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**Marketing Analysis: The influence of counterfeit products on
the performance of luxury brands**

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MARKETING ANALYSIS: THE INFLUENCE OF COUNTERFEIT PRODUCTS ON THE PERFORMANCE OF LUXURY BRANDS

By

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Master Thesis presented as partial requirement for obtaining the Master's degree in Data-Driven Marketing, with a specialization in Marketing Intelligence

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STATEMENT OF INTEGRITY

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Margarida Barros

Lisbon, November 2023

ABSTRACT

Counterfeit products pose a persistent challenge to the performance of luxury brands, affecting consumer behavior and brand reputation. This thesis examines the impact of counterfeiting at the marketing level on luxury brands and assesses consumer perceptions and brand protection strategies. An online survey was used to analyze various aspects of consumer behavior, the impact on customers and the effectiveness of brand protection.

The results showed that consumers cited lower prices as the main motive for buying counterfeits and that the perception of product quality was different for those who had bought counterfeit luxury goods compared to those who had not. Interestingly, the presence of counterfeit products had no significant impact on participants' propensity to recommend authentic luxury brands to others, potentially protecting brand loyalty. However, the presence of counterfeit products did not significantly affect perceptions of the exclusivity, prestige or trustworthiness of luxury brands. We also identified another major issue in relation to brand protection strategies.

The limitations relate to the sample size and format of the online survey, indicating possible bias. Future research could adopt a mixed methods approach to deepen the findings and broaden understanding in this area. Overall, this study enriches the discourse on the multifaceted impact of counterfeiting on luxury brands, challenges assumptions and highlights the need for a holistic approach to brand protection.

KEYWORDS

Counterfeit Products; Luxury Brands; Consumer Behavior; Counterfeiting; Brand Protection Strategies, Marketing Impact

Sustainable Development Goals (SGD)



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LIST OF ABBREVIATIONS AND ACRONYMS

LB	Luxury brands
CP	Counterfeit Products
LV	Louis Vuitton

1. INTRODUCTION

The landscape of luxury brands is marred by a persistent challenge, the proliferation of imitation goods undercutting their original creations. (B. Yoo & Lee, 2012) Louis Vuitton, an emblem of luxury, has faced the paradox of being among the most counterfeited brands, despite its initial pursuit of designs deemed unreplicable back in 1896.

The issue of counterfeit luxury goods has attracted considerable academic attention, as we can see in studies conducted by (Morra et al., 2017; Wilcox et al., 2009a). These studies describe the multifaceted impact of counterfeits on consumer behavior, brand image and market dynamics. However, while these studies have explored various facets, there remains an underexplored domain at the intersection of counterfeit products and marketing strategies employed by luxury brands.

This dissertation aims to delve deeper into this uncharted territory by focusing on the impact of counterfeit products on luxury brands from a marketing perspective. It seeks to illuminate how brands can fortify themselves against counterfeits through strategic marketing initiatives. The study will draw upon insights from established literature and merge these with empirical findings derived from a comprehensive online survey.

By combining existing academic discourse with empirical data, this research endeavors to shed light on the nuanced relationship between counterfeit products and luxury brands from a marketing point of view. It aims to offer actionable insights and strategic directions for luxury brands to safeguard their authenticity and market positioning in the face of illicit imitations.

2. LITERATURE REVIEW

2.1. SIGNIFICANCE OF COUNTERFEITING

Counterfeiting is a widespread problem with significant implications for various industries and economies worldwide. The advent of globalization and advancements in technology, particularly in online commerce, have fueled the growth of counterfeit goods. According to a report by the OECD and the EUIPO, Counterfeit Products (CP) accounted for a staggering 3.3% of global trade, totaling \$509 billion in value in 2019 (OECD & EUIPO, 2019). This figure underscores the scale of the issue and highlights the challenges in combating counterfeit operations effectively. Beyond the economic impact, counterfeiting poses significant risks to consumer safety, particularly in sectors like pharmaceuticals and electronics, where CP may lack proper quality control and regulatory compliance ("Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact," 2017).

Luxury brands (LB) faces a unique set of challenges when it comes to counterfeiting. Their appeal lies in their exclusivity, craftsmanship and brand reputation, making them prime targets for counterfeiters. These unauthorized replicas, often known as "knockoffs," undermine the authenticity of the brand and erode consumer trust (Rullani et al., 2021a). LB experiences direct revenue losses as CP are sold at lower prices but still leverage the brand's image to attract buyers. Additionally, the use of subpar materials and production processes in counterfeit luxury goods can lead to customer dissatisfaction and pose potential safety hazards. Moreover, the rise of online marketplaces has made it increasingly difficult for LB to monitor and combat the sale of counterfeit goods.

To address the issue of counterfeiting, LB employs various strategies. These include implementing authentication technologies to distinguish genuine products from counterfeits, collaborating closely with law enforcement agencies to target counterfeit operations, conducting public awareness campaigns to educate consumers about the risks of counterfeit goods and engaging in legal battles against counterfeiters and platforms facilitating counterfeit sales. To protect consumers and maintain brand integrity, it is essential for governments, businesses and consumers to work together and take concerted actions against counterfeiting (van Greunen & Gobac, 2021).

In conclusion, counterfeiting remains a pervasive global problem that requires collective efforts to combat effectively. The prevalence of counterfeit goods poses challenges for various industries and LB faces unique vulnerabilities due to their exclusive nature and brand reputation. (Han et al., 2010) By implementing robust measures, raising awareness and collaborating across sectors, it is possible to mitigate the impact of counterfeiting and protect both consumers and legitimate businesses from its adverse effects.

2.2. IMPACT ON LUXURY BRANDS

LB have long been coveted symbols of prestige and status, attracting discerning clientele willing to pay a premium for exclusivity and superior craftsmanship. However, the rise of CP has posed significant challenges to these brands in various aspects, including economic impact, brand image, consumer perception and market positioning. I focus on the iconic LB Louis Vuitton, one of the most counterfeited names in the industry.

ECONOMIC IMPACT

CP inflict severe financial losses on LB, Louis Vuitton (LV) is no exception. Counterfeit goods accounted for 3.3% of global trade in 2019 (Morgane, n.d.) and the luxury sector was one of the hardest hits. These illicit activities result in lost sales and reduced revenue for LB, stifling potential growth and investments.

BRAND IMAGE

A brand's image is the foundation of its success, CP can erode the meticulously crafted image of LB like LV. Counterfeits often compromise the quality, craftsmanship and materials, leading to dissatisfied customers who associate inferior products with the genuine brand (Nia & Zaichkowsky, 2000; Purwanto et al., 2019a). As CP flood the market, the luxury brand's exclusivity and uniqueness suffer, diluting the aspirational appeal it once held.

CONSUMER PERCEPTION

CP can significantly impact consumer perception of LB. When consumers unknowingly purchase counterfeit goods believing them to be genuine, they may experience disappointment with the product's quality, leading to a loss of trust in the brand (Ofori-Parku & Park, 2022a). This distrust can be further exacerbated if consumers encounter widespread CP in the market, leading them to question the brand's commitment to authenticity and excellence.

MARKET POSITIONING

LB invest significant efforts in positioning themselves as premium in the market. CP disrupt this positioning by creating confusion and devaluing the exclusivity that LB strive to maintain. When counterfeit goods are available at a fraction of the original price, the perceived value of the authentic product may decrease, leading to a potential shift in the brand's market position (Phau et al., 2009a).

THE EXAMPLE OF LOUIS VUITTON

Louis Vuitton, a French luxury fashion house founded in 1854, has achieved global acclaim for its iconic LV monogram and impeccable craftsmanship. Unfortunately, it has also become one of the most counterfeited LB worldwide. From counterfeit handbags and wallets to clothing and accessories, counterfeiters imitate almost every aspect of LV's product line.

The economic impact of counterfeits on LV is substantial. According to a study by Havocscope, the counterfeit luxury goods market reached an estimated \$461 billion in 2020, (HAVOCSCOPE, n.d.) Louis Vuitton's products are among the most popular targets for counterfeiters due to their wide popularity

and recognition. This leads to significant revenue losses and hampers the brand's ability to invest in innovation and expansion.

Counterfeits also impact consumer perception. CP tend to flood the market, discerning customers might question the authenticity of any LV product, affecting their trust in the brand. Furthermore, the increasing prevalence of counterfeit items may lead some consumers to seek alternative LB that are less susceptible to counterfeiting.

The prevalence of CP poses multifaceted challenges for LB like Louis Vuitton. The economic impact, brand image, consumer perception and market positioning all suffer due to the proliferation of fake goods. To mitigate these issues, LB must actively combat counterfeiting through legal measures, consumer education and continuous innovation, reaffirming their commitment to authenticity, quality and exclusivity.

2.3. CONSUMER BEHAVIOR

Consumer behavior is a critical area of study in marketing and psychology, as it explores how individuals make decisions related to the acquisition, use and disposal of products and services (Jiang et al., 2023). The presence of CP in the market poses interesting challenges for researchers and marketers alike. Counterfeits are imitation products that infringe upon trademarks, copyrights or patents, often sold as replicas of genuine brands at lower prices. Understanding how consumers respond to CP and the impact it has on their attitudes, motivations and brand loyalty is crucial for businesses seeking to protect their brand reputation and maintain consumer trust.

CONSUMER ATTITUDES TOWARDS COUNTERFEIT PRODUCTS

Consumer attitudes toward CP can vary significantly depending on several factors such as culture, perceived quality, affordability and ethical considerations. Research by (B. Yoo & Lee, 2012) found that some consumers view CP as a viable alternative to expensive genuine products, especially when they believe the difference in quality between the two is negligible. For some individuals, owning a counterfeit product might enhance their self-esteem and social status, especially when they can display a symbol of luxury without paying a premium price (Y. Zhang et al., 2017).

On the other hand, some consumers have negative attitudes towards CP. They may perceive these products as a risk to intellectual property rights and view purchasing CP as morally wrong or illegal (Jin et al., 2014). For such consumers, authenticity and brand value hold great importance and the presence of counterfeits can erode their trust in the brand.

MOTIVATIONS FOR PURCHASING COUNTERFEIT PRODUCTS

Consumers are motivated to buy CP for various reasons. One of the primary motivators is the cost advantage. Research by (Wang et al., 2012) highlights that consumers who are price-sensitive and value-conscious are more likely to choose CP because of their affordability. Additionally, some consumers may be motivated by the desire to stay on-trend and keep up with the latest fashions without breaking the bank (Liu & Lee, 2019).

Psychological factors, such as the thrill of acquiring a "bargain" or being part of a subculture that supports counterfeit purchases, can also influence consumer behavior (Phau & Prendergast, 2000).

Moreover, the perception that CP are difficult to distinguish from genuine ones, it can lead consumers to opt for the cheaper alternative (Ha et al., 2020).

IMPACT ON BRAND LOYALTY

The presence of CP can significantly affect brand loyalty. When consumers accidentally purchase counterfeit goods that fail to meet their expectations, it can lead to dissatisfaction and negative word-of-mouth, impacting the brand's reputation (Wilcox et al., 2009a). CP may not offer the same level of quality, performance or after-sales service as genuine products, leading to reduced trust and loyalty toward the brand (Ramanathan & Pauwels, 2016).

However, some research suggests that not all consumers who buy counterfeits necessarily become disloyal to the genuine brand (Y. Zhang et al., 2017). demonstrated that consumers' loyalty to a brand could be influenced by their perception of the brand's reaction to counterfeits. Brands that actively take actions to prevent counterfeiting and protect consumers' interests are more likely to maintain brand loyalty, even when consumers have encountered counterfeits in the market.

2.4. IMPORTANCE OF MARKETING LEVEL

Brand protection is a concern for businesses to safeguard their reputation, maintain consumer trust and prevent revenue loss due to CP flooding the market. Counterfeiting, the unauthorized production, sale of imitation goods, poses significant challenges for companies across industries. To prevent this issue, marketing plays a vital role in implementing strategies that not only protect the brand but also complement other measures for an effective brand protection (Wilcox et al., 2009b).

ESTABLISHING BRAND IDENTITY AND TRUST:

Marketing is involved in creating and communicating a strong brand identity to consumers. By developing a unique and recognizable brand image, companies can differentiate their products from counterfeit ones. Effective marketing campaigns build consumer trust and loyalty, fostering a sense of authenticity that CP cannot replicate. According to a study conducted by the World Trademark Review, a consistent and robust brand image is essential element of brand protection, as it helps consumers identify genuine products from counterfeits (World Trademark Review, 2018).

EDUCATING CONSUMERS:

Marketing assists as a tool to educate consumers about the risks associated with CP. Through advertising, social media and other marketing channels, companies can raise awareness about the prevalence of counterfeit goods, the potential dangers they overlooked and the ways to identify genuine products. Educated consumers are more likely to make informed purchasing decisions, avoiding CP and supporting the brand's authentic offerings (International Trademark Association, 2017).

IMPLEMENTING ANTI-COUNTERFEITING TECHNOLOGIES:

Marketing teams can collaborate with research and development departments to incorporate anti-counterfeiting technologies into product packaging and labeling. These technologies may include QR codes, holograms, RFID tags or tamper-evident seals, which can be promoted through marketing efforts (Chen et al., 2020; Khalil et al., 2020). Highlighting such security features through advertising

and product packaging helps consumers verify the authenticity of the product, making it more difficult for counterfeiters to replicate (European Intellectual Property Office, 2021).

ENGAGING WITH CONSUMERS:

Engaging with consumers through marketing channels allows companies to gather valuable feedback on product quality and identify potential counterfeit issues. Establishing a solid online presence and actively monitoring social media platforms enables brands to address consumer concerns promptly, respond to counterfeit claims and provide clarifications when necessary (Bardey et al., 2022). This engagement not only strengthens the brand's relationship with consumers but also fosters transparency in dealing with counterfeiting challenges (OECD & EUIPO, 2019).

COLLABORATING WITH LAW ENFORCEMENT:

Marketing teams can collaborate with law enforcement agencies to create educational campaigns aimed at raising public awareness about the impact of counterfeiting on society. These campaigns can discourage consumers from purchasing CP and foster a cooperative environment to report suspected counterfeit incidents. By aligning marketing efforts with law enforcement, brands can take a proactive stance against counterfeiters (United States Patent & Trademark Office, 2021).

Marketing is an indispensable component of brand protection against counterfeits. It helps build brand identity and trust, educates consumers, incorporates anti-counterfeiting technologies, engages with consumers and collaborates with law enforcement (Gao, 2018). Moreover, marketing strategies complement legal actions and distribution channel monitoring to enhance the overall effectiveness of brand protection efforts (Pujiyono et al., 2020). By leveraging marketing as a proactive tool, companies can safeguard their brands, maintain customer loyalty and mitigate the impact of CP on their businesses.

2.5. BRAND PROTECTION STRATEGIES

Brand protection is a critical concern for LB to safeguard their reputation, intellectual property and consumer trust. CP faces significant challenges to these brands as they undermine brand integrity, dilute market share and result in substantial financial losses.

INTELLECTUAL PROPERTY PROTECTION:

LB invest heavily in protecting their intellectual property, including trademarks, patents and copyrights. They register their logos, designs and product names in relevant jurisdictions to secure legal rights and prevent counterfeiters from using similar trademarks or designs. Intellectual property rights enforcement empowers these brands to take legal action against counterfeiters, leading to product seizures, damages and criminal prosecution (T. Zhang & Zeng, 2021).

ADVANCED TECHNOLOGY AND ANTI-COUNTERFEITING MEASURES:

LB employs cutting-edge technology to enhance their brand protection efforts. Innovative solutions like holograms, RFID tags, QR codes and NFC chips are embedded in their products, enabling consumers to verify authenticity easily. Additionally, brands use tamper-evident packaging and unique materials that are difficult to replicate, making it harder for counterfeiters to produce convincing imitations (Boin et al., 2020).

COLLABORATIONS WITH LAW ENFORCEMENT AND CUSTOMS:

LB actively collaborate with law enforcement agencies and customs authorities to combat counterfeit products. They share intelligence on counterfeit networks, conduct joint operations and participate in anti-counterfeiting task forces. Such collaborations enable faster identification and seizure of CP, creating a preventive effect on counterfeiters (Chaudhry, 2019).

EDUCATING CONSUMERS:

LB understand that educated consumers are less likely to purchase counterfeit products. Brands invest in awareness campaigns and educate consumers about the risks associated with buying counterfeits, including poor quality, health hazards and supporting criminal activities (Pappas, 2019). By empowering consumers with knowledge, LB encourage them to make informed purchasing decisions and opt for authentic products.

MONITORING E-COMMERCE PLATFORMS AND SOCIAL MEDIA:

Counterfeiters often exploit online marketplaces and social media platforms to sell fake products. LB proactively monitor these platforms for unauthorized sales and advertisements. With the use of AI-driven tool they detect and report counterfeit listings, leading to their removal and potential legal actions against repeat offenders (De Marchi et al., 2020).

Variations in Impact across Geographical Regions and Markets:

The impact of CP on LB can vary significantly across geographical regions and markets. Research indicates that areas with weaker intellectual property enforcement and less stringent regulations tend to experience a higher prevalence of counterfeits (Bilgihan et al., 2021). Developing countries with large consumer bases but inadequate Intellectual Property protection are often hotspots for counterfeit activities.

On the other hand, LB may face some challenges in regions where counterfeits are prevalent but tolerated due to the availability of cheaper options. In such markets, educating consumers about the risks associated with counterfeits becomes crucial to influence their purchasing behavior (Cheong & Park, 2019).

Therefore, LB employ a range of brand protection strategies to mitigate the negative effects of CP. These strategies include legal actions, advanced technology, collaborations with authorities, consumer education and online monitoring. The impact of counterfeits on these brands can vary across geographical regions and markets due to differences in intellectual property enforcement and consumer behavior. By continuously adapting and reinforcing their brand protection measures, LB strive to maintain their reputation and consumer trust in the face of counterfeit challenges.

3. METHODOLOGY

For this study, I used a quantitative approach, and the goal was to understand the marketing interpretation of CP regarding LB' performance. A questionnaire was created to gather relevant information for the investigation. After a pilot test to ensure the suitability and quality of the survey, it was shared for participants to complete.

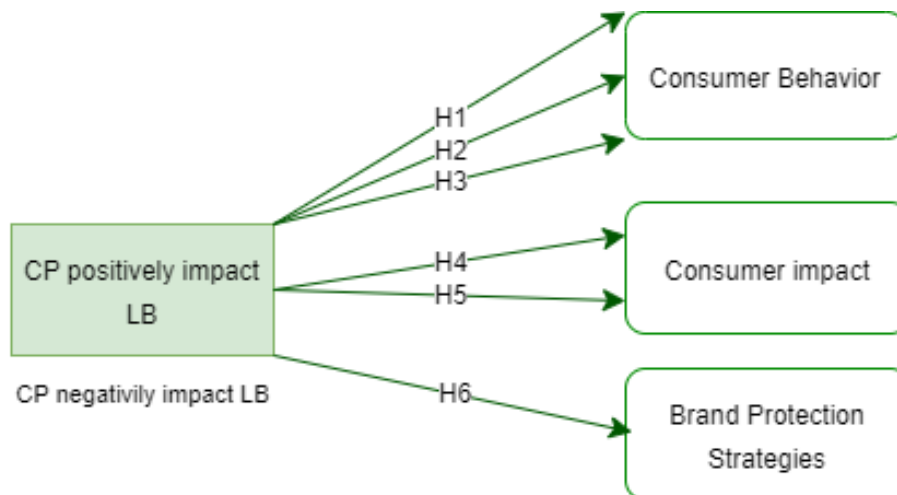


Figure 1- Theoretical model

3.1. CONCEPTUAL MODEL

Consumer Behavior:

Hypothesis 1: Consumers who are more price-sensitive are more likely to consider purchasing counterfeit luxury goods over authentic ones due to the cost advantage offered by counterfeits.

Hypothesis 2: Consumers who perceive minimal differences in quality between counterfeit and authentic luxury goods are more inclined to purchase counterfeit versions.

Hypothesis 3: Consumers exposed to counterfeit versions of luxury brands are less likely to recommend the authentic brand, impacting brand loyalty.

Impact of CP on Luxury Brands:

Hypothesis 4: Consumers who have experienced counterfeit versions of luxury brands are more likely to believe that counterfeit products impact the reputation of luxurious brands compared to those who haven't encountered counterfeit versions.

Hypothesis 5: The presence of counterfeit products significantly influences consumers' perceptions of luxury brands, particularly in terms of perceived exclusivity, prestige and trustworthiness.

Brand Protection Strategies:

Hypothesis 6: Consumer who have purchased counterfeit products are less likely to be aware of brand protection strategies.

3.2. PROCEDURE/RESEARCH APPROACH

For this quantitative and exploratory study, an electronic survey was used, through Qualtrics software. The questionnaire was made available in English and designed to be answered in a time frame of 3-5 minutes. The data was collected from 1st until 14th of November, through social media platforms (e.g., WhatsApp, Instagram, LinkedIn, e-mail) and through QR codes that I distributed from some key strategic points around the city (e.g., In workspaces, in the shopping center near the LB shops).

The development of survey questions began with an extensive review of the existing literature on CP and their influence on LB. This step was vital in understanding the key variables, theories and themes in this field. It also helped identify gaps in the research that the survey could address. So, the survey is divided in the five main points (1. Significance of counterfeiting, 2. Impact on LB, 3. Consumer behavior, 4. Importance of marketing level, 5. Brand protection strategies) and for each point I made sure I had at least 3 questions (as we can see in the annex A).

Input and feedback were sought from experts and in the field of marketing and consumer behavior to ensure the questions were relevant, unbiased and capable of yielding valuable insights and on the other hand I also ask some of my close friends and family to make sure that the survey was approachable and easy to follow, this was my pilot test. So, before the survey's full launch, a pilot test was conducted with a small sample of individuals who represented the target audience. This test allowed for the identification of any ambiguities or issues with the questions. Feedback from the pilot test participants was used to refine and finalize the survey questions.

Ethical guidelines were followed in formulating questions to ensure participant anonymity, informed consent and data protection in the first page of the questionnaire, participants were exposed to an informed consent. As such, they were made aware of the objectives of the study, as well as the data privacy information.

3.3. PARTICIPANTS

The described data collection method resulted in a total of 177 answers gathered. After excluding unfinished or invalid answer, there was a total of 153 valid answers. Regarding demographics, 45.8% of the participants are females and 52.3% are male. The average age of the respondents is approximately 30 years old ($M= 30$; $SD=9.45$). As it would be expected, the vast majority of the participants (93.46%) currently resides in Portugal. Most of participants (87%) hold a master's degree. Regarding occupation, 68% are employees, 9.8% are students, 17% are working students, 3.9% are self-employed and 1.3% are currently unemployed. And for last, the monthly income, the large majority receives in the range of 1001-3000 euros (63,4%). The sociodemographic data detail can be found in Table 1.

Table 1- Descriptive statistics of the participants

		N	Valid percentage	Mean	Standard deviation
Gender (N=153)	Male	70	45.8	-	-
	Female	80	52.3	-	-
	Other	3	2	-	-
Age	-	135	-	30.37	9.45
Education level (N=153)	High school	9	5.9	-	-
	Bachelor's degree	54	35.3	-	-
	Master's degree	87	56.9	-	-
	PhD	1	0.7	-	-
	Other	2	1.3	-	-
Profession (N=153)	Student	15	9.8	-	-
	Student Worker	26	17	-	-
	Employed	104	68	-	-
	Self-employed	6	3.9	-	-
	Unemployed	2	1.3	-	-
Monthly Income (after taxes) (N=153)	< 500€	7	4.6	-	-
	500-1000€	16	10.5	-	-
	1001-3000€	97	63.4	-	-
	3001-5000€	25	16.3	-	-
	> 5000€	8	5.3	-	-

3.4. MEASUREMENT

The survey conducted as part of this thesis study was meticulously designed to comprehensively explore the influence of CP on luxurious brands, particularly focusing on consumer perceptions, behavior and brand protection strategies. The survey encompassed various measures to capture the multifaceted aspects of this intricate relationship.

1. Awareness of Counterfeit Products: The survey started by evaluating participants' awareness of CP in the market and their direct encounters with counterfeit versions of LB, with a simple yes or no questions. These questions aimed to assess the prevalence of CP in participants' perceptions.

2. Perception of Counterfeit Products: Participants were prompted to evaluate the quality of CP in comparison to authentic ones. This evaluation was measured on a scale from "Much Worse" being the first to "Much Better" being the fifth. Additionally, they were asked to express their belief regarding the impact of CP on the reputation of luxurious brands.

3. Consumer Behavior: Understanding consumer behavior towards CP was a key focus. Participants disclosed whether they had ever purchased a counterfeit product from a LB and provided reasons for choosing such products. For those who had made such purchases, the survey delved into the frequency of considering CP over authentic ones.

4. Impact on Luxury Brands: Participants offered their perspectives on the broader implications of CP on the economic performance of luxurious brands in a scale from 1 (Strongly Negative) to 5 (Strongly Positive). Additionally, a scale from 1 (Does not affect me) to 5 (Affects me) was employed to assess the influence of CP on perceptions of exclusivity, prestige and trustworthiness of LB. To comprehend the impact of counterfeit market presence on brand advocacy, participants indicated their likelihood to recommend an authentic luxurious brand that faces a significant counterfeit market.

5. Brand Protection Strategies: The survey explored respondents' awareness of brand protection strategies adopted by LB. Those familiar with such strategies were asked to identify the most effective ones from a predefined list.

Finally, I added an open-ended question which allowed participants to offer additional insights, experiences or perspectives related to CP and luxurious brands.

The survey methodology employed a strategic combination of Likert scale questions, multiple-choice questions and open-ended inquiries. This approach facilitated the collection of both quantitative and qualitative data, allowing for a comprehensive analysis of consumer attitudes, perceptions and behaviors concerning CP and their impact on luxurious brands.

4. RESULTS AND DISCUSSION

4.1. DATA ANALYSIS

To analyze the data, we did several studies using SPSS Statistics, after defining the variables and understanding which analysis to use I divided in 3 different groups, align with the literature review.

4.1.1. Consumer Behavior

We started to analyze the first hypothesis (**H1**): *Consumers who are more price-sensitive are more likely to consider purchasing counterfeit luxury goods over authentic ones due to the cost advantage offered by counterfeits.*

To check this I did a crosstabulation, which got the frequency distribution of respondents who selected "Lower price" as a reason for choosing CP against whether they have purchased counterfeit luxury brand items, to get a chi square result.

The table shows counts for respondents who have and have not purchased counterfeit LB products, broken down by their selection of "Lower price" as a reason.

The chi-square statistic is used to test the association between the variables. The p-values (Asymptotic Significance, Exact Sig.) are all less than 0.001 ($p < 0.001$), indicating a statistically significant association between selecting "Lower price" as a reason for choosing CP and having purchased counterfeit LB items. (cf. Appendix B, table 6).

The second hypothesis (**H2**: *Consumers who perceive minimal differences in quality between counterfeit and authentic luxury goods are more inclined to purchase counterfeit versions*) where I study with each participant's response to questions related to counterfeit product quality and the inclination to purchase counterfeit luxury goods. Here are some group statistics about the questions used.

Table 2- Hypothesis 2 Group Statistics

Group Statistics					
Have you ever purchased a counterfeit product of a luxurious brand?		N	Mean	Std. Deviation	Std. Error Mean
In your opinion, how does the quality of counterfeit products compare to that of authentic ones?	Yes	70	2.09	.676	.081
	No	83	1.78	.645	.071

So, I used an independent samples t-test to compare the mean scores of respondents' perceptions of counterfeit product quality (Question 3) between those who have purchased counterfeit luxury goods (Response 'Yes' in Question 5) and those who haven't ('No' in Question 5).

The findings of this analysis reveal a significant disparity in perceptions regarding the quality of CP between individuals who have and haven't engaged in purchasing counterfeit luxury goods. The investigation aimed to ascertain if perceived quality significantly influences the propensity to acquire counterfeit items.

The statistical assessment, employing a significance level of 0.05, unveiled compelling evidence. The obtained p-value ($p = .003$) associated with the equality of variances strongly indicates a substantial distinction in quality perceptions between the two groups under scrutiny. The significance of this p-value decisively supports the rejection of the null hypothesis, bolstering the assertion of a discernible disparity in quality perceptions. (cf. Appendix B, table 7).

Moreover, the effect sizes, encompassing Cohen's d , Hedges' correction and Glass's delta, ranging approximately from 0.659 to 0.662, serve as quantifiable measures delineating the magnitude of the mean differences between the groups. These effect size metrics furnish supplemental insight into the practical significance underlying the observed disparities. cf. Appendix B, table 8).

In summary, the outcomes firmly establish a statistically significant discrepancy in perceptions of product quality between individuals who have indulged in purchasing counterfeit luxury goods and those who have not. Furthermore, the effect size parameters emphasize a moderate to substantial impact of this differentiation, underscoring its substantive relevance.

The study set out to examine Hypothesis 3 (**H3**: *Consumers exposed to counterfeit versions of luxury brands are less likely to recommend the authentic brand, impacting brand loyalty*), if consumers who purchased counterfeit luxury items were less inclined to recommend the authentic brand, which could impact brand loyalty. Through a chi-square test, the analysis delved into the connection between buying counterfeit luxury goods and the likelihood of recommending authentic brands. However, the findings revealed no statistically significant relationship, as indicated by the results: a Pearson Chi-Square value of 4.943 and a corresponding p-value of 0.293. This suggests that among the surveyed participants, purchasing counterfeit goods didn't significantly influence their inclination to recommend authentic brands, even with a prevalent counterfeit market. It's worth noting that roughly 10% of the data cells had expected counts below 5, which might have affected the reliability of the test outcomes. (cf. Appendix B, table 9).

4.1.2. Costumer Impact

H4: *Consumers who have experienced counterfeit versions of luxury brands are more likely to believe that counterfeit products impact the reputation of luxurious brands compared to those who haven't encountered counterfeit versions.*

The analysis conducted using Chi-Square tests aimed to explore the relationship between encountering CP and perceptions regarding their impact on LB reputation.

In this evaluation, both the Pearson Chi-Square and Likelihood Ratio tests were employed to determine any significant association. However, the obtained p-values for these tests (Pearson Chi-Square: $p = .436$ and Likelihood Ratio: $p = .252$). Consequently, this indicates a lack of statistically significant evidence to support an association between encountering CP and beliefs about their influence on brand reputation. (cf. Appendix B, table 10).

So, the Chi-Square analysis did not reveal a statistically significant relationship between encountering CP and perceptions concerning their impact on LB reputation. However, the presence of expected counts below 5 in a significant portion of cells suggests a need for careful consideration due to potential limitations in the reliability of these findings.

For Hypothesis 5 (**H5**: *The presence of counterfeit products significantly influences consumers' perceptions of luxury brands, particularly in terms of perceived exclusivity, prestige and trustworthiness*) I conduct three separate one-way ANOVAs for **exclusivity (1)**, **prestige (2)** and **trustworthiness (3)** concerning different levels of experience with CP to test hypotheses related to these variables.

Each ANOVA generates a unique set of outcomes encompassing F-values, p-values and mean values for each level of experience concerning CP. These individual analyses are instrumental in assessing whether substantial differences exist in perceptions of exclusivity, prestige and trustworthiness among distinct tiers of experience with CP. This methodological approach allows for the evaluation and alignment of findings with hypothesized expectations, elucidating if statistically significant variations indeed manifest across different levels of familiarity with counterfeit items in relation to these specific attributes.

1.Exclusivity:

Table 3- Hypothesis 5.1 Exclusivity Descriptives Statistics

Descriptives								
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Exclusivity								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Yes	69	2.62	1.384	.167	2.29	2.96	1	5
No	83	2.11	1.371	.150	1.81	2.41	1	5
Total	152	2.34	1.396	.113	2.12	2.57	1	5

The ANOVA analysis concerning perceptions of "Exclusivity" amidst the presence of CP and their association with LB yields a significant finding: The calculated p-value for the F-statistic is 0.023 (Sig. = .023). This suggests a probable substantial differentiation in perceptions of exclusivity among distinct levels of familiarity with CP. (cf. Appendix B, table 11).

Effect Magnitude:

Eta-squared: Estimated at 0.034, indicating approximately 3.4% of the variability in perceptions of exclusivity is attributed to varying experiences with CP. Supplementary effect size estimates (Epsilon-squared, Omega-squared) approximate around 0.027, revealing a moderate effect size. (cf. Appendix B, table 12).

The findings underscore a statistically significant variance in perceptions of exclusivity concerning LB across varying levels of engagement with CP.

2.Prestige:

Table 4- Hypothesis 5.2 Prestige Descriptives Statistics

Descriptives								
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Prestige								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Yes	69	2.42	1.449	.174	2.07	2.77	1	5
No	82	2.16	1.374	.152	1.86	2.46	1	5
Total	151	2.28	1.410	.115	2.05	2.50	1	5

The derived p-value for the F-statistic is 0.257 (Sig. = .257). This indicates the absence of a statistically significant disparity in perceptions of prestige across diverse experiences with CP. (cf. Appendix B, table 13).

Effect Magnitude:

Eta-squared: Estimated at 0.009, suggesting a minimal 0.9% variation in perceptions of prestige linked to differing experiences with CP. Auxiliary effect size evaluations (Epsilon-squared, Omega-squared) corroborate a minute effect size, hovering around 0.002. (cf. Appendix B, table 14).

The ANOVA outcomes for "Prestige" elucidate the absence of statistically significant differences in perceptions of LB prestige amidst diverse encounters with CP. The marginal effect size accentuates the lack of practical significance in any observed distinctions.

3. Trustworthiness

Table 5- Hypothesis 5.3 Trustworthiness Descriptives Statistics

Descriptives								
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Trustworthiness								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Yes	70	2.53	1.338	.160	2.21	2.85	1	5
No	81	2.16	1.269	.141	1.88	2.44	1	5
Total	151	2.33	1.310	.107	2.12	2.54	1	5

The computed p-value associated with the F-statistic is 0.085 (Sig. = .085). This indicates a potential yet statistically non-significant divergence in perceptions of trustworthiness across varied experiences with CP. (cf. Appendix B, table 15).

Effect Magnitude:

Eta-squared: Estimated at 0.020, indicating approximately 2% of the variability in perceptions of trustworthiness is attributed to differing encounters with counterfeit products. Additional effect size estimates (Epsilon-squared, Omega-squared) hover around 0.013, suggesting a small effect size. (cf. Appendix B, table 16).

Although the observed p-value marginally surpasses the customary threshold, the relatively diminutive effect size implies a potential trend in perceptions of trustworthiness regarding LB amidst diverse experiences with counterfeit products. However, this trend lacks the strength to achieve statistical significance.

4.1.3. Brand Protection Strategies

H6: Consumer who have purchased counterfeit products are less likely to be aware of brand protection strategies.

Once again, was used a chi-square test of independence to determine whether there is a significant association between consumers who have purchased counterfeit products (Question 5) and their awareness of brand protection strategies (Question 11). However, the findings revealed no statistically significant relationship between having purchased a counterfeit product of a luxurious brand and being aware of brand protection strategies adopted by luxurious brands to combat counterfeiting. The obtained p-value (0.122), suggesting that the association observed in the sample data could likely be due to random chance. (cf. Appendix B, table 17).

4.1.4. Additional Comments

Among several participant comments, one particularly resonated with me: "From my perspective, CP represent an ineffective method to broaden the impact of luxury goods among the masses and serve as a compelling advertising tool with zero investment." I intend to incorporate this viewpoint into our ongoing discussion.

4.2. RESULTS AND DISCUSSION

The study aimed to explore the marketing impact of CP on luxury brands, focusing on the consumer perspective. A survey involving 153 respondents out of 177 was conducted, examining consumer behavior, customer impact and the efficacy of brand protection measures.

CONSUMER BEHAVIOR INSIGHTS

Awareness of Counterfeit Products: The survey results underscored a high level of awareness (93%) regarding the existence of CP in the market. Despite this widespread awareness, only a small minority (7%) had direct encounters with counterfeit versions of LB.

Factors Driving Purchases: The primary driver for purchasing CP was resoundingly the lower price, as supported by 83% of respondents. This echoes Hypothesis 1, indicating that cost advantage is a significant motivator for consumers in choosing counterfeit luxury goods over authentic ones.

Perception of Product Quality: Hypothesis 2 was validated, revealing a substantial difference in perceptions of product quality between consumers who have purchased counterfeit luxury items and those who haven't. Those without prior experience tend to perceive lower quality in CP.

Impact on Brand Loyalty: Contrary to expectations outlined in Hypothesis 3, the presence of a significant counterfeit market did not significantly influence consumers' inclination to recommend authentic luxury brands. This finding is reassuring for the reputation and loyalty of LB in the face of a prevalent counterfeit market.

CUSTOMER IMPACT

Reputation and Economic Impact: While a majority believed that CP negatively impact luxury brand reputation, the economic impact revealed a nuanced perspective. While 52% perceived a negative economic impact, there's acknowledgment that this impact might be positive in some scenarios.

Influence on Brand Perception: Examining Hypothesis 5, the study probed the impact of CP on perceptions of LB in terms of exclusivity, prestige and trustworthiness. The results suggest that the presence of CP doesn't significantly change consumers' perceptions of these critical brand attributes.

BRAND PROTECTION STRATEGIES

Awareness and Effectiveness: Even though there is not sufficient evidence to conclude that people who have purchased counterfeit products are aware of brand protection strategies compared to those who haven't purchased counterfeit products (Hypothesis 6), the results from question 11 (Are you aware of any brand protection strategies adopted by luxurious brands to combat counterfeiting?) revealed that consumers have limited awareness (25.5% are aware) of brand protection strategies among respondents. (cf. Appendix B, table 18)

And among those who are aware, anti-counterfeiting technologies and legal actions against counterfeiters were perceived as the most effective measures this results came from the analysis from question 12 (Which strategies do you think are the most effective?). (cf. Appendix B, table 19).

UNEXPECTED INSIGHTS: "FAKE IT UNTIL YOU MAKE IT"

Counterfeit Products as Free Advertising: One particularly intriguing participant comment raised an unconventional viewpoint. They expressed that CP might paradoxically serve as cost-free advertising tools for LB. This perspective challenges the conventional belief that CP solely generate revenue at the expense of LB. It raises a thought-provoking notion: Could counterfeit versions inadvertently broaden the reach and impact of luxury goods among wider demographics, acting as a form of free, albeit unapproved, advertising? This intriguing insight, similar to the concept of "Fake It Until You Make It," prompts a reconsideration of the dynamics between CP and LB, opening avenues for deeper exploration into the potential dual-sided impact of counterfeit goods.

5. LIMITATIONS AND FUTURE WORKS

The present dissertation aimed to enhance the understanding of how CP influence LB performance from a marketing standpoint. However, certain inherent limitations require attention.

One limitation pertains to the sample size. While the study garnered 153 valid responses, a larger sample could have amplified the study's depth and breadth. Additionally, the online survey format might have introduced response bias, with participants potentially providing less candid or thorough responses. The absence of immediate clarification options might have led to misunderstood or incomplete answers. Future research endeavors could embrace a qualitative approach like focus groups or in-depth interviews to delve deeper into consumer reactions, complementing the quantitative data and providing richer insights.

Despite advancements, these findings reveal various aspects of consumer behavior, CP's impact on LB and brand protection strategy efficacy. They challenge conventional assumptions, highlighting the necessity for a holistic comprehension of consumer perceptions and market dynamics.

The dissertation's contribution sets the stage for further exploration. Integrating qualitative research methods alongside quantitative analyses could uncover nuanced insights into consumer behavior regarding CP and LB. This combined approach might offer a more comprehensive understanding, shedding light on subtle consumer motivations and perceptions.

Moreover, the research signifies a departure from traditional notions, encouraging deeper investigations into the intricate relationship between illicit market offerings and the promotion of authentic luxury goods. It introduces a fresh perspective, urging a reexamination of their coexistence in the market landscape.

By addressing these limitations and propelling future research directions, this work adds depth to the discourse on the complex interplay between CP and LB, inviting a reevaluation of established assumptions.

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APPENDIX A – ONLINE SURVEY

Thesis Survey

Dear Participant,

This questionnaire and data collection are part of my master's dissertation in Data-Driven Marketing Intelligence at Nova Information Management School (NOVA IMS) university.

The aim of this study is to gather data on consumers' reactions to marketing and branding strategies to understand the influence of counterfeit products on the performance of luxurious brands, requires careful consideration of the questions to gather relevant and insightful data.

Participation in this questionnaire is voluntary and anonymous and you are free to decide whether or not to participate. You may also withdraw from the questionnaire at any time. All responses will be treated confidentially and used solely for academic purposes. Informed Consent Statement: I declare that I am 18 years old or older and agree to participate in this research. I have been informed that my participation is voluntary, and I can withdraw from the questionnaire without any penalties or consequences. I understand that the collected data will be treated confidentially. Furthermore, I am aware that I need to assess my own responses and that this study does not involve any significant risks.

☐ I agree to participate in this survey (1)

☐ I do not agree to participate in this survey (2)

Skip To: End of Survey If = 2

Awareness of Counterfeit Products:

0. Counterfeit products are items that are imitated or replicated with the intent to deceive consumers into believing they are genuine or authentic, often for the purpose of selling them at a lower price or for fraudulent gain. These fake or counterfeit goods typically mimic the appearance and branding of legitimate products, but they do not meet the same quality, safety, or authenticity standards as the genuine items. Counterfeit products can include a wide range of goods, from electronics and clothing to pharmaceuticals and luxury goods.

1. Are you aware of counterfeit products in the market?

☐ Yes (1)

☐ No (2)

2. Have you experienced counterfeit versions of luxury brands? (Have you seen one, touched one, etc.)

☐ Yes (1)

☐ No (2)

Perception of Counterfeit Products:

3. In your opinion, how does the quality of counterfeit products compare to that of authentic ones?

☐ Much worse (1)

☐ Somewhat worse (2)

☐ About the same (3)

☐ Somewhat better (4)

☐ Much better (5)

4. Do you believe counterfeit products impact the reputation of luxurious brands?

☐ Strongly disagree (1)

☐ Disagree (2)

☐ Neither agree nor disagree (3)

☐ Agree (4)

☐ Strongly agree (5)

Consumer Behavior:

5. Have you ever purchased a counterfeit product of a luxurious brand?

☐ Yes (1)

☐ No (2)

Display This Question:

If 5 = 1

6. What were your reasons for choosing the counterfeit product? (Select all that apply)

- ☐ Lower price (1)
- ☐ Unavailability of the authentic product (2)
- ☐ Impression of similar quality (3)
- ☐ Other, please specify (4)

7. How frequently do you consider buying counterfeit products over authentic ones?

- ☐ More than once a month (1)
- ☐ Once a month (2)
- ☐ Once a Year (3)
- ☐ Once in every 5 years (4)
- ☐ Never (5)

Impact on luxury Brands:

8. In your opinion, how do counterfeit products influence the overall economic performance of luxurious brands?

- ☐ Strongly Negative (1)
- ☐ Moderately Negative (2)
- ☐ Neutral (3)
- ☐ Moderately Positive (4)
- ☐ Strongly Positive (5)

9. On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's?

	1-Does not affect me (1)	2 (2)	3 (3)	4 (4)	5-Affects me (5)
Exclusivity (1)	☐	☐	☐	☐	☐
Prestige (2)	☐	☐	☐	☐	☐
Trustworthiness (3)	☐	☐	☐	☐	☐

10. How likely are you to recommend an authentic luxurious brand that has a significant counterfeit market presence?

- ☐ Extremely unlikely (1)
- ☐ Unlikely (2)
- ☐ Neither likely nor unlikely (3)
- ☐ Likely (4)
- ☐ Extremely likely (5)

Brand Protection Strategies:

11. Are you aware of any brand protection strategies adopted by luxurious brands to combat counterfeiting?

- ☐ Yes (1)
- ☐ No (2)

Display This Question:

If 11 = 1

12. Which strategies do you think are the most effective? (Select all that apply)

☐

Anti-counterfeiting technologies (1)

☐

Legal actions against counterfeiters (2)

☐

Educational campaigns (3)

☐

Collaboration with law enforcement (4)

☐

Other: (5) _____

Additional Comments:

13. Is there anything else you would like to share, or any specific experiences related to counterfeit products and luxurious brands?

Demographic Information:

14 Please type your age.

15 Please indicate your gender.

☐

Male (1)

☐

Female (2)

☐

I prefer not to say (3)

☐

Other (4)

16. Please indicate your country of residence.

▼ Portugal (1) ... Other (20)

17. Please indicate your highest level of education.

- ☐ 9th grade (1)
- ☐ High school (2)
- ☐ Bachelor's degree (3)
- ☐ Master's degree (4)
- ☐ PhD (5)
- ☐ Other (6) _____

18 Please indicate your current occupation.

- ☐ Student (1)
- ☐ Student Worker (2)
- ☐ Employed (3)
- ☐ Self-employed (4)
- ☐ Unemployed (5)
- ☐ Retired (6)

19. What is your household's monthly liquid disposable income (after taxes)?

- ☐ < 500€ (1)
- ☐ 500-1000€ (2)
- ☐ 1001-3000€ (3)
- ☐ 3001-5000€ (4)
- ☐ > 5000€ (5)

Thank you for participating in this survey! Your valuable input will contribute to a better understanding of the influence of counterfeit products on luxury brands.

ANNEXES B- DATA ANALYSIS TABLES

Table 6- Chi-Square Test for Hypothesis 1

Chi-Square Tests					
		df		Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	117.041 ^a	1	.000		
Continuity Correction ^b	113.473	1	.000		
Likelihood Ratio	147.513	1	.000		
Fisher's Exact Test				<.001	<.001
Linear-by-Linear Association	116.276	1	.000		
N of Valid Cases	153				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 27.45.

b. Computed only for a 2x2 table

Table 7- Hypothesis 2 Independent Sample T-test

Independent Samples Test											
		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Significance One-Sided p	Two-Sided p	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
										Lower	Upper
In your opinion, how does the quality of counterfeit products compare to that of authentic ones?	Equal variances assumed	3.062	.082	2.829	151	.003	.005	.303	.107	.091	.514
	Equal variances not assumed			2.818	144.162	.003	.006	.303	.107	.090	.515

Table 8- Hypothesis 2 Cohen's d, Hedges' correction & Glass's delta

Independent Samples Effect Sizes					
		Standardizer ^a	Point Estimate	95% Confidence Interval	
				Lower	Upper
In your opinion, how does the quality of counterfeit products compare to that of authentic ones?	Cohen's d	.659	.459	.136	.781
	Hedges' correction	.662	.457	.135	.777
	Glass's delta	.645	.469	.142	.794

a. The denominator used in estimating the effect sizes.

Cohen's d uses the pooled standard deviation.

Hedges' correction uses the pooled standard deviation, plus a correction factor.

Glass's delta uses the sample standard deviation of the control group.

Table 9- Chi-Square Test for Hypothesis 3

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.943 ^a	4	.293
Likelihood Ratio	5.174	4	.270
Linear-by-Linear Association	2.448	1	.118
N of Valid Cases	153		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 4.58.

Table 10- Chi-Square Test for Hypothesis 4

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.785 ^a	4	.436
Likelihood Ratio	5.364	4	.252
Linear-by-Linear Association	.507	1	.476
N of Valid Cases	153		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.70.

Table 11- Hypothesis 5.1 Exclusivity ANOVA test

ANOVA

On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Exclusivity

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.984	1	9.984	5.269	.023
Within Groups	284.227	150	1.895		
Total	294.211	151			

Table 12- Hypothesis 5.1 Exclusivity ANOVA Effect Sizes

ANOVA Effect Sizes^{a,b}

		Point Estimate	95% Confidence Interval	
			Lower	Upper
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Exclusivity	Eta-squared	.034	.000	.107
	Epsilon-squared	.027	-.006	.101
	Omega-squared Fixed-effect	.027	-.006	.100
	Omega-squared Random-effect	.027	-.006	.100

a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.

b. Negative but less biased estimates are retained, not rounded to zero.

Table 13- Hypothesis 5.2 Prestige ANOVA test

ANOVA					
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Prestige					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.567	1	2.567	1.293	.257
Within Groups	295.751	149	1.985		
Total	298.318	150			

Table 14- Hypothesis 5.2 Prestige ANOVA Effect Sizes

ANOVA Effect Sizes^{a,b}				
		Point Estimate	95% Confidence Interval	
			Lower	Upper
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Prestige	Eta-squared	.009	.000	.060
	Epsilon-squared	.002	-.007	.054
	Omega-squared Fixed-effect	.002	-.007	.053
	Omega-squared Random-effect	.002	-.007	.053

a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.

b. Negative but less biased estimates are retained, not rounded to zero.

Table 15- Hypothesis 5.3 Trustworthiness ANOVA test

ANOVA					
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Trustworthiness					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.087	1	5.087	3.004	.085
Within Groups	252.356	149	1.694		
Total	257.444	150			

Table 16- Hypothesis 5.3 Trustworthiness ANOVA Effect Sizes

ANOVA Effect Sizes^{a,b}				
		Point Estimate	95% Confidence Interval	
			Lower	Upper
On a scale from 1 to 5 how does the presence of counterfeit products affect your perception of the luxury brand's? - Trustworthiness	Eta-squared	.020	.000	.083
	Epsilon-squared	.013	-.007	.077
	Omega-squared Fixed-effect	.013	-.007	.077
	Omega-squared Random-effect	.013	-.007	.077

a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.

b. Negative but less biased estimates are retained, not rounded to zero.

Table 17- Chi-Square Test for Hypothesis 6

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	2.396 ^a	1	.122		
Continuity Correction ^b	1.854	1	.173		
Likelihood Ratio	2.391	1	.122		
Fisher's Exact Test				.139	.087
Linear-by-Linear Association	2.380	1	.123		
N of Valid Cases	153				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 17.84.

b. Computed only for a 2x2 table

Table 18- Statistics from question 11

**Are you aware of any brand protection strategies adopted
by luxurious brands to combat counterfeiting?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	25.5	25.5	25.5
	No	114	74.5	74.5	100.0
	Total	153	100.0	100.0	

Table 19- Statistics from question 12

**Do you believe counterfeit products impact the reputation of luxurious
brands?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	13	8.5	8.5	8.5
	Disagree	32	20.9	20.9	29.4
	Neither agree nor disagree	22	14.4	14.4	43.8
	Agree	58	37.9	37.9	81.7
	Strongly agree	28	18.3	18.3	100.0
	Total	153	100.0	100.0	