmark of 0.7 (Gefen, Detmar and Boudreau, 2000) and all the AVE are above the cut-off value of 0.5 (Bagozzi and Youjjae, 1988). Items which have outer loadings below 0.4 were deleted as indicators with outer loadings between 0.4 and 0.7 should be considered for deletion only if the deletion will result in an increase in composite reliability and AVE above suggested threshold value (Hair et al., 2017).

Table 2: Result of Measurement Model

Construct	Indicator	Loading	CR	AVE
Integrity	INT1	0.299 (Deleted)	0.752	0.616
	INT2	0.947		
	INT3	0.268 (Deleted)		
	INT4	0.571		
Materialism	MTR1	0.717	0.857	0.546
	MTR2	0.718		
	MTR3	0.768		
	MTR4	0.791		
	MTR5	-0.026 (Deleted)		
	MTR6	0.689		
	MTR7	0.335 (Deleted)		
Subjective Norms	SN1	0.774	0.889	0.617
	SN2	0.816		
	SN3	0.720		
	SN4	0.819		
	SN5	0.793		
Attitude towards counterfeits	ATT1	0.725	0.928	0.524
	ATT2	0.754		
	ATT3	0.834		
	ATT4	0.766		
	ATT5	0.807		
	ATT6	0.698		
	ATT7	0.698		
	ATT8	0.572		
	ATT9	0.832		
	ATT10	0.654		
	ATT11	0.420		
	ATT12	0.817		
Purchase Intention	PI1	0.955	0.969	0.914
	PI2	0.951		
	PI3	0.962		

To assess discriminant validity, Heterotrait-Monotrait ratio of correlations (HTMT) approach (Henseler, Ringle, & Sasterd, 2015) is used as this approach has been proven able to achieve high specificity and sensitivity rate compared to cross-loading criterion and Fornell-Larcker (1981) criterion. As shown in Table 3, all HTMT values are lower than require threshold value of HTMT 0.90 (Gold, Malhotra, & Segars, 2001). To take a further step in assessing discriminant validity, HTMT inferential was examined using bootstrapping technique. The result of HTMT inference showed that confidence interval does not straddle a value of 1 on any constructs, which further confirmed discriminant validity (Henseler et al., 2015). In achieving discriminant validity, items with cross loadings lesser than 0.1 were deleted (Chin, 1998; Snell & Dean, 1992), namely ATT 1 (0.035), ATT2 (-0.016), ATT12 (0.02).

Table 3: HTMT Criterion

	1	2	3	4	5
1. Attitude towards counterfeits					
2. Integrity	0.319				
3. Materialism	0.553	0.400			
4. Purchase Intention	0.880	0.334	0.551		
5. Subjective Norms	0.793	0.272	0.408	0.737	

*Structural Model*

In assessing structural model, collinearity issues were first examined. Kock and Lynn (2012) asserted that lateral collinearity issue may mislead the finding although vertical collinearity issues not exist. In this study, all the constructs which needed to be examined for vertical collinearity issues showed VIF values below 0.33 (Diamantopoulos & Sigouwu, 2006), integrity (1.065), Materialism (1.145), and Subjective Norms (1.133).

Second step in structural model involve the assessment of the significance and relevance of the structural model relationship. The tests on the significance of the path and hypotheses in the path model were conducted using bootstrap re-sampling technique (5000 resamples) to avoid bias standard errors due to non-parametric distribution (Wong, 2013).

Result indicated that integrity did not significantly influence attitude towards counterfeits ( $\beta = -0.048$ ,  $t = 0.888$ ,  $p > 0.05$ ) but materialism ( $\beta = 0.295$ ,  $t = 5.399$ ,  $p < 0.01$ ) and subjective norms ( $\beta = 0.623$ ,  $t = 14.259$ ,  $p < 0.01$ ) showed positive significant relationship towards attitude towards counterfeits. Attitude towards counterfeits exhibited a positive significant relationship towards purchase intention ( $\beta = 0.837$ ,  $t = 31.240$ ,  $p < 0.01$ ). Thus, H1 was not supported while H2, H3, and H4 were supported. To test the mediating effect, the approach of bootstrapping indirect effect was applied because it has been recognized as the more rigorous method in testing mediating effect (Preaches & Hayes, 2008) and it should be applied instead of Sobel Test (Hair et al., 2017). Mediating effect of attitude towards counterfeits between materialism and purchase intention was shown to be statistically significant, with indirect effect of 0.247, t-value 5.578, and p-value  $< 0.01$ . Also, 95% Bootstrapping Confidence Interval (0.159, 0.331) does not straddle a 0 in between. Next, mediating effect of attitude towards counterfeits between subjective norms and purchase intention is significant, with indirect effect of 0.522, t-value 12.845, p-value  $< 0.01$  and 95% Bootstrapping Confidence Interval (0.441, 0.602) does not straddle a 0 in between. However, Table 4 and 5 summarized the structural model result.

Table 4: Hypothesis Testing of Direct Relationship

Hypothesis	Relationship	Std. Beta	Std. Error	t-value	Decision
H1	Integrity->Attitude towards counterfeits	-0.048	0.052	0.915	Not Supported
H2	Materialism ->Attitude towards counterfeits	0.295	0.055	5.399	Supported
H3	Subjective Norms ->Attitude towards counterfeits	0.623	0.044	14.259	Supported
H4	Attitude towards counterfeits ->Purchase Intention	0.837	0.027	31.240	Supported



Next, Coefficient of Determination  $R^2$  was examined. Overall, the model explained 61.3% of the variance in attitude towards counterfeits and 70.1% in the dependent variable, purchase intention. Both of the  $R^2$  values indicate substantial predictive accuracy which above the threshold value 0.26 suggested by Cohen (1988). Besides, Sullivan and Fein (2012) asserted that effect size cannot be revealed if one only looks into p-value. This study measures the effect size using Cohen's  $f^2$  (Cohen, 1988), which the value of 0.35, 0.15, 0.02 indicate large, medium, and small effect size respectively. In producing the  $R^2$  of attitude towards counterfeits, integrity portrayed negligible  $f^2$  value of 0.006, materialism carried medium effect size of 0.197, and subjective norms showed large effect size of 0.886. Meanwhile, attitude towards counterfeits carried large effect (2.343) in producing  $R^2$  for purchase intention.

Table 5: Hypothesis Testing of Indirect Relationship

Hypothesis	Relationship	Indirect Effect	95% Confidence Interval of the indirect effect	t-value	Decision
H5	Integrity->Attitude towards counterfeits->Purchase Intention	-0.040	(-0.122, 0.052)	0.909	Not Supported
H6	Materialism ->Attitude towards counterfeits->Purchase Intention	0.247	(0.159, 0.331)	5.578	Supported
H7	Subjective Norms ->Attitude towards counterfeits->Purchase Intention	0.522	(0.441, 0.602)	12.845	Supported

Furthermore, predictive relevance of the model was assessed using Stone-Geisser's  $Q^2$  (Geisser, 1974; Stone, 1974) obtained from blindfolding procedure. Blindfolding is a sample reuse technique that omits every dth data point in the endogenous construct's indicators and estimates the parameters with the remaining data points (Chin, 1998; Henseler et al., 2009; Tenenhaus et al., 2005). The model demonstrates predictive relevance if  $Q^2$  value larger than 0 (Fornell & Cha, 1994). Both  $Q^2$  value for attitude towards counterfeits (0.295) and purchase intention (0.604) were more than 0, indicating that the model has sufficient predictive relevance.

## DISCUSSION

This study attempted to reveal factors influencing the purchase intention on counterfeit sportswear in Malaysia. To address this issue, a research model based on Theory of Reasoned Action has been developed to provide a more comprehensive understanding on the effect of intrinsic factors (integrity and materialism) and extrinsic factor (subjective norms) on counterfeit sportswear purchase intention. The objective of this study is to deepen the understanding on young consumers' behavior in counterfeits purchase for marketers and policy makers' devise of encountering strategies.

The result indicated that the relationship between integrity and attitude towards counterfeit was not significant. This result indicated that attitude towards counterfeits was not affected by integrity. The result contradicted with previous studies (Ang et al., 2001; Wang et al., 2005; Phau & Teah, 2009). Swinyard et al. (1990) argued that Asians seem to have more acceptance for software piracy than Westerners because Asian cultures traditionally emphasize that individual developers or creators are obliged to share their developments with society and believe that copyright is a Western concept created to maintain a monopoly over the distribution and production of knowledge and knowledge-based products. Furthermore, another reason is that respondents do not perceive counterfeiting activities as crime or a

dishonest act. The respondents may percept that there is actual difference between buying the counterfeit products and the criminal action that violates the law.

The relationship between materialism and attitude towards counterfeits was found to be significant, which further support the finding of previous studies (e.g., Yoo & Lee, 2009; Lu & Lu, 2010). Those who are materialistic would favor counterfeit sportswear because it fulfilled their desire to portray themselves as prestigious and wealthy with limited budget. Subsequently, subjective norms had been found to significantly influence attitude towards counterfeits, conform to previous studies (Liao, Lin, & Liu, 2010; Albarq, 2013). Also, subjective norm posed as the most impactful predictors of attitude compared to integrity and materialism. This scenario may due to that respondents in age below 30 are still very susceptible to the influence of peers and family. A significant positive relationship between attitude towards counterfeits and purchase intention on counterfeit sportswear was reported in this study. The relationship is in line with the notion of Theory of Planned Behavior, where a person will more likely perform a buying action if he or she has favorable attitude towards the object.

Aside from integrity, attitude towards counterfeits mediates the relationship between materialism, subjective norms, and purchase intention. Based on this study, holding materialism as a personal value will form a more favorable attitude towards counterfeits, which in turn lead to purchase intention. Also, social pressure shapes a person's purchase intention on counterfeit sportswear, through forming a like or dislike attitude towards counterfeits.

#### *Implication*

This study contributed to the Theory of Reasoned Action (TRA) by Fishbein and Ajzen (1975). In this study, personal value factors, such as materialism and integrity were added in to the model to enhance the explanatory power of TRA in the context of counterfeits buying context. This study also further validate the value-attitude-behavior relationship by establish mediating effect. Also this study take places in a developing country which counterfeits are prevalent in the market to provide comparison with previous studies which taken places in developed and western countries. Surprisingly, integrity does not play a significant role in forming purchase intention on counterfeit sportswear in Malaysia, which leaves an interesting question to be probed into.

For managerial implication, if the atmosphere of rejecting counterfeit sportswear can be created in a society, people are likely to form more unfavorable attitude toward counterfeits. Marketers of original sportswear manufacturers can utilize advertisements especially through social media to ingrain the mindset of purchasing counterfeit sportswear as an abominable act in the public. Aside from altering attitude through advertisement, original sportswear manufacturer marketers can change and reinforce young consumers' attitude by educating them. Young consumers like students should be educated the knowledge of counterfeits and originals for them to understand deeper the advantages of original sportswear. The cognitive reasoning will reinforce favorable attitude towards original sportswear in an effective way. In regard to manufacturers, distributors, and sellers, de-marketing is an important act which should be carried out by policy makers. De-marketing is known as the process of reducing the demand for a product or decreasing consumption. When implemented, this will result in the development of negative attitudes toward buying counterfeits among consumers, which in turn will reduce their intention to buy counterfeit sportswear.

#### *Limitation and Suggestion for Future Research*

Similar to other studies, this study is not without its limitation. First, this study only takes relatively young consumers who are below age of 30 into the investigation. Future research can broaden the respondent range which may yield different result and improve generalizability.

Second, this study is a cross-sectional study. Integrity, materialism, and subjective norms may change over time. Longitudinal and experimental study is suggested for future research to better understand the causal relationship between the constructs demonstrated. Third, moderator such as switching cost and perceived risk can be introduced for a better understanding of heterogeneity in reality.

## CONCLUSION

This study presented the findings about the purchase intention on counterfeit sportswear in Malaysia. The result revealed that materialism and subjective norms significantly predict attitude towards counterfeits but integrity is not, which suspected due to cultural reason. Also, attitude towards counterfeits has been found to have large effect in explaining purchase intention. Mediating role of attitude towards counterfeits has been established in the model. Overall, this study contributed to current literature by looking into counterfeits buying in developing countries and offers marketers an understanding on pertinent consumer behaviors.

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