

Social Norm, Ethical Consciousness and Purchase Intention toward Counterfeit Product among UniSHAMS Students

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Abstract The purpose of this study is to examine the purchase intention toward counterfeit product among university students in Kedah. All variables were measured on a five-point Likert scale where 1 – strongly disagrees to 5 – strongly agree. Social norms (8 items), Ethical consciousness (4 items) adapted from (Riquelme, Mahdi Sayed Abbas, & Rios, 2012) and (9) items purchase Intention adapted from Chen (2007) as exogenous variables. Questionnaires were distributed to 100 students based on a random sampling method. A respond rate of 92% (92 respondents) was obtained during data collection phase and 86 were usable. The data was input into SPSS 18 and analyzed using linear regression in SPSS. The finding supports two significant direct effects in the model, thus supporting the hypothesis social norms and ethical consciousness is significantly influenced to purchase intention to buy product counterfeiting. The result is discussed in the perspective of university students.

Keywords: Social Norm, Ethical Consciousness, Purchase Intention

Introduction

Product counterfeiting and piracy of either luxury consumer or industrial goods is a major global problem and is more acute in developing countries than in developed nations. Of serious concern is the fact that consumers, in general, do not perceive that their behavior is harmful to a particular industry or that it can lead to a social cost (Lysonski and Durvasula, 2008); they only perceive the social benefits of fake products. According to the agreement on Trade-Related Aspects of Intellectual Property Rights (A WTO agreement) counterfeits are any goods bearing an unauthorized Trademark and thereby infringing the rights of the trademark owner under the law of the country of importation. Selling counterfeit product in Malaysia

has become serious problem. Even though many laws that restrain the activities of selling counterfeit product from happen. According to KPDNKK more than 200 counterfeit product which value hundred million are estimated have been smuggled every year (Harian Metro, 2017). There is a clear provision under the Trade Descriptions Act 1972, upon conviction, those who sell counterfeit products are liable to a fine of RM100 thousand or a three-year jail or both upon conviction. Although enforcement is often done, however, to combat such activities must be initiated from the consumer itself. "If there is no demand, there will be no such syndicates to continue operating," (KPDNKK 2019).

Literature Review

Social Norms and Purchase Intention

Some previous studies have considered the influence of social influences on intention to purchase counterfeits as social pressure can influence consumers either to follow or to break the rules (Ang et al., 2001). The extent to which consumers are influenced by social pressure in their attitude depends on their susceptibility to such pressure. Consumer susceptibility is driven by the need to identify or enhance one's image with significant others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions, and the tendency to learn about products by observing others or seeking information from others (Bearden et al., 1989).

Preliminary studies reveal that the presence of friends who buy an illegal good enhances the willingness to buy counterfeited products, whereas buying alone decreases the willingness to buy (Albers-Miller, 1999). Later researchers have reported a negative influence of normative susceptibility on attitudes towards piracy (Ang et al., 2001; Wang et al., 2005) and have found that normative pressure and perceived behavioral control positively influence purchase intentions at low and high price levels; however subjective norm has no impact (Penz & Stottinger, 2008).

Ethical Consciousness and Purchase Intention

Consumer ethics can be defined as the moral rules, principles and standards that guide the behavior of an individual (or group) in the selection, purchase, use, or selling of goods, or services (Muncy and Vitell, 1992). Ethics consciousness can be conceptualized as a value that an individual holds and can be interpreted as an enduring belief (Schwartz, 1992). Ethical consciousness can take the form of ethical idealism, which refers to the person's moral philosophy which is rooted in an understanding of the inherent propriety of an action, regardless of its consequences (Lysonski & Durvasula, 2008). The other form of ethical

consciousness is the ethical self-concept which refers to the self-perception of one being ethical. Both ethical idealism and ethical self-concept are used to gauge the ethical orientation of consumers.

Moral judgments and consumer ethics have both been found to reduce purchase intentions of pirated software (Tan, 2002) and counterfeits (Maldonado and Hume, 2005). While Lysonki & Darvasula (2008) found that purchasing or downloading of pirated music is driven by a strong belief that it is not ethically wrong, Swami et al. (2009) found their older participants were more conscientious and were less likely to have bought counterfeits in the past and had lower willingness (than younger participants) to buy counterfeits in the future.

Underpinning Theory

The study's conceptual framework was adapted from (Ajzen, 1991) is Theory of Planned Behavior (TPB) model. TPB was designed to conceptualize, measure, and empirically identify factors that determine behavioral intention and behavior (Ajzen 1991; Fishbein 1975). According to TPB, behavior is determined by the individual's intention to perform the behavior. Intention is determined by three factors; attitudes toward the behavior, which are informed by beliefs needed to engage in the behavior; subjective norm, the social pressures to perform or not to perform the behavior and perceived behavioral control refers to people's perceptions of their ability to perform a given behavior. But for this paper, respondent will be analyzing through direct effect between social norm and ethical consciousness among university students to purchases intention of counterfeit product.

The TPB construct is a cognitive model of human behavior derived from the extension of TRA (Fishbein & Ajzen, 1975). In the TPB Model, the main independent constructions are Attitudes, Subjective Norms, and Perceived Behavioral Control which predict behavioral intentions Ajzen (1991). Intention is defined as a plan to perform certain behaviors and the most important factors to predict behavior directly Ajzen (1991). In the context of marketing, behavioral intentions are the main indicators of actual purchases (Fishbein and Ajzen, 1975). Purchase intention in this study is the purchase intention of Muslim consumers towards halal products that are measured using indicators: 1) Social Norm among University students to purchase intention toward counterfeit product and 2) Ethical consciousness among University students to purchase intention toward counterfeit product.

Methodology

To fulfill the quantitative nature of this study, then a systematic planning has been planned since the beginning of the study. It is intended that the data collected is accurate and adequate Cavana (2001). In this study, 100 questionnaires were distributed to Islamic university students in Kedah state based on a random sampling method. 92 questionnaires were returned (92% respond rate) and 86 were usable. SPSS 18 was employed to path analysis. From the hypothesized model, (Figure 1), there is one regression coefficients: (1) Social norms and 2) Ethical consciousness is independent variable, and purchase intention is the dependent variable.

Each variables was measured as follows: All variables were measured using 5- points interval scale; Social norms (8 items), Ethical consciousness (4 items) adapted from (Riquelme, Mahdi Sayed Abbas, and Rios, 2012) and (9) items purchase Intention adapted from Chen (2007) as exogenous variables measured by 5-point interval-scale of (1) strongly disagree to (5)- strongly agree). The internal consistency (Cronbach's alpha) values for each study's instrument are shown in Table 1 below. All instruments used in this study have a high level of consistency ($\alpha > 0.8$).

Table 1 Internal Consistency of Study's Instrument

Variable	α	Consistency
Buying intention	0.673	Medium
Social norm	0.679	Medium
Ethical consciousness	0.871	High

There are also six demographic questions included in the instrument which use ordinal and nominal scale such as gender, age, marital status, race, education level and annual income.

The respondents of this study ranged from age eighteen years old to forty-four years old. The sample size was randomly selected and consisted of both male (50%) and female (50%) of all University students from Diploma to PhD. The nationality compositions in this study were 100% Malaysian. Based on the highest academic qualification people have a degree shows the highest percentage with 94.8%. Follow with diploma with percentage 5.2%. Respondents of the study were also asked about their marital status with result of 94.8% singles and 5.2% were married.

The collected data is analyzed using path analysis which is an extension of linear regression analysis where the use of regression analysis is to estimate the causality relationship between variables (causal models) previously determined based on theory Path analysis in this test was conducted to determine the effect of Social Norms (X1), Ethical Consciousness (X2) and Purchase Intention (Y2). The data processing using SPSS 18.0.

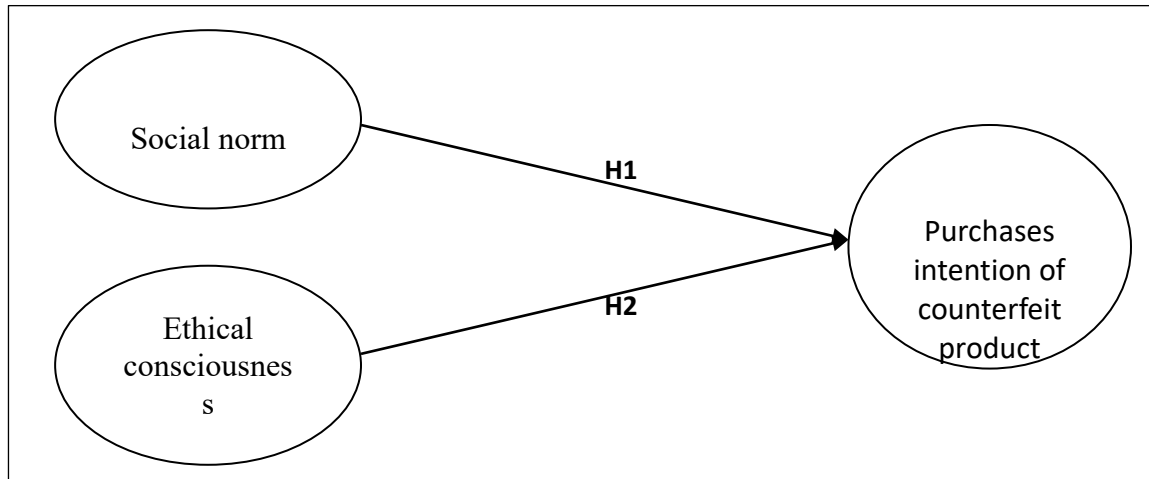


Figure 1: Theoretical Framework

Research Hypotheses

The hypotheses of the study are;

H1) Social norm among university students to purchases intention of counterfeit product

H2) Ethical consciousness among university students to purchases intention of counterfeit product

Results

In order to get rid of outliers, data cleaning was done and 6 cases (8, 12, 19, 35, 65, and 69) were excluded. Normality test were also performed on every item, and items which were not normal were transformed using CDFNORM until normality were achieved.

The revised model achieved the goodness criteria as shown in Table 2 below.

Table 2: The Revised Model Achieved the Goodness Criteria

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.778	0.442		4.021	.000
Social norm	.407	.115	.334	3.531	.000
Ethical consciousness	.160	.070	.224	2.267	.000

a. Dependent Variable: Purchase Intention

The finding supports two significant direct effect in the revised model, thus supporting the hypothesis regarding the social norm among university students to purchase intention toward counterfeit product is positive significant ($\beta = 0.407$, Sig <0.000) and Ethical consciousness among university students to purchase intention toward counterfeit product positive significant ($\beta = 0.160$, Sig <0.000).

In the results of testing the H1, the hypothesis is accepted, which means that social norm variables have a significant effect on the purchase intention among university students. The direct effect of the social norm variable on the purchase intention variable is equal to 0.407. This result shows that the influence of social norm such can have an influence on purchase intention toward counterfeit product.

The test results of H2 are accepted, meaning that the ethical consciousness among university students to purchase intention toward counterfeit product positive significant ($\beta = 0.160$, Sig <0.000) and has direct effect coefficients of purchase Intention on counterfeit product is 0.106. The result shows that the level of ethical consciousness of university students in Kedah have influence on counterfeit product purchase intention.

Discussion

This study has established one direct causal effect; social norm and ethical consciousness is significantly influencing purchases intention. Thus, both H1 and H2 are supported. The effect of social norm and ethical consciousness on purchases intention university students was concurred with past studies by Quoquab, Pahlevan, Mohammad, & Thurasamy (2017). The case of social norm on purchase intention shows when social norm high that can influence the increasingly the purchases intention of counterfeit product. In conclusion, purchases intention of counterfeit product among university students in Kedah can be influenced by social norm and ethical consciousness.

One major limitation of this study needs to be pointed out is the questionnaires are self-reported. Individuals are likely to portray themselves as more than they really are. This is not a major problem for the study as the focus is on relative and not absolute scores. A future study should address the issues of any discrepancies between self-reported purchase intention and observed awareness behaviors among them. The study also provides some practical implications.

Currently, counterfeit products are an important global issue because counterfeit and pirated products are not only a threat to the global economy, as well as social and cultural welfare, but are also harmful and dangerous to those who are not able to differentiate the fake from the original. Increasing counterfeit products in the international trade market has led to different problems around the world, and this issue is more significant because counterfeit products have shifted from simple items, such as shoes and handbags to chemical products, such as medicines and pesticides. In this instance, the present study investigates the factors that affect consumers' attitude and behavioral intention towards buying counterfeit products.

It is hoped that both academicians and practitioners can benefit from this study finding. As mentioned before, even with awareness of all the issues related to using unauthorized goods, the number of consumers of counterfeit products is rising around the world. It is expected that this study would help the original marketers to have a better understanding of the consumers' needs and wants, which will eventually help them to better strategize their marketing efforts.

Although the present study has its merits in regard to testing reasonably new linkages and to providing some useful findings regarding this issue, it is not beyond of some limitations. However, the limitations of this study may serve as the future research directions for other studies in the field.

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