



Analysis of Consumer Attitudes to Purchase Intentions of Counterfeiting Bag Product in Indonesia

Santi Budiman
IEU Business School, Indonesia

Fashion handbags are products that occupy the third position of the 11 types of products most often hijacked. According to the United States Customs and Border Protection and European Commission, Indonesia is a country that ranked the 8th largest country after Hong Kong with the highest levels of product piracy in Asia in 2006. This study investigate the effect of product cues factors, including extrinsic cues and intrinsic cues, Attitudes towards counterfeits, religiosity, lawfulness attitudes, status of consumption on purchase intentions. This study aims to explain the process of forming an intention to buy pirated bag products that rest on the primary relationship of independent variables like attitudes towards counterfeit, lawfulness attitudes and consumption status of the intention to buy pirated products as well as test patterns bag relationship between variables. The data was collected by using a questionnaire enclosed with the statement that based on the Likert scale. The respondents were all employed women who are in the area of Yogyakarta with 200 respondents. These results show that intrinsic factors had positive influence on consumer attitudes towards pirated handbags addition, a more positive attitude of consumers towards pirated bags will further strengthen the purchasing intentions and conversely the higher the status of a consumer's consumption will only further weaken the intention of purchasing the product bag pirated.

Keywords: Extrinsic Cues, Intrinsic Cues, Attitudes Towards Counterfeits, Religiosity, Lawfulness Attitudes, Status of Consumption, Purchase Intention

Generally, counterfeiting can be described as cheating practice by attaching trademark. Lai and Zaichkowsky in Keith Wilcox (2008) defined counterfeiting as illegal products that were similar with genuine products, but typically lower in performance, reliability, and quality. Meanwhile, Chaudhry and Walsh (1996); Bian and Veloutsou (2007) defined counterfeiting products as trade products that were identical with genuine products or products that were difficult to be differentiated from the registered trademark, so violating the rights of the trademark' s owners.

Some terms used often to represent product counterfeiting are piracy, imitation brand and a large " grey" area (Lai and Zaichkowsky, 1999), custom made copies (Phau, Prendesgast, and Chuen, 2001), softlifting (Khoen and Im, 1997;

Shore et al. 2001), commercial piracy, corporate piracy (Koen and Im, 1997) and garage piracy (Wijk, 2002).

Globally the selling of counterfeiting products reached 299 billion dollar (Chakraborty et al., 1997). The effects of product counterfeiting from the side of the businessmen were the loss of goodwill and the consumer' s trust on the company (Bamosy, 1985; Delener, 2000), the research' s cost and development made did not have the additional value, and the cost for formal legal matter became bigger (Nash, 1989), decreasing the profit of the legal brand holder company (Block et al., 1993). Product counterfeiting from consumer' s point of view stops the consumers to buy such products (Bamosy, 1985). The advancements in technology made of counterfeiting more ambiguous for consumers in differentiating genuine products and fake products (Bush et al.

1989; Olsen and Granzin, 1992; Michael and Papavassiliou, 1997; Nash, 1989; Wilkie and Zaichkowsky, 1999).

The causes of product counterfeiting are; the limitation of the availability of the genuine products in fulfilling the market's demand; the producers and the retailers did not pay taxes for the counterfeiting products (Stewart, 2005); the cost could be cheaper rather than the genuine, so counterfeiters make big advantage (Zaichkowsky and Simpson, 1996; Dodd and Zaichkowsky, 1999; Bush et al., 1989; Delener, 2000; Nill and Shultz, 1996; Lynch, 2002; Wijk, 2002); the fastness of the technology development made all information could be accessed by all society rank. This had given inspiration to the counterfeiters to do mass production of the counterfeiting products that could be identical with the genuine products. On the other words, there were the product examples (Nill & Shultz II, 1996; Bush, Bloch & Dawson, 1989; Bamossy & Scammon, 1985; Stewart, 2005); the very low of the business risk, even without risk, because the production cost and the overhead were very cheap, much more cheaper rather than the proportion of the production cost of the genuine products, because the material used was often not standardized; the smallness of the investment cost and the research and development's cost were unnecessary (Nill & Shultz II, 1996; Delener, 2000; Stewart, 2005); had the very big potential market because the big of the consumers' proportion with the middle to low incomes who could not buy the genuine products. Moreover, the law infrastructure was still weak, marked by the ignorance of the government towards product counterfeiting (Bush, Bloch, & Dawson, 1989; Delener, 2000; Wilkie & Zaichkowsky, 1999; Lynch, 2002); it was difficult to compete with the products that had been so strong and popular for the consumers. So doing the counterfeiting would ease the marketing because able to join the popularity of the genuine products (Nill & Shultz II, 1996).

Those things supported the displacement of the consumers' demand from the genuine products' buying to counterfeit products' buying and strengthened the research result about the past product counterfeiting that identified that the development of counterfeit product industry is very fast nowadays, even the industry that is the has the fastest growth in the world (Eisend and Giller, 2006; Sridhar, 2007;

Cheek and Easterling, 2008; Yoo and Hee-Lee, 2009; Gistri, Romani and Gabrielli, 2009) and could be seen from the jumping up of the demand number towards the counterfeit products from year to year that became the main cause of the fast growth of counterfeit product business (Chan, Wong, Leung, 1998).

In the research of Maldonado and C. Hume (2005) titled "Attitudes towards Counterfeit Product: An Ethical Perspective" mentioned that the consumers with the higher ethics had the lower evaluation level towards the counterfeit products. Also with the consumers who had the higher evaluation towards counterfeit products, the intention to buy the counterfeit products would be high. In accordance with those result, de Matos, et al., in their research about Consumer Attitudes Towards Counterfeit: A review and Extension proved that Price quality, subjective norm, perceived risk, integrity, and personal gratification significantly influenced the consumers' attitude towards counterfeit products.

Yoo and Hee Lee (2009) proved that the past buying of the counterfeit products would have the positive influence towards the buying of the counterfeit products. Meanwhile, Nordin (2009) concluded that the person's consumption status influenced the intention to buy. In relationship with the person's lawfulness attitude, Hidayat (2008) concluded that the costumers' willingness related negatively with the lawfulness attitude.

Based on the past research, the further researchers wanted to investigate deeper about the variables that influenced the consumers' attitude that aimed at the intention to buy the counterfeit bag products that involved the product attribute cues (extrinsic cues and intrinsic cues) that formed the consumers' attitude towards the intention to buy counterfeit products. Besides, this research also investigated the variable of religiosity, in which in Theory of Planned Behavior (TPB) stated that religion was one of the social background factors that influenced the subjective norm that was reflected in the person's lawfulness attitude that was the hope from the past researchers to be examined in the later research. It was necessary to persuade the individuals to reflect the values that they held in influencing the consumers' intention to buy the counterfeit products (de Matos et al. 2007). The variable of the status consumption

reflected the perceived behavioral control in Theory of Planned Behavior (TPB) that influenced the consumers' intention to buy counterfeit bag products.

Object in this research was the fashion product handbags that occupied the third position of 11 kinds of products that were counterfeited with percentage 26% in 2006. Meanwhile the kinds of the counterfeited products were stated to improve to 200 million items. Those were clothes, accessories, (handbags), and shoes, on the highest position with percentage 57%, based on the data from European Union (European Commission, 2008).

This research was interesting to be done because Indonesia occupied the eighth position of nations that had the highest product counterfeiting level in Asia in 2006 (United States Customs and Border Protection, 2007 and European Commission, 2008). Besides, the reality that in Indonesia had never been done the research that had the relationship with the purchase intention towards counterfeit bag products, so this research was regarded as important to be done. So it could be the comparative study among the other nations for the similar research. This research aimed to explain the process of the intention formulation to buy the counterfeit bag products that was on the main relationship of the independent variables. Those were attitudes towards counterfeit, lawfulness attitudes, and status consumption towards the purchase intention of the counterfeit bag products, and examined the relationship pattern between those variables.

Based on the background explanation above, the problem formulation in this research was as follow:

1. To what extent the extrinsic cues influenced the consumers' attitude towards the counterfeit bag products?
2. To what extent the consumers' attitude towards counterfeiting influenced the purchase intention of the counterfeit bag products?
3. To what extent religiosity influenced the consumers' lawfulness attitude towards counterfeit bag products?
4. To what extent the lawfulness attitude influenced the purchase intention of the counterfeit bag products?

5. To what extent the status consumption influenced the purchase intention of the counterfeit bag products?

Literature Review

In Theory of Reasoned Action (TRA), Ajzen (1980) stated that the intention to do or not to do such certain behavior was influenced by two basic determiner construct, those were the attitude towards behavior and the social influence, this was subjective norm. Ajzen completed that theory with beliefs. Attitude came from the beliefs towards behavior (behavioral beliefs) and the subjective norm came from the normative beliefs.

Ajzen (1988) added the behavior control construct that was perceived (perceived behavioral control) as the development of TRA that was known as Theory of Planned Behavior (TPB). The addition of this perceived behavioral control was as the effort to understand the limitation of individuals to do certain behavior. In other words, to do or not to do the certain behavior was not only determined by mere attitude and subjective norm, but also supported by perceived behavioral control from control beliefs.

Ajzen (2005) added the individual background factor into TPB that involved the personal factor (the personality, life value, emotion, and brain), the social factor (the age, gender, ethnic, education, income, and religion), and the information factor (the experience, knowledge, and exposition to the media). The behavior was not only influenced by the attitude, subjective norm, and behavioral control, but also influenced by the actual behavioral control that referred to the extent of skills, competences, and other requirements that were needed to perform the determined behavior (Ajzen, 2006).

The product attribute cues are the main marketing variables that influence the decision of the potential customers' purchase. Some researches (Chang and Wildt 1989; Davis 1985; Dodds et al. 1991; Forsythe and Cavender 1993; Rao and Monroe 1989) had investigated the potential of the effects of the products' attributes on the consumers' evaluation towards the product quality and purchase intention. Cooper (1969) noted that the attribute effects on the product evaluation and purchase intention varied, not only in the product category and purchase situation, but also in the consumers'

market. Consumers used the information of the products' attributes to form the intermediate perception between quality and value that finally formed the purchase decision. In accordance with that opinion, Zeithaml (1988) then defined the quality perception as the consumers' judgment towards the whole products about the superiority or products' evaluation that were formed from the intrinsic attributes (products' physical characteristics) and the extrinsic attributes (the brands, price) that were not attached on products.

The previous research had shown that the price differences were the important variable, when someone chose the counterfeit products (Cespedes et al. 1988; Cordell et al. 1996). That thing described that quality was formed from the price level and was the important factor in the consumers' behavior (Chapman and Wahlers, 1999). In this view, consumers tended to believe that "the higher the price, the higher the quality" and on the other side, "the lower the price, the lower the price". Besides, consumers regarded that the brand images, product reputation, company reputation, and brand equity directly had the relationship with the products' brand performance, mainly the products with the famous brands, because the kinds of products had close relationship with the consumers' social status (Eastman et al. 1999).

In relationship with the products' attributes above (the prices, brands, reputation), if someone's attitude towards the counterfeit products is advantageous, it is very likely that he/she will consider to buy the counterfeit products, but if someone's attitude towards the counterfeit products is worse, it is very likely that he/she will not consider to buy the counterfeit products. Therefore, for the present research hypothesis is formulated as follows:

H₁: Consumers having strong view towards the products' extrinsic, would have negative attitude towards the counterfeit products.

Consumers, in evaluating the products' quality from the intrinsic attributes side, often experienced the lack of information and time needed (Monroe, 1971). Nevertheless, there was the difference of the intrinsic products for all kinds of products that was used by consumers to conclude the products' quality.

In this case, Zeithaml (1988) confirmed that consumers depended more on the intrinsic attributes when they were on the consumption point where some part of the intrinsic attributes could be evaluated and could be accessed as the quality indicator. In the pre-purchase situation, the intrinsic attributes were the searching attributes (not experience) that could be the important quality indicator. The intrinsic attributes were the parts of the physical products. The intrinsic attributes would be more successful in predicting the experience attributes (Marreiros and Ness, 2009).

Some research had investigated how the intrinsic attributes (how to do and what the materials were) influenced the uses of the extrinsic attributes in evaluating products and purchase decisions. Chang and Wildt (1994) found that the price influence on the quality perception became less because of the increase of the number of the intrinsic attributes. Therefore, for the present research hypothesis is formulated as follows:

H₂: Consumers with strong view towards the products' intrinsic would have positive-tended attitude towards the counterfeit products.

Attitude-Intention to buy had been discussed many times in the marketing literature. According to Theory of Reasoned Action, attitude correlates positively with behavioral intention that is finally the antecedent from the actual behavior (Ajzen and Fishbein, 1980). The more positive of individual belief caused by an object attitude, the more positive of individual attitude towards the object, and vice versa (Fishbein & Ajzen, 1975). An evaluation will impact on judging attitude given by an individual to every impact or to every result obtained by an individual. When either performing or not performing a certain behavior, this evaluation or this judging can be either beneficial or harmful. The higher of attitude score towards counterfeit products, the higher of purchase intention of counterfeit products. Hidayat & Pau (2003a;2003b) found that the consumers who have attitude to like counterfeit products more will intend more to buy counterfeit products. Therefore, for the present research hypothesis is formulated as follows:

H₃: Consumers with attitude to like counterfeit products more could intend more to buy counterfeit products.

Beit-Hallahmi and Argyle (1997) wrote extensively about the effects of the religiosity individual, those involved: developed mercy, honesty, altruism, happiness, life quality, physical health, and mental health. Religiosity influenced consumers' attitude in various situation that was reflected in the view of the individual ethics, beliefs, and consumers' behavior, all those almost the same with the intuition (Light et al.1989). Religion was known as the key element from the culture that had the good influence on behavior or decision that related with purchase included consumers' choices in purchase behavior (Essoo & Dibb, 2004). By measuring altruism (attitude that emphasized social importance) and empathy, some researchers (Batson et al. 1993; Watson, Hood, Morris, & Hall, 1984) found the relationship between religiosity and behavior that concluded the existence of the influence from the religious values towards the attitude of someone, one of them was the lawfulness attitude. The finding result stated that 46% of adults " had the strong religious characteristic" that was interpreted that they also had the high commitment (Beit-Hallahmi & Argyle, 1997). So the basic values in religion will encourage and base a consumer in deciding the attitude towards the law. That thing is a reaction because of the convinced opinion towards the valid law and describes the measurement of the valid law (firm or not the law is) in counterfeit world. Therefore, for the present research hypothesis is formulated as follows:

H₄: Consumers who have the high religiosity level will have the high lawfulness attitude.

The basic value of the lawfulness attitude will influence someone to avoid the unethical action (Steenhaut and van Kenhove, 2006). The lawfulness attitude describes someone' s ethic standard in his/her lawfulness. If a consumer sees law as a treat, there will be the decreasing tend in his/her willingness to buy the counterfeit products, and vice versa (Ang et al. 2001; Wang et al. 2005). The lawfulness attitude represents the consumers' ethic level and lawfulness (Ang et al. 2001). The most important thing is if the lawfulness attitude is negative, consumers will choose the counterfeit products more. In this view, a number of consumers who have the lower ethical standard, will be less guilty in buying the counterfeit products (Ang et al. 2001). On the

contrary, they who rationalize their behavior, reduce the cognitive disagreement towards the unethical behavior. Therefore, for the present research hypothesis is formulated as follows:

H₅: Consumers with the high lawfulness attitude would have the negative tendency on the intention to buy the counterfeit bag products.

The consumption status refers to the consumers who look for self-satisfaction and perform prestige and status to others through the actual evidences (Eastman et al. 1997) or the motivation process where an individual tries to improve his/her social status through the products consumption with the clear image (Eastman et al.1999). The goods' status is valued not too much to describe the functional quality, but more on the ability to describe their status. It often happens that the products' status plays the more important role rather than the functional attributes of products in the purchase decision process (Barnett, 2005). Individual who wants to be regarded to have the higher social class but does not have the income to support will buy the counterfeit products' alternative and apart from the ethical element consideration (Wee et al. 1995). The consumption status will perform achievement (Phau and Teah, 2009). That thing enables consumers in willing to buy, even pay with the higher value for products with status. Therefore, for the present research hypothesis is formulated as follows:

H₆: Consumers with the low consumption status would tend to buy the counterfeit products.

Methodology

Sample

Population in this research was the counterfeit products consumers. The products were the woman bags in the Provincial of Special District of Yogyakarta (DIY) without the characteristics in the certain areas. The reasons that were the background of choices of using DIY society as the research objects, were because the heterogeneous, dynamic and openness of DIY society. It implicated on the fastness of their access ability towards information-the new information both from inside and outside of this country, included the information of the counterfeit woman bag mode trend. Furthermore,

from that population, the research sample measure was 200 respondents.

Data Collection

Data collection technique used in this research was sample survey technique with questionnaire and closed statement that used likert scale and given to the respondents. This research used quantitative method and respondents were determined by using one of techniques of nonprobability sampling, that was Purposive Sampling. This purposive sampling technique was the technique that was based on the certain consideration where respondents were regarded to fulfill the criteria and had the needed information in a research (Sekaran, 2003).

The respondents' criteria in this research were females who worked with the assumption that they had the income that supported their ability to buy and included the decision makers towards the bag products. The bag products were needed to support the performance, added the confidence, and showed their status in working (Geiger-Oneto, 2007), and lived in Special District of Yogyakarta-Indonesia.

Variable Operational Definition

Products Extrinsic was defined as the products attributes that were attached on a bag product in relationship with the price, origin country, and brand genuineness. In this research, the products extrinsic was measured using 5 indicators (Lichtenstein et al. 1993; Field, J.R.B., 2003; Huang et al., 2004), those were: 1) Price as the quality indicator, 2) The willingness to pay more for good quality, 3) The willingness to buy the branded products, 4) Intended to buy the products from the company with goodwill, 5) Waiting for the products with the exclusive advertisements.

Products Intrinsic was the products attributes that were included in the bag products' physical characteristics that related with the quality, basic materials, and model. Products intrinsic was measured using 5 indicators (Field, J.R.B., 2003), those were: 1) Qualified counterfeit products' performance, 2) Counterfeit products seemed durable, 3) Counterfeit products followed the trend mode, 4) Counterfeit products were in accordance with hope, 5) Counterfeit products had high quality.

The attitude towards the counterfeit products was the respondents' attitude to consider or not to consider buying the counterfeit products. This

variable was measured by using 5 indicators (Huang et al., 2004), those were: 1) Price consideration, 2) Liking the counterfeit products, 3) The uses of the counterfeit bag products, 4) The truth to buy the counterfeit products, 5) Effectiveness consideration.

Religiosity was a number of religion beliefs of respondents that influenced respondents' attitude towards law and counterfeit products. This variable was measured by using 3 indicators (Vitell, 2005; Huffman, 1988; Keller, 1989), those were: 1) The religion role towards the counterfeiting behavior, 2) The religion comprehension role towards value system, 3) The religion comprehension as the control function.

The lawfulness attitude was defined as the attitude that was shown by respondents about law in its relationship with the counterfeit bag products. This variable was measured by using 5 indicators (Ang et al., 2001; Hidayat, 2008), those were: 1) Paying attention to the law, 2) Liking people with self-control, 3) Liking the responsible people, 4) The importance of politeness, 5) The importance of honesty

The consumption status was the motivation process in which respondents tried to improve their prestige and social status through the bag products with the clear image. This variable was measured by using 5 indicators (Phau and Teah, 2009; Eastman et al., 1997), those were: 1) Going to buy the products with status, 2) Interested with the products with status, 3) Willing to pay for the products with status, 4) Relevance of the products with status, 5) The products' status as the additional value of performance.

The intention to buy the counterfeit products was the desire of the respondents to buy counterfeit bag products. This variable was measured by using 5 indicators (Phau and Teah, 2009; De Matos et al., 2007; Ang et al., 2001), those were: 1) Choosing the counterfeit products, 2) The desire to buy the counterfeit products, 3) recommending to the friends and relatives, 4) Telling the favorite thing about the counterfeit products, 5) thinking of the counterfeit products. The Instrument Testing

The instrument testing involved the validity and reliability testing. The construct validity testing in this research used the technique of Confirmatory Factor Analysis (CFA). By using cut off of loading factor ≥ 0.4 that was appropriate with Hair et al.'s suggestion (1998) that stated

that the loading factor ± 0.3 was the minimal level and ± 0.5 was practically significant, it could be concluded that all statement items in the instrument that referred to the observed variable in this research were valid as the counting tool.

By using the reliability limit 0.7 (Maholtra, 2004), furthermore it was concluded that all variables in this research counting tool were reliable. Meanwhile, the reliability testing counting used was Cronbach's Alpha coefficient, with the reliability limit if the value of Cronbach's Alpha that was gotten more than 0.7 (Maholtra, 2004).

Finding

The respondents in this research were the working woman in the Special District of Yogyakarta, most of them were the professionals included the doctors, notary publics, accountant publics (55%), working in the banking and financial sectors (21%), entrepreneurs (12%), private employees (9%), civil servant (3%). Most respondents were 31–40 years old (61%) with income < Rp 5 million (49%) and almost all respondents were scholars (72%) and postgraduate work (28%). This research result also showed that the respondents liked several brands of bags as follows (from the most liked until the least liked): Louis Vuitton, Gucci, Hermes, Chanel, Prada, Christian Dior, Chloe, and Burberry.

The Structural Equation Modeling (SEM) data analysis technique was used in this research. The data analysis result showed that the data spread normality assumption, multivariate normality, data isolation, sample sufficiency, and data independency were fulfilled in this research. That conclusion was made from the data spread normality test result and multivariate normality that showed the value of kurtosis critical ratio was in the interval ± 2.58 (Hair, 1998). Furthermore, Goodness of Fit result is explained in table 3 as follows:

Based on the premise that there was no single statistical testing in the model properness testing and goodness of fit model analysis result that showed all fit measure fulfilled the good criteria, so next, it could be concluded that the model in this research was fit and could be used to test the model parameter.

Furthermore, Goodness of Fit result is explained in table 3 as follows:

Based on the premise that there was no single statistical testing in the model properness

testing and goodness of fit model analysis result that showed all fit measure fulfilled the good criteria, so next, it could be concluded that the model in this research was fit and could be used to test the model parameter. Furthermore, this research path diagram is shown in figure 1.

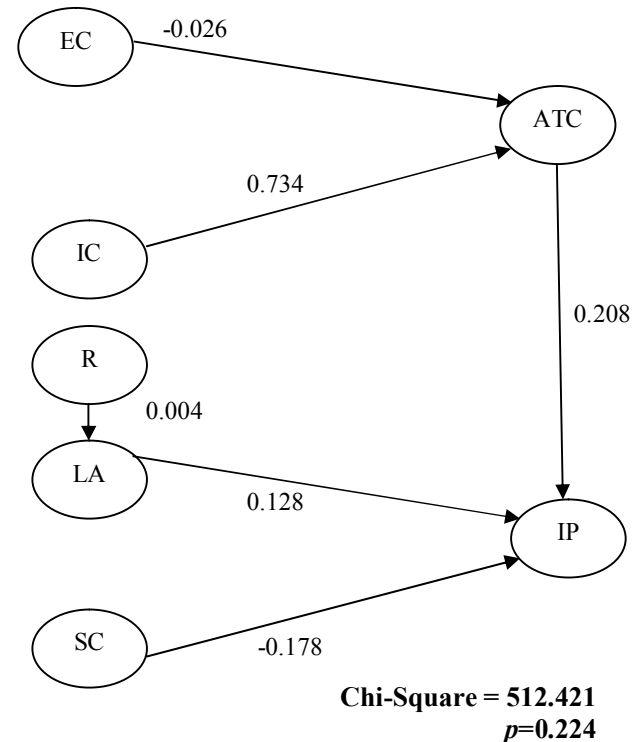


Figure 1. Path Diagram

Hypothesis Testing

The hypothesis testing furthermore is based on the regression weight result that is resumed in table 1. Extrinsic Cues (EC) influence analysis result towards Attitudes Towards Counterfeits (ATC) shows CR (Critical Ratio) values as much as -2.045 and $p < 0.04$. On the significance level 5%, Extrinsic Cues (EC) shows the significant influence towards Attitudes Towards Counterfeits (ATC) that indicates the stronger the respondents' tendency towards the extrinsic value of the counterfeit bag products, the weaker the respondents' attitude tendency towards the counterfeit bag products.

The Intrinsic Cues (IC) influence analysis results towards Attitudes Towards Counterfeits (ATC) shows CR value as much as 2.279 and $p < 0.02$. Based on those results, it can be concluded that on the significance level 5 %, the

counterfeit bag products' intrinsic influences positively and significantly towards the tendency of the respondents' attitudes towards the counterfeit bag products. The implication, the better the intrinsic cues of the counterfeit bag products, the higher the respondents' purchase intention towards the counterfeit bag products.

The value bigness of Std. Estimate Intrinsic Cues towards Attitudes Towards Counterfeits (0.194) compared with Std. Estimate Extrinsic Cues towards Attitudes Towards Counterfeits (0.149) shows that the Intrinsic Cues is stronger in influencing Attitudes Towards Counterfeits compared with the Extrinsic Cues. Besides, from the value of the Standardized Estimate, it is also known that with the consumers' attitude mediation towards the counterfeit woman bag products, the Extrinsic Cues influences the purchase intention towards the counterfeit bags as much as 4.32%. Meanwhile, the Intrinsic Cues influences the purchase intention towards the counterfeit bags as much as 5.63%. This result also indicates that with the consumers' attitude mediation towards the counterfeit woman bag products, the Intrinsic Cues influences the intention stronger compared with the Extrinsic Cues.

The influence analysis result of Attitude Towards Counterfeits (ATC) towards Purchase Intention (PI) shows the value of CR as much as 4.217 and $p=n.s.$, so by using the significance level 5%, it can be concluded that the Attitudes Towards Counterfeits (ATC) influences positively and significantly towards Purchase Intention (PI). The stronger the respondents' attitudes towards the counterfeit bag products, the stronger the respondents' intention to buy the counterfeit bag products.

The influence analysis result of Religiosity (R) towards Lawfulness Attitudes (LA) shows the value of CR as much as 7.542 and $P=0.000$. The result indicates that on the faulty tolerance 5%, Religiosity (R) influences positively and significantly towards Lawfulness Attitudes (LA), that shows the stronger the religious value that the respondents have, the more increase their lawfulness attitude significantly. Besides, with the mediation of Lawfulness Attitudes, Religiosity influences the counterfeit bag products purchase intention as much as 25.88%.

In accordance with that result, this research analysis result also shows the influence of the Lawfulness Attitudes (LA) towards Purchase

Intention (PI) has the CR value as much as 4.652 and $p=n.s.$, so on the significant level 5%, a respondent lawfulness attitude gives the positive influence significantly towards his/her intention to buy the counterfeit bag products in which a respondent's lawfulness attitude causes the stronger of a respondents' intention to buy the counterfeit bags.

The influence analysis result of the Status Consumption (SC) towards the Purchase Intention (PI) shows the CR value as much as -2.607 and $p<0.009$. Because the CR value ≥ 1.96 and the $p \leq 0.05$, it can be concluded that the respondents' consumption status that influences negatively towards the intention to buy the counterfeit products significantly, so the lower the respondents' consumption status, the higher the consumers' intention to buy the counterfeit bag products.

Path	Std. Est	Estimate	SE	CR	P
ATC <--- EC	-0.025	-0.026	0.077	-0.34	0.734
LA <--- R	0.006	0.004	0.051	0.075	0.94
ATC <--- IC	0.206	0.743	0.31	2.392	0.017
IP <--- ATC	0.315	0.208	0.048	4.366	0.000
IP <--- SC	-0.193	-0.178	0.067	-2.654	0.008
IP <--- LA	0.132	0.128	0.07	1.834	0.067

Source: Primary data, 2011

Table 1. Regression Weight

The results above show that the biggest direct effect from the latent variable towards Attitudes Towards Counterfeits is as much as 0.194 that comes from the Intrinsic Cues. The religiosity variable also has the direct effect towards Lawfulness Attitudes as much as 0.709. This also shows the biggest direct effect between the other latent variables and Lawfulness Attitudes variable that has the direct effect as much as 0.365 towards the Purchase Intention. Meanwhile, the biggest indirect effect is the religiosity variable as much as 0.258 towards the Purchase Intention. Based on the Determination Coefficient (R²) shows that the bigness of the influence contribution from the variables of the Intrinsic Cues and Extrinsic Cues towards Attitudes Towards Counterfeits is as much as

6%. The variable of Religiosity gives the influence contribution towards Lawfulness Attitudes as much as 50.2%, meanwhile the variables of the Attitude Towards Counterfeits, Lawfulness Attitudes, and Status Consumption contribute influence as much as 25% towards the Purchase Intention.

Discussion

Counterfeiting is a serious problem that developed in the whole world, both in the developing countries and developed countries (De Matos, Ituassu & Rossi, 2007). In the 21st century, the products counterfeiting has increased fast, from the scope, scale, or complexity side, and influencing the manufacturer and retail sector dealing in various elite luxury brands products (Geiger, 2007; De-En and Herzogenaurach, 2010). Counterfeiting has also been described as “criminal action” which influenced almost each famous product and brand in the world (Cooper and Eckstein, 2008; Lambkin and Tyndall, 2009). Despite warm-discussed topic the counterfeiting still appearing in the various views. Its knowledge philosophy is the field of study and research in the marketing sector.

This research proves that the intrinsic factors of the counterfeit bag products, as the good quality performance, long-endured, good-crafted, and fashionable model give the positive strong encouragement for the consumers to buy the counterfeit bag products. However, in plain view, the counterfeit bag products that are circulated in Indonesia almost cannot be differentiated from the original products. The counterfeit bag products are also produced with the good quality, such as the materials with the original smooth leather and attaching brand (fake) that gives prestige to the users. Nevertheless, this research also proves that the products extrinsic factors that are indicated from the price, brand, goodwill, and exclusive advertisement also become the factors that are also regarded important by the consumers, although they are not as big as the intrinsic factors' influence.

Besides, this research also proves that the tendency of the positive respondents' attitude towards the counterfeit bags, gives the stronger encouragement towards the intention to buy the counterfeit bags. This kind of consumers are the consumers that consider the product' s outside

performance as most important, but it does not mean they ignore the extrinsic values of the bag products such as the expensive price, company goodwill, and trademark originality. For them, the expensive price, company goodwill, and trademark originality, in nature, become something important to give the additional value to their performance. But the main factors to be considered or the unavailability of extrinsic factors is not only based on the intention tendency, but the purchase ability encouragement that is possible for the consumers is also needed. The reality that the Special District of Yogyakarta is a province with the lowest UMR limitation in Indonesia, shows the distance of the consumers' purchase ability in the Special District of Yogyakarta. However, that reality makes the intrinsic factors become the stronger factors that influence the respondents' attitude towards the counterfeit bag products compared with their extrinsic values.

Furthermore, this research also proves that religiosity gives significant contribution towards a respondent' s lawfulness attitude. For consumers, religion and norm included in religion teaching relate significantly with their view towards law, relate with the counterfeit bags. However, the consumers in Indonesia view the bag counterfeiting is not “a sin” as the consumers judge the “stealing” behavior. Nevertheless, the respondents, in nature, admit that the bag counterfeiting is not something right, but the assumption built by the respondents that “the sin” formed because of stealing has different value from “the counterfeit bags' purchase” .

This reason also causes the lawfulness attitudes which give the positive influence towards the intention to buy the counterfeit bag products and becomes the interesting finding in this research. The consumers admit that buying the counterfeit bags is not something right and is the implementation of dishonesty. But respondents also do not regard that buying the counterfeit products is crime. The consumers also percept that there is the actual difference between buying the counterfeit products and the criminal action that violates the law. The consumers regard the counterfeit bag purchase as small fault that can be understood and does not violate the law.

This research also proves that the consumption status of a consumer gives the negative influence

significantly towards his/her intention to buy the counterfeit bag products. It means that the higher the consumption status that the consumer has, the lower the consumer's intention to buy the counterfeit bag products. This reality is actually because the consumers in this research have the high consumption status that is indicated by the attitude tendency that regards that the products' originality is important to give the additional value to the performance. This result supports the assumption of the consumers' inconsistency in this research between their consumption status and opinion about the extrinsic values in the counterfeit bag products and indicates the assumption that there is the intervention from the other variable towards their purchase decision, that is the purchase ability, in which the lower the purchase ability, the higher the consumers' intention to buy the counterfeit bag products.

Conclusions

This research result shows that there is the finding gap between someone's lawfulness attitude influence and the intention to buy the counterfeit bag products. The gap can be identified by the increase in consumer's lawfulness attitude that should give the negative influence towards the intention to buy the counterfeit bag products, and followed by the increase of the desire to buy the counterfeit bag products. The researcher presumes, this is caused by the consumers' ability to buy. The Indonesian consumers, at the core, realize that the purchase of the counterfeit bag products is the law violation but because of the purchase ability factor, the consumers buy the counterfeit bag products.

Remembering that this research result indicates the purchase ability contribution towards the intention to buy the counterfeit products the suggestion for the next research is to consider the addition of the purchase ability variable as one of the factors that influences the consumers' purchase intention towards the counterfeit bag products. However, Indonesia is a developing country, from the point of view of their incomes per capita, shows that the Indonesian society purchase ability gives the contribution to the purchase intention towards a product.

Besides, overcoming the high counterfeiting in Indonesia, the protection towards the bag trademark legalization in Indonesia is needed.

The role of government and other stakeholders is of much importance in mitigation of counterfeiting behavior in Indonesia. In other words, situation calls for serious government attitude and action to address the problem of bag products counterfeiting. Government besides other measures may stop the import of the counterfeit bag products which bear patented trademarks.

References

- Ajzen, I. (1991). The Theory Of Planned Behaviour. *Organisational Behaviour And Human Decision Processes*, 50 (2): 179–211.
- Ajzen, I., Fishbein, M. (1980), Understanding Attitudes And Predicting Social Behaviour, *Prentice-Hall, Englewood Cliffs, NJ*.
- Albers-Miller, N.D. (1999). Consumer Misbehaviour: Why People Buy Illicit Goods, *Journal of Consumer Marketing*, 16(3): 273–87.
- Ang, S. H., Cheng, P.S., Lim, E.A.C. and Tambyah, s. K. (2001). "Spot the difference: consumer responses towards counterfeits", *Journal of Consumer Marketing*, 18(3): 219–235.
- Beit-Hallahmi, B., & Argyle, M. (1997). The Psychology of Religious Behaviour, Belief, and Experience, *New York: Routledge*.
- Bergan, A., & McConatha, JT (2000). *Religiosity and Life Satisfaction. Activities, Adaptation and Aging* 24 (3): 23–34.
- Barnett, J.M. (2005). Shopping For Gucci On Canal Street: Reflections Of Status Consumption, Intellectual Property, And The Incentive Thesis, *Virginia Law Review*, 91(6):1381–423.
- Bearden, W.O., Netemeyer, R.G., Teel, J.E. (1989). Measurement of Consumer Susceptibility To Interpersonal Influence", *Journal Of Consumer Research*, 15(4): 473–81.
- Bian, X., Veloutsou, C. (2005). Consumers' Attitudes Regarding Non-Deceptive Counterfeit Brands In The Uk And China, *Brand Management, (Retrieved From Business Source Premier Database)*, 14(3): 211–22.
- Cardwell, J.D. (1980). The Social Context of Religiosity, *Lanham, MD: University Press of America*.
- Cespedes, F.V., Corey, E.R. and Rangan, V.K. (1988). Gray markets: causes and cures, *Harvard Business Review*, 66(4):75–83.
- Chadha, R. (2007), "From Mao suits to Armani" , *Advertising Age*, 78(2): 27.
- Chang, M.K. (1998). Predicting unethical behaviour: a comparison of the theory of reasoned action and the theory of planned behaviour, *Journal of Business Ethics*, 17: 1825–1834.
- Chaudhry, P. E. and Walsh, M.G. (1996). An assessment of the impact of counterfeiting in International markets: the piracy paradox persists, *the columbia journal of world business*, fall, 34–48.
- Chaudhry, P. E. and Zimmerman, A. (2009). The Economics of Counterfeit Trade: Government, Consumers, Pirates and Intellectual Property Rights, *Springer-Verlag Berlin Heidelberg*.

- Chapman, J. and Wahlers, A. (1999). Revision and empirical test of the extended price-perceived quality model, *Journal of Marketing Theory and Practice*, 7(3): 53-64.
- Cordell, V. V., Wongtada, N. & Kieschnik, Jr., R. L. 1996. Counterfeit Purchase Intentions: Role of Lawfulness Attitudes and Product Traits as Determinants, *Journal of Business Research*, 35: 41-53.
- Cox, D.F (1967). Risk-taking and information handling in consumer behaviour. Boston, MA: *Harvard University Press*.
- Csikszentmihalyi, M., Rochberg-Halton, E. (1981). The Meaning Of Things: Domestic Symbols And The Self, *Cambridge University Press, New York, NY*.
- De Castro, J.O., Balkin, D.B. and Shepherd, D.A. (2007). Knock-off or knockout?, *Business Strategy Review*, 18(1): 28-32.
- De Matos, C.A., Ituassu, C.T., Rossi, C.A.V. (2007). Consumer Attitudes Towards Counterfeits: A Review And Extension, *Journal of Consumer Marketing*, 24(1): 36-47.
- Dowling, G.R. and Staelin, R. (1994), " A model of perceived risk and intended risk-handling activity" , *Journal of Consumer Research*, 21(1):119-34.
- Dezutter, J., Soenens, B., & Hutsebaut, D. (2006). Religiusitas dan kesehatan mental: Sebuah eksplorasi lebih lanjut dari kepentingan relatif dari perilaku keagamaan vs sikap keagamaan. *Personality and Individual Differences*, 40(4): 807-818.
- Eastman, J.K., Goldsmith, R.E., Flynn, L.R. (1999). Status Consumption In Consumer Behaviour: Scale Development And Validation, *Journal Of Marketing Theory And Practice*, 7(3):41-52.
- European Commission. (2006). *Russia* . Retrieved December 28, 2008 from http://trade.ec.europa.eu/doclib/docs/2006/october/tradoc_130411.pdf
- European Commission. (2008). Customs seizures of counterfeit goods. Retrieved July 31, 2008, <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/310>
- Eisend, M., Schuchert-Güler, P. (2006). Explaining Counterfeit Purchases: A Review And Preview, *Academy Of Marketing Science Review*, 6(12):1-25.
- Field, J.R. B. (2000). An Empirical Investigation of Consumers' Perceptions and Purchase Intentions of Counterfeit Products: A Means-End Chain Analysis, *A Ph.D Dissertation, Mississippi State University*.
- Fishbein, M. and Ajzen, I. (1975). Belief, Attitude, Intention, and Behavior: An Introduction to Theory of Research, *Addison-Wesley, Reading, MA*.
- Gentry, J.W., Putrevu, S., Shultz, C.J. li (2006). The Effects Of Counterfeiting On Consumer Search, *Journal Of Consumer Behaviour*, 5(3): 245-56.
- Gentry, J.W., Putrevu, S., Shultz, C.J. li, Commuri, S. (2001). How Now Ralph Lauren? The Separation Of Brand And Product In A Counterfeit Culture, *Advances In Consumer Research*, 28(1): 258-65.
- Grossman, G.M., Shapiro, C. (1988). Foreign Counterfeiting of Status Goods, *Quarterly Journal Of Economics*, 103(1):79-100.
- Gupta, P.B., Gould, S.J., Pola, B. (2004). To Pirate Or Not To Pirate: A Comparative Study Of The Ethical Versus Other Influences On The Consumer's Software Acquisition-Mode Decision, *Journal Of Business Ethics*, 55: 255-74.
- Hair, J.F., Anderson, R.E., Tatham, W.&Black, W.C. (1998). *Multivariate Data Analysis*, 5th ed., *Prentice Hall, Upper Saddle River, NJ*.
- Havlena, W.J. and DeSarbo, W.S. (1991), " On the measurement of perceived consumer risk" , *Decision Sciences*, 22(4):927-39.
- Hidayat & Phau 2003a. Product Counterfeiting: The " New Worldwide RealProduct" Without Business Risks. A Proposed Study of the Demand and Supply sides Investigations,' *World Marketing Congress Proceeding, June 11th-14th, Perth*.
- Hidayat & Phau 2003b. A Review of Product Piracy: The Emergence of " New Real" Business without Boundaries and Risks,' *WorkingPaper Series*, CBS Curtin Technology of University (forthcoming), pp. 31-37.
- Huang, J.H., Lee, B.C., Ho, S.H. (2004). Consumer Attitude Towards Gray Market Goods, *International Marketing Review*, 21(6): 598-614.
- Jacoby, J. and Kaplan, L. (1972). Components of perceived risk, *Proceedings of the Third Annual Conference of the Association for Consumer Research*, 382-393.
- Lai, K. K. Y. & Zaichkowsky, J. L. 1999. Brand Imitation: Do the Chinese have different views?' *Asia Pacific Journal of Management*, 16:179-192.
- Lynch, S. 2002. Commercial Counterfeiting,' *Paper prepared for Trade Inspections Conference, October 23, 1-23*.
- Kim, M.S. and Hunter, J.E. (1993). Relationships among Attitudes, Behavioral Intentions, and Behavior: a meta analysis of past research, Part 2, *Communication Research*, 20(3): 331-64.
- Mason, R. (1992). Modelling The Demand For Status Goods, *Association for Consumer Research*, Special Volumes: 88-95.
- Mason, R.S. (1981). Conspicuous Consumption: A Study Of Exceptional Consumer Behaviour, *St Martin's Press, New York, NY*.
- Miller, N. D. L. 1999. Consumer misbehaviour: Why people buy illicit goods, *Journal of Consumer Marketing*, 16(3): 273-287.
- Mitchell, V.M. (1998). A role for consumer risk perceptions in grocery retailing, *British Food Journal*, 100(4): 171-83.
- Nash, T. 1989. Only Imitation? The rising cost of counterfeiting, *Director*, May, 64-69.
- Nil, A. and Shultz, C.J. II (1996). The scourge of global counterfeiting, *Business Horizons*, 39(6): 37-43.
- Nordin Norashikin, 2009. A Study on Consumers' Attitude towards Counterfeit Products in Malaysia, *A Ph.D Dissertation, University of Malaya, Malaysia*.
- Olsen, J. E. &Granzin, K. L. 1992. Gaining Retailers' Assistance in Fighting Counterfeiting: Concep-tualization and Empirical Test of a Helping Model, *Journal of Retailing*, 68(Spring): 90-111.
- Packard, V. (1959). The Status Seekers, *David Mckay, New York, NY*.
- Penz, E., Stöttinger, B. (2005). Forget The Real Thing-Take The Copy! An Explanatory Model For The Volitional Purchase Of Counterfeit Products, *Advances In Consumer Research*, 32: 568-75.
- Phau, I., Teah, M. (2009). Devil Wears (Counterfeit) Prada: A Study Of Antecedents And Outcomes Of Attitudes Towards Counterfeits Of Luxury Brands, *Journal Of Consumer Marketing*, 26(1):15-27.
- Ramayah, T., Ai Leen, J.P., Wahid, N.B. (2002). Purchase Preference And View: The Case Of Counterfeit Goods, *The Proceeding Of The Ubm Conference 2002*, 1-13.

- Rao, A.R., Manroe, K.B (1988). The moderating effect of prior knowledge on cue utilization in evaluating. *Journal of Consumer Research*, 15(2): 253-263.
- Roselius, E. (1971). Consumer rankings of risk reduction methods, *Journal of Marketing*, 35: 56-61.
- Schiffman, L.G. and Kanuk, L.L. (1997). *Consumer Behavior*, 8th ed., Prentice Hall, Englewood Cliffs, NJ.
- Shimp, T.A. & W.O. Bearden (1982). Warranty and other extrinsic cue effects on consumers' risk perceptions, *Journal of Consumer Research*, 9 (June): 38-46.
- Stewart, C. (2005a). Brand piracy: A victimless crime? Americans want stricter counterfeiting and piracy laws. Retrieved June 8, 2008, from http://www.nam.org/s_nam/bin.asp?CID=201820&DID=233395&DOC=FILE.PDF.
- Tellis, G.J. and Gaeth, G.J. (1990). Best value, priceseeking, and price aversion: the impact of information and learning on consumer choices, *Journal of Marketing*, 54(April): 34-45.
- Thurasamy, R., Mohamad, O., Jantan, M., Chow, J.L.W., Nasirin, S. (2002). Counterfeit Music Cds: Social And Personality Influences, Demographics, Attitudes And Purchase Intention: Some Insights From Malaysia, *The Proceedings Of The 2nd European Conference On Research Methods In Business And Management, Reading University, Uk, 20-21 March 2003*, 329-336.
- Tom, G., Garibaldi, B., Zeng, Y., Pilcher, J. (1998). Consumer Demand For Counterfeit Goods, *Psychology & Marketing*, 15(5): 405-21.
- Wang, F., Zhang, H., Zang, H., Ouyang, M. (2005). Purchasing Pirated Software: An Initial Examination of Chinese Consumers, *Journal of Consumer Marketing*, 22(6): 340-51.
- Wee, C.H., Tan, S.J., Cheok, K.H. (1995). Non-Price Determinants of Intention To Purchase Counterfeit Goods: An Exploratory Study, *International Marketing Review*, 12(6): 19-46
- Wijk, J. V. 2002. Dealing with Piracy: Intellectual Asset Management in Music and Software, *European Management Journal*, 20(6): 689-698
- Zeithaml, Valarie A. (1984). Issues in Conceptualizing and Measuring Consumer Response to Price, in *Advances in Consumer Research*, 11: 612-616.