

**“A STUDY ON THE IMPACT OF NON - DECEPTIVE COUNTERFEIT
PRODUCTS ON STUDENTS IN ERNAKULAM”**

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Abstract

India is known to be a hub for production and manufacture of products for various Indian as well as international brands and luxury brands. Global brands source their products from India as they get perfect goods for dirt cheap compared to production costs incurred at home country. As India grows into being one of Asia's best manufacturing hub it is also growing into the world's hub for counterfeit products. India's e-commerce platform offers free entry for manufacturers of counterfeit and unknowingly protects them with the light rules implied. Recent studies have shown that almost most of the branded products on sale online are counterfeit products and the majority customers are businessmen and students. This study is relevant in finding out student's perception towards online counterfeit. It will help to find out those factors influencing them to involve in online counterfeit, the intention while involving in it and the impact it has on the students. This will help us in finding the students drive towards encouraging this unhealthy practice and to find solutions to tackle it and eradicate it with effect.

Keywords: Deceptive Counterfeited Products, Non Deceptive Counterfeit Products , Brand, E- Commerce, consumer.

I. INTRODUCTION

“REAL HAPPINESS IS CHEAP ENOUGH, YET HOW DEARLY WE PAY FOR IT'S COUNTERFEIT.”

- HOSEA BALLOU

To counterfeit is to imitate, copy or forge. Counterfeit products are fake products or unauthorized replicas of the real product.' Counterfeiting' also referred to as piracy in a common trade parlance, means the unlawful acquisition by a person of the property of another person without his consent. They are so often produced with the intention of taking advantage of the superior value of the real product for which the imitation is made. Ever since the evolution of brands, the business has marked a trend in the society where everyone wants to associate himself / herself with the latest quality fashion trends in different forms like branded clothes, institutes, branded products etc.

Certain consumer goods, especially very expensive or desirable brands or those which are easy to reproduce at low rates have become quite frequent and common targets of counterfeiting. The counterfeiters either attempt to deceive the consumer into thinking they are purchasing a legitimate item, or convince the consumer that they could deceive others with the imitation.

Today, the counterfeit trade no longer exists just through downtown city street vendors. Recently, the Internet has become a major enabler in the sale of online counterfeit products, ensuring anonymity and providing counterfeiters with the access to a global market. The proliferation of online counterfeiting is increasing and threatening any type of brand protection that companies employ.

Deceptive and Non-Deceptive Counterfeiting

According to the past studies, counterfeiting can be divided into two based on non-awareness and awareness of the consumers and i.e., Deceptive and Non-deceptive counterfeiting. Some consumers buy a counterfeit brand without being aware of the intellectual property infringement, signifying the purchase of a ‘deceptive counterfeit’ product (Eisend & Guler, 2006). This includes duplicate products that are packed identically, have same labels and trademarks as the original. Consumers are deceived and naively accept a counterfeited commodity (Grossman and Shapiro 1988; Kay 1990; Cordell et al., 1996). Consumers buy these products believing to be original. However, some consumers knowingly purchase a counterfeit brand, which represents the purchase of a ‘non-deceptive counterfeit’ product. Since these consumers knowingly purchase the products that are not legitimate, this form of counterfeiting is more common place in luxury brand market where consumers are often able to distinguish counterfeits from genuine brands based on differences in price, quality, manufacturer etc.

II. OBJECTIVES

- To analyze the spending behavior of students towards counterfeit products.
- To identify factors influencing online counterfeit among students.

III. STATEMENT OF THE PROBLEM

Online counterfeit is a major threat to our economy and to us. Even then there is an ever growing demand for these fake products sold online and a vast clientele ready to purchase these products for various reasons. Out of several studies conducted by various organizations, researchers and news investigators it was found that demand for online counterfeit comes majorly from the no or low-income student group. With students of countries like Honk Kong and China already in news for the large sales and purchase of fake products online, it is only a matter of time for students of India to take a leading position amongst the global online counterfeit activity with all the open market opportunities that e-commerce platforms offer and the not so stringent rules backing these activities in India. This study is conducted to find out how students in Ernakulam perceive online counterfeiting, the impact of online counterfeit on students in Ernakulam, the factors that influence them towards such practices and to find out if they are aware of the various consequences.

IV. RESEARCH METHODOLOGY

This study is conducted to find out the impact of online counterfeit on students from various disciplines in Ernakulam. This study is based on both primary and secondary data. The primary data was collected through a well-structured questionnaire specially designed for this survey and secondary data is gathered from relevant journals, websites and other sources. From the population, the samples were selected by using convenience sampling method. A sample of 100 students from various disciplines and colleges of Ernakulam were selected. The data collected has been classified and tabulated. The data was analyzed using statistical tools like Simple Percentage Analysis, Garrett's Ranking Technique and presented through tables.

V. ANALYSIS AND INTERPRETATION

Table 4.1
Respondents' annual family income

Income level	No. of Respondents	Percentage
Below 5 lakhs	17	17
5lakhs- 10 lakhs	51	51
10lakhs-15 lakhs	17	17
15lakhs-20lakhs	10	10
Above 20 lakhs	5	5
Total	100	100

Source: Primary data

From the above table it is clear that half of the participants in this study belong to the annual family income group of 5-10 lakhs that comprises of 51%. Only a mere 5% belong to the 'above 20 lakhs' family income group per annum.

Table4.2
Frequency of Online Purchases made in a month

Frequency	No. of Respondents	Percentage
Once	30	30
Very frequently	17	17
Frequently	35	35
Rarely	18	18

Never	0	0
Total	100	100

Source: Primary data

From the above study it is clear that 35% of students make frequent purchase through online in a month. 30% purchases once in every month. And 18% rarely make any purchases in a month. 17% very frequently make purchases during a month.

Table 4.3
Money spend to purchase counterfeit products

Money spend	No. of Respondents	Percentage
Less than 500	9	9
500-1000	50	50
1000-5000	34	34
5000-10000	7	7
More than 10000	0	0
Total	100	100

Source: Primary data

From the above study based on the respondents, we can conclude that money spent on buying counterfeit products stays in the range of 500-10000, that is 50% of respondents spends around 500-1,000 , 34% spends around 1000 – 5000 on purchase of counterfeit products, 7% spends in between 5,000-10,000 and 9% spends less that 500.

Table 4.4
Various e-platforms used to buy counterfeit products

e-platforms	No. of Respondents	Percentage
Online shopping sites	50	50
Facebook	4	4
WhatsApp	10	10
Instagram	13	13
Other websites	23	23
Total	100	100

Source: Primary data

The most common e-platform used by the half of the respondents belonged to online shopping sites it constitutes 50%. The second highest platform is other websites that is 23%; followed by Instagram 13%, Whatsapp 10% and the lowest of them all is Facebook, which constitutes only 4%.

Table 4.5
Types of counterfeit products purchased mostly

Products	No. of Respondents	Percentage
Accessories & apparels	24	24
Clothes	47	47
Electronics	18	18
Beauty products	8	8
Books	3	3
Total	100	100

Source: Primary data

According to the above study, the charts show that clothes are the most purchased counterfeit product by the respondents giving us 47%. The next highest is accessories & apparels 24%, 18% of respondents purchase electronic products. Only a few, i.e., 3% respondents purchase fake beauty products and books.

Table 4.6
Reason for purchasing a counterfeit product

Reasons	Garretts Mean Score	Rank
Price is considerably less than the original	55.09	1
Quality is close to original	53.16	3
Brand image is popular	54.2	2
Country of origin is prestigious to individual	42.1	5
It is commonly available than the original	43.45	4

Source: Primary data

It is clear from the table that most of the respondents purchase counterfeit products because they are considerably less in price when compared to the original , Rank 1(Mean value 55.09), brand

image is ranked 2nd (mean value 54.2), quality is ranked 3rd (mean value 53.16), country of origin is ranked 4th (mean value 43.45) and availability is ranked 5th (mean value 42.1).

Table 4.7
Whether buying counterfeit products benefit the customer

Response	No. of Respondents	Percentage
Strongly agree	49	49
Agree	24	24
Neutral	10	10
Disagree	7	7
Strongly disagree	10	10
Total	100	100

Source: Primary data

From the above study we can conclude that 49% of the respondents strongly agree that counterfeit products generally benefit the customer, whereas 24% agrees to it, 10% of respondents took neutral stand and another 10% strongly disagreed to it.

Table 4.8
Chance to buy a counterfeit product in future

Chances	No. of Respondents	Percentage
Very likely	30	30
Likely	15	15
Maybe	20	20
Not likely	30	30
Not at all	5	5
Total	100	100

Source: Primary data

The above representation of chances of purchasing counterfeit products in the future depicts that, very likely and not likely options are in par with each other that is 30%. Only a few respondents will not purchase counterfeit products in the future.

Table 4.9
Satisfaction in purchasing a counterfeit product

Reactions	No. of Respondents	Percentage
Highly satisfied	24	24
Satisfied	15	15
Neutral	30	30
Doubtful	13	13
Dissatisfied	18	18
Total	100	100

Source: Primary data

30% of the respondents remains neutral when asked about satisfaction in purchasing counterfeited products. 24% respondents are satisfied, whereas 13% remains doubtful and 18% is not satisfied with their purchase.

VI. FINDINGS

- Majority of the respondents falls in the income group 5lakhs to 10 lakhs.
- Majority of the respondents spend in between 500 to 1000 Rs. Each month to purchase counterfeited products.
- Among the respondent's majority of the purchase counterfeited goods from online shopping sites.
- Majority of the respondents purchase counterfeited clothing and secondly accessories and apparels
- It was found that less price of counterfeited products is the main reason behind the purchase of them by students.
- Brand Image also plays an important part behind the purchase of counterfeited products.
- From the study majority of the respondents are of the opinion that counterfeited products are benefiting the customers.
- 30% of the respondents are very likely to purchase counterfeited products in future.
- It was found that 30% of the respondents have a neutral feeling regarding satisfaction of their purchases. And 24% said that they are satisfied with the counterfeited products they purchased.
- It was also observed that esteem needs also play an important role in purchasing counterfeited products.

VII. SUGGESTIONS

- Awareness about each and every aspect of online counterfeiting must be spread and communicated to students in an effective manner to increase knowledge about the uses and consequences of it.
- The government, companies and consumers must jointly come up with strategies to resolve issues related to online counterfeit.
- More stringent cyber rules dedicated solely to online counterfeit has to be applied in order to protect the interests of the original brand as well as to protect the consumers from various health hazards, scams, threats etc.
- Brand owners can adopt their own proven best practices to successfully combat online counterfeit sales. Brand owners must choke off counterfeit sales at both promotional and distribution points and also must educate their customers.
- Students must check the identity of the seller, search for other consumer's reviews, check consumer rights on the trader's website, watch the price of the good, pay using secured means and pay attention to refurbished products.

VIII. CONCLUSION

Online counterfeiting can severely impact students, companies and the economy as a whole. Counterfeit goods although cheap in price and high in original brand value, can be a blessing for the students who aspire to live up to the current trends and fashions, it can turn out to be a threat in disguise if not given proper attention to details like health related issues, legal liabilities, spams, security etc. Students are easily influenced by counterfeit products. They spend money, time and effort in purchasing the counterfeit goods they want. Most times they don't check about the whereabouts of the product or its manufacturer. Students that have a personal income seem to be the ones investing in counterfeit products mostly. Purchasing power along with young minds that are negligent towards the consequences can easily fall prey to the adverse effects it can have on them. Most students do not realize the potential threat it poses on them.

All of the students in the sample have made purchases of counterfeit products, directly or indirectly, online at some point. Once a student purchases counterfeit and feels satisfied with it, they tend to continue this practice. This gives more opportunities for the wrong doers. As more students portray themselves to be using high end products and brands, the untold pressure of others to keep up increases automatically, further increasing demand for counterfeit products. Now the internet's rapid growth- along with its instant global reach and anonymity has significantly escalated the situation. Deceptive uses of proven marketing techniques are important parts of this illicit ecosystem, as savvy counterfeiters apply marketing's best practices. Implementing rules, creating awareness to students and other consumers, educating them about why and how to avoid purchase of counterfeit goods, can help in reducing the scale of operations of counterfeit trade.

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