The Influence of Self-concept on Inconspicuous Consumption of Luxury Brand Counterfeits

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ABSTRACT: This paper examines the impact of various individual differences on inconspicuous consumption of luxury brand counterfeits. It develops and examines a conceptual model of inconspicuous consumption of counterfeits. Research findings demonstrate that self-concept holds key insights into understanding consumers' purchase intention for inconspicuous counterfeits. This relationship is mediated by need for uniqueness. The results of this paper provide a new perspective to explain and predict the consumption behavior of inconspicuous counterfeiting, and enrich the self-concept theory.
KEY WORD: Self-concept, Inconspicuous luxury brand counterfeits, Need for uniqueness

I.   INTRODUCTION

In recent years, counterfeit products have grown rapidly and posed a serious threat to legal global business. According to the Organization for Economic Co-operation and Development, the trade in global counterfeit goods brings nearly half a trillion dollars of economic losses to the society every year (OECD, 2016). In particular, China has been recognized as the most notorious country in the world, where all sources of counterfeit products can be traced (Zimmerman, 2013). In the luxury brand segment, counterfeit products may damage their reputation and reduce the need for legitimate products requiring additional costs to prevent infringement which results in lower operating income. In addition, the sale of counterfeit products has also affected the government's financial revenue to a certain extent. Despite massive investment by governments and businesses and related measures to combat the rampant spread of counterfeit luxury goods, little has been achieved. The main reason lies in the huge market demand. To be specific, the quality of counterfeit products increases with the continuous improvement of production technology, and the low price and high quality are favored by more and more consumers, thus promoting the continuous growth of market demand. Therefore, how to make consumers reduce the purchase of counterfeits and resist the spread of counterfeits has become a major challenge for the government and luxury enterprises.

In the past, consumers tend to show off their social status by buying counterfeit luxury goods (Eastman et al, 1999), which have the same conspicuous and symbolic social functions as the genuine luxury goods. With the continuous upgrading of consumption and the rise of inconspicuous consumption, a group of consumers tend to buy hidden symbol products to express themselves. According to related reports, consumers in emerging countrieshave gradually shifted from conspicuous consumption to inconspicuous consumption (Wu et al., 2017). The report also noted that Chinese consumers, who in the past tended to buy flashy material goods, are increasingly opting for low-profile luxury products to stay out of the limelight. It can be seen that inconspicuous consumption is a very important aspect of today's market that cannot be ignored. At the same time, this phenomenon also began to attract academic attention. Therefore, it is of great significance to study Chinese consumers' behavior of buying inconspicuous luxury brand counterfeits and its influencing factors.

The study begins with a conceptual framework of self-concept, need for uniqueness and willingness to buy inconspicuous luxury brand counterfeits (Figure 1). The results of this study will enrich the existing theories and provide the valuable suggestions and enlightenment for both government and luxury enterprises to restrain luxury counterfeits consumption behavior effectively.

Figure 1: Conceptual Framework
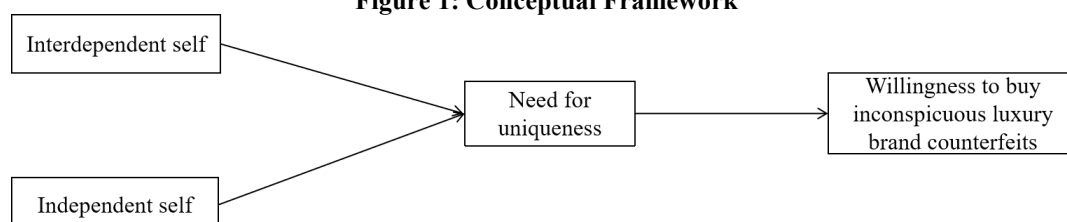
II.   LITERATURE

2.1 Counterfeiting

In recently, counterfeit products have prevailed in the luxury market. Counterfeiting is defines as an illegal product that imitates the genuine products (Kordnaeij et al., 2014). From consumers' perspective, counterfeiting is divided into two independent categories: deceptive counterfeiting and non-deceptive counterfeiting. Deceptive counterfeiting involves situations in which consumers do not realize that the products they buy are counterfeits (Grossman & Shapiro, 1988), whereas non-deceptive counterfeiting occurs when consumers knowingly buy fakes. The second category is the focus of this paper.

2.2 Inconspicuous Consumption

Conspicuous consumption is a way for consumers to display their wealth by buying expensive products and thus gain social prestige and status. Buying a conspicuous product in a specific context can convey a certain status message to others. Thus, conspicuous consumption is seen as a way to improve one's social status.

Unlike conspicuous consumption, inconspicuous consumption is a low-key and implicit consumption concept, in which consumers use subtle signals that cannot be recognized by the mainstream to express themselves and distinguish themselves from others. But for those with taste or connoisseurs it is discernible. It aims to emphasize taste and individuality rather than show-off. That is to say, those consumers who can afford high-priced inconspicuous luxury goods have tastes and preferences that are difficult for the public to imitate (Makkar & Yap, 2018), which makes them different from the mainstream. Inconspicuous consumer groups do not pursue social status, but advocate low-key, implicit and unique products to distinguish them from the mainstream consumer philosophy.

2.3 Self-concept

Self-concept is the center of individual perception, evaluation and behavior. Individuals have a perceived self-image of their self-concepts and try to present the desired image by purchasing and using products they consider relevant. This effect is particularly important in the context of luxury and counterfeiting consumption. Previous theoretical studies distinguish buyers of personal-oriented and socially-oriented luxury goods and trace the origin of these orientations back to one's self-concepts. Specifically, some people tend to focus on their own internal areas and self-related goals. Others are more concerned with their own relationship areas and with the opinions or reactions of others. Therefore, Singelis (1994) believes that self-concept refers to how individuals perceive the relationship between themselves and others, and divides it into two dimensions: interdependent self-concept and independent self-concept.

Independent self-concept is defined as a "bounded, single, stable" self-separated from the social background, that is, people realize themselves through their own thoughts, feelings and behaviors. Interdependent self-concept is defined as "flexible and variable" self. People with interdependent self-concepts want to be members of various interpersonal relationships.

III.   HYPOTHESES

Need for uniqueness is refers to the consumers by purchasing and using related consumer products to the pursuit of the characteristics of different with others, so as to improve personal image and social image (Tian, Bearden, & Hunter, 2001). Consumers' demand for uniqueness includes the following three dimensions: (1) creative choice counter-conformity, that is, consumers seek unique products that are different from the mainstream to create their own style; (2) unpopular choice counter-conformity, that is, consumers deviate from social norms and seek products or brands that may incur social opposition; (3) avoid of similarity, that is, consumers are not interested in mainstream products and avoid buying them to maintain their uniqueness. Previous studies have shown that consumers' unique needs are related to their willingness to buy inconspicuous luxury goods. For example, Kastanakis and Balabanis (2014) found that the demand for uniqueness is negatively correlated with the consumption tendency of conspicuous luxury goods. Specifically, consumers with high demand for uniqueness are not interested in conspicuous luxuries, but in new or unknown luxuries, in order to distinguish themselves from mainstream consumers, show their unique style and express themselves. Eckhardt et al. (2014) also proved that consumers with high demand for uniqueness are more inclined to consume inconspicuous luxury goods in order to seek differentiation from homogeneous consumption. However, luxury is a typical conspicuous product, whose intuitive symbol of "flaiting identity" has been sought after and welcomed by a large number of consumers who want to highlight their status, but for consumers who want to highlight their differences, they avoid buying products.

Consumers with unique needs are very concerned about their own distinctiveness and differentiation, which is attributed to independent self-concept. For consumers with strong independent self-concepts, they are eager to express themselves and pursue uniqueness. Therefore, these consumers tend to buy inconspicuous products with subtle brand logos to distinguish them from the mainstream. Consumers with strong

interdependent self-concepts are mainly concerned with social relationships, so they have less motivation to seek uniqueness. Therefore, this paper speculates that independent self-concept has a positive relationship with uniqueness needs. While interdependent self-concept has a negative impact on uniqueness needs.

For consumers with limited economic capacity and strong independent self-concept, inconspicuous counterfeit luxury goods that are inexpensive and distinctive can also meet their need for uniqueness. Therefore, this paper believes that need for uniqueness can be attributed to the independent self-concept and strengthens the purchase intention of inconspicuous luxury brand counterfeits.

H1: The independent self-concept associates positively with consumer need for uniqueness.

H2: The interdependent self-concept associates negatively with consumer need for uniqueness.

H3: Consumer need for uniqueness associates positively with inconspicuous consumption of luxury brand counterfeits.

IV. METHODOLOGY

4.1 Sampling and Data Collection

Date was collected in China, by means of an online professional research platform. The subjects were invited to participate in a self-administered questionnaire. The data collection process lasted for a month. A total of 315 individuals provided valid data that was suitable for analysis. Subjects were mainly under 30 years of age, and the majority (63%) were female (n=197). In terms of degree and occupation, 92% of the subjects had a bachelor's degree or higher, and 29% were company staff. On the other hand, more subjects (79%) were reported to have experience in purchasing fake products.

This study selected Louis Vuitton, one of the world's most famous luxury brands, as the research object. The brand selection was based on the results of pre-test (n=80) to ensure that Chinese consumers are highly familiar with the luxury brand. After the subjects agreed to participate in the study, they were first asked about their gender. The questionnaire system would randomly assign them to a specific scenario based on the sex selected by the subjects. That is to say, the subjects were randomly assigned to one of the two product scenarios: (1) woman's handbag, (2) man's purse. Subsequently, the subjects would see the photos and prices of the counterfeit products in the randomly assigned scenario. Then, the subjects were asked to answer a series of questions about self-concept, need for uniqueness, purchase intention, and some demographics based on the products and brand information they saw before. Finally, the subjects were thanked for their involvement in this research study.

4.2 Measures

The measurement scales used in this paper draw on the mature scale in previous studies. All items were measured with seven-point Likert scales ranging from strongly disagree to strongly agree. This study carried out a double-blind back-translation process for the scales. All measurement scales were developed in English andtranslated into Chinese. Furthermore, this paper also made some language adjustments to the measurement items to meet the actual situation in China. The scales were then translated into English and checked for inconsistencies by another professional translator. Moreover, scholars from the fields of brand management reviewed the translation of the measurements scales to enable the Chinese version of these translations to maintain the original meaning of the English version and to ensure the content validity.

The scale of self-concept with 24 items derived from Singelis (1994). Need for uniqueness was measured by a scale of Ruvio et al. (2008). Willingness to buy luxury brand counterfeits was measured by 3 items of Davidson et al. (2017).

There is no mature scale for inconspicuous consumption. Therefore, this paper used the method of measuring brand significance by the size of brand Logo in Han et al. (2010) to measure inconspicuous consumption in this study. To measure consumer preference for conspicuous and inconspicuous products, we asked participants to indicate their purchase intention between two women's handbags (men's purses). Not only do the two bags have the same brand name, they also look exactly the same. The only difference between the two bags is that one has a bigger logo (the conspicuous option) and the other has a smaller logo (the inconspicuous option).

4.3 Measurement model assessment

Table 1 provides descriptive statistics and correlations of the structures used. First, exploratory factor analysis was performed. After removing the items with factor load less than 0.5, a total of 6 factors were extracted. Need for uniqueness is extracted from two principal components. In the creative choice counter-conformity dimension, the remaining second valid item is extracted to avoidance of similarity dimension.

Secondly, this study conducted confirmatory factor analysis (CFA) to check the reliability and validity of the measurement scales. The results showed that the overall fit of the model was satisfactory ($\chi2/df$=2.286, RMSEA= .064, NFI= .905, IFI= .944, TLI= .934, and CFI= .944). Indicator reliability scores of all items were

over 0.8, indicating the adequate internal consistency of all the scales used. Convergent validity of Inter-dependent self, independent self, need for status, UCC, AOS and purchase intention proved to be satisfactory as comprehensive reliability scores were .833, .924, .896, .882, .875, and .869, respectively, and AVE scores were .563, .806, .685, .651, .585, and .690, respectively. All the values of AVE were greater than the squared correlation among constructs, therefore supporting discriminant validity. Table 2 shows the results of confirmatory factor analysis.

Table 1: Descriptive Statistics and Correlation Matrix

Construct	Mean	S.D.	1	2	4	5	6
1. Inter-dependent self	4.51	1.54	1				
2. Independent self	4.30	1.12	-.06	1			
4. UCC(unpopular choice counter-conformity)	3.86	1.19	-.34**	.40**	1		
5. AOS(avoidance of similarity)	3.94	1.23	-.28**	.43**	.72**	1	
6. Purchase intention	4.26	1.15	-.32**	.35**	.31**	.25**	1

Table 2: Measurement model

Variable	Cronbach's α	Composite reliability	AVE
Independent self-concept	.836	.838	.563
Inter-dependent self-concept	.912	.924	.806
UCC (unpopular choice counter-conformity)	.879	.882	.651
AOS (avoidance of similarity)	.871	.875	.585
Purchase intention	.862	.869	.690
Fit statistics: χ^2/df=2.286, RMSEA= .064, NFI= .905, IFI= .944, TLI= .934, CFI= .944			

V. RESULTS

This study constructs the structural equation model by using version 17.0 of AMOS to test the hypothesis. Table 3 shows that the goodness-of-fit indexes were satisfactory (χ^2/df=2.270; RMSEA= .064; NFI= .922; IFI= .955; TLI= .946; CFI= .954), which illustrated that the model fit was good. Overall, the hypothesis model can reveal the relationship among the latent variables well. However, the results support all but one hypothesis (H3), which is only partially supported. That is, the hypothesis that AOS is positively associated with the willingness to buy inconspicuous counterfeits is not supported.

Table 3: Structural model

Relationship	Standardized ML estimate	Hypothesis supported
Inter-dependent self-concept--->UCC	-.302***	Yes
Inter-dependent self-concept--->AOS	-.232***	Yes
Independent self-concept--->UCC	.471***	Yes
Independent self-concept--->AOS	.525***	Yes
UCC--->Purchase intention	.394***	Yes
AOS--->Purchase intention	-.014	No
Fit statistics: χ^2/df=2.277, RMSEA= .064, NFI= .922, IFI= .955, TLI= .946, CFI= .954		

VI. DISCUSSION

5.1 Theoretical Implications

The main theoretical contributions of this study are as follows.

First, this paper introduces inconspicuous consumption into the study of consumption behavior of luxury brand counterfeits for the first time, and deeply studies the purchase motivation of inconspicuous luxury brand counterfeits. Previous studies on consumption behavior of luxury brand counterfeits by scholars mainly focus on conspicuous consumption, while ignoring the inconspicuous consumption. In the context of Chinese culture, this paper explores the consumption motivation of inconspicuous luxury brand counterfeits from the perspective of consumers. The results open up a new perspective for the study of counterfeit luxury consumption behavior.

Second, this study introduces the self-concept in psychology into the study of counterfeiting consumption behavior. This paper explores the effects of two different types of self-concept on the purchase intention of inconspicuous luxury brand counterfeits. It not only enriches the self-concept theory, but also expands the research on the influence of self-concept on the purchase behavior of luxury brand counterfeits.

Third, based on the uniqueness theory, this paper introduces the need for uniqueness as a mediate variable to deeply explore the subtle and complex psychological mechanism of Chinese consumers' purchase intention of inconspicuous luxury brand counterfeits. The research results of this paper show that two different types of self-concept have significant influence on the need for uniqueness, and further influence the purchase intention of inconspicuous luxury brand counterfeits, which further enriches the theoretical research on the influence of luxury brand counterfeits consumption motivation.

5.2 Managerial Implications

The conclusions of this study have important management implications for enterprise managers. First, luxury enterprises should strengthen the advertising of authentic and anti-counterfeit luxury products, so as to improve the brand image of authentic brands. Meanwhile, At the same time, enterprises should highlight the difference between genuine and counterfeit products so that consumers can clearly understand that the exclusivity of genuine products is irreplaceable.

Second, luxury enterprises should strengthen the small details and difficulties of the genuine design of inconspicuous luxury products, so that the counterfeits cannot be imitated and copied.

Finally, luxury enterprises should do a good job in consumer education to improve consumers' moral awareness, so as to reduce the purchase of counterfeit goods. On the other hand, luxury enterprises should also pay attention to consumers' experience and diversified services, so as to improve consumers' desire for genuine goods.

5.3 Future Research and Limitations

The present study is not free from limitations, but it also provides directions for future research.

First, the amount of samples of this research is relatively small due to the limitation of time and economic cost. In order to improve the accuracy of the research conclusion, future research should expand the sample size.

Second, we just provide the picture of product to the interviewees, so it might influence consumers' perceived value for the product and willingness to buy. Future research should establish a more actual scenario for testing.

Third, this study has no regard for that if the purchased products can be unconditionally returned when consumers are not satisfied, whether their perceived value and purchase intention will be affected. Finally, the product category of this study is relatively single. Further research should cover more product categories and provide a comprehensive insight into the consumption of luxury brand counterfeits.

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