

The Impact of Counterfeit Products on The Luxury Fashion Industry

Dr. Umakanth.S¹, Ananya Chettri², Nabeel Irshad³, Abhinandhu.S⁴,
Navaratan Singh⁵, Deepakshi Gupta⁶

¹Professor & HOD, JAIN (Deemed to be University) – CMS – Bangalore
^{2,3,4,5,6}Student, Jain University

ABSTRACT:

Counterfeit products have a huge impact on the luxury fashion industry. It undeniably has an economic impact involving the revenue of these luxury fashion brands. It also has an impact on the brand image and reputation, and consumer perception of luxury fashion brands. The main goal of the study is to study various factors contributing to this cause and its impact. The study focuses on four main primary aspects: counterfeit products and the industry, consumer perception, consumer purchase decisions, and its overall impact on the luxury fashion industry. To provide a comprehensive understanding of the relationship between counterfeit products and their impact on the luxury fashion industry various literature related to consumer motives for selecting counterfeit products and the impact these motivations have on the luxury fashion industry have been studied. The research also makes use of a questionnaire conforming to the Gen-Z and Millennials (Age 18-25<) of Bangalore city enquiring into the various aspects and causes. This questionnaire aims to study the responses in depth and come to a conclusion about the effects of counterfeiting including the damage to the brand image, and reduction in consumer trust and perception while raising questions about the legal initiatives put in place to combat violation of the creativity and exclusivity of luxury fashion brands.

KEYWORDS: Fashion industry, counterfeit products, brand image, consumer perception, reputation, social status

1. INTRODUCTION:

The luxury fashion industry has long epitomized elegance, exclusivity, and innovation. With a rich record of workmanship and creativity, it has continually set the same standard for style and quality. However, this esteemed quarter faces a powerful adversary that threatens its integrity and profitability: counterfeit products. Counterfeiting has developed into a worldwide industry, infiltrating the nation-states of luxurious fashion with state-of-the-art imitations that bear striking resemblance to authentic products. This research paper seeks to discover the multifaceted impact of counterfeit products on the luxury fashion industry, regularly indistinguishable from their proper counterparts, undermining the rules of the luxury brand and fashion enterprise in several ways. These impostors erode patron consideration, tarnish brand reputations, and impede the industry's potential to keep fee charges associated with exclusivity and craftsmanship. Moreover, counterfeit products affect the financial viability of valid luxury brands, leading to losses in sales, marketplace percentage, and employment possibilities. We will explore how counterfeit

products affect consumer behaviour, studying the motivations behind buying counterfeit products and the resulting consequences for brand loyalty. The luxurious logo and fashion industry's warfare in opposition to counterfeiting is complex and multifaceted. Understanding the scope and impact of this trouble is essential for stakeholders, such as luxury manufacturers, policymakers, and clients. This study aims to shed light on the demanding situations posed by counterfeit products while also highlighting suggestions to shield the integrity and sustainability of this iconic industry. In the subsequent sections, we can delve into the aforementioned dimensions, offering a complete evaluation of the effect of counterfeit merchandise on the luxury brand and fashion industry.

Counterfeit merchandise no longer only harms the recognition and identity of luxury manufacturers but also has far-reaching financial implications. The luxury fashion and style enterprise represents a full-size economic force, contributing to employment, tourism, and international change. The proliferation of counterfeit items has led to full-size monetary losses.

As the luxury fashion enterprise grapples with the challenges posed by counterfeit merchandise, it has additionally witnessed a surge in modern techniques to combat this threat. We aim to provide insights into how the industry can adapt and evolve to maintain its core values of exclusivity, craftsmanship, and creativity in the face of counterfeiting threats.

2. REVIEW OF LITERATURE

COUNTERFEIT PRODUCTS AND INDUSTRY:

(OECD 2019) Counterfeit luxury and fashion products have far-reaching and intricate economic consequences, affecting the revenue, profitability, and operational costs of luxury brands, as well as the broader economy.

(Hausman, A., & Johnston 2014) The global counterfeit market is estimated to be worth hundreds of billions of dollars annually. Luxury brands, in particular, experience significant revenue losses due to counterfeiting, which can lead to diminished profitability and potential workforce reductions.

(Wilcox, K., Kim, H., & Sen S, 2009) Consumer behaviour is a central driver of the demand for counterfeit luxury and fashion items. Research has identified various motivations behind counterfeit purchases, including cost-saving intentions, the aspiration to mimic status, and the allure of the products themselves.

(Phau & Teah, 2009) Consumers are drawn to counterfeit luxury items for several reasons. They view counterfeit products as more affordable substitutes for genuine luxury items. Furthermore, the desire to replicate the status and style associated with authentic luxury brands motivates consumers to opt for counterfeit purchases. Some consumers are attracted to counterfeits due to the aesthetics and design of the products themselves.

(Treadway, D.C & Kidwell (2016) The fight against counterfeit luxury and fashion products involves a complex legal and regulatory landscape, encompassing intellectual property rights protection, international agreements, and penalties for counterfeiters. Luxury brands heavily rely on intellectual property rights such as trademarks, copyrights, and patents to combat counterfeiting. These legal safeguards enable brands to initiate legal actions against counterfeiters and safeguard their distinct designs and brand elements.

(Maskus, K. E. (2000) Luxury brands have implemented a variety of strategies to combat counterfeiting, including anti-counterfeiting measures, education and awareness campaigns, and sustainability initiatives. Anti-counterfeiting measures encompass the use of holograms, RFID tags, and other authentication technologies to aid consumers in distinguishing genuine products from counterfeits.

CONSUMER PERCEPTION:

Numerous studies have looked into how consumers' faith in premium brands might be damaged by the availability of counterfeit goods. Consumers may be uncertain and skeptical as a result of counterfeits, which may affect their propensity to buy real luxury goods. **(Murphy Aycock, 2019)** The study revealed a complex relationship between customer perceptions and purchase intentions, especially concerning counterfeit items. Positive impressions, look, and presentation significantly influence consumer perceptions, especially among college students. Factors like price and social acceptance influence choice. **(BOF INSIGHTS, 2023)** A study by BoF Insights revealed that over a third of US Gen-Z customers aged 13-25 accept counterfeit items, despite the high value placed on authenticity. This shift is significant, given the global market for pirated and counterfeit goods, estimated to be between \$1.7 trillion and \$4.5 trillion annually.

(VANESSA PAGE,2023) The article delves into the psychology behind purchasing luxury items despite budget constraints, highlighting illogical buying habits, the belief in superiority, and the impact of self-esteem on success, emphasizing the need for vigilance in low-cost transactions.

(Don-Alvin Adegeest, 2023) Young consumers are increasingly using fake fashion items due to social media influence and financial constraints. This trend allows them to maintain style and imitate celebrities without spending a fortune. However, concerns about intellectual property rights and legal repercussions arise.

(Hernan Albamonte,2019) Understanding price sensitivity, brand sensitivity, and social consensus is crucial for protecting vulnerable groups.

CONSUMER PURCHASE DECISION:

(Devkant kala and D.S Chaubey) Consumers are key players in the counterfeit trade, and they actively participate in it everywhere, particularly in emerging nations like India. To get social acceptance, people purchase well-known and well-liked products.

(Cordell et al., 1996) Customers who can't afford name brands typically purchase knockoffs. The price advantage that counterfeit items have over authentic ones also contributes to the persistence of demand. Consumers' sense of morality and legality is not strong enough to persuade them not to purchase counterfeit items. Given the need for such products, counterfeiting has become a global economic phenomenon. This increases the value of researching why buyers choose to buy fake goods.

IMPACT OF COUNTERFEIT PRODUCT ON THE LUXURY FASHION INDUSTRY:

Counterfeit is the worst problem one could imagine in the fashion industry as creating a distinctive design and brand takes a lot of effort, time, and creativity. Counterfeit products have a negative effect on luxury fashion brand's innovation or R&D. It is not just intellectual theft but it also affects the perception of consumers and the image of the brand.

(Kapferer, Jean-Noel, Michaut, Anne, 2014) The essential principles of luxury, exclusivity, and excellent quality, have been breached by these counterfeit products. The emphasis has shifted from genuine qualities, such as high-quality workmanship, to frivolous logo conspicuity). **(Déborah Chicoine, 2023)** Counterfeiting continues to harm not only the state but also consumers, businesses, and their capacity to operate sustainably.

According to **Mourad's (2014)** study, businesses that become targets of counterfeiting suffer severe losses in market share, damage to their name and image, and a lack of resources for the advantages of their work,

research, and creation in marketing and business development. As for the victims, they are the consumers who endure the decline in product quality and authenticity. The unique selling point of luxury items is the distinctiveness and the prevalence of counterfeit dilutes the exclusivity and prestige associated with luxury brands, potentially leading to a loss of brand equity and customer trust. When purchasing poor-quality knockoffs, dissatisfaction sets in right away. A dissatisfied customer is more likely to post a critical review online. Users frequently trust internet evaluations as much as they do the opinions of friends and family, which is a problem. Another problem that genuine producers face is that when there is a defect that may pose risks to the health and safety of the consumers or inferior quality in the counterfeited fashion products the consumers are unaware about the counterfeiting which directly affects the brand image.

Depending on the estimate, the yearly transactions of fake goods range from \$1.7 trillion to \$4.5 trillion, making the counterfeiting industry at least the tenth-largest economy in the world just above Canada's GDP and assumably the fourth-largest after Germany. It is found that USD 70-89 billion is lost every year globally due to counterfeiting. Furthermore, it's to condemn for 2.5 million unemployment worldwide. The market share of brands and customer trust are both impacted by counterfeiting, a big global financial conflict. After buying counterfeit goods online, 52% of buyers lost trust, and 64% lost faith in online marketplaces. Many luxury fashion brands stopped selling their products online on thirdparty websites as a result of this (**Forbes, 2022**).

(Retail Insights, 2018) Recently, trademark protection company MarkMonitor commissioned a study of 2,600 customers' purchasing patterns across five European nations. According to the report, 31% of internet buyers unwittingly bought counterfeit goods, with apparel (31%) being the most common victimized item. Following receipt of counterfeit goods, 26% of consumers stopped buying from brands and 27% warned their friends and family about them, demonstrating the detrimental impact of counterfeit goods on particular firms' reputations. According to independent research commissioned by Incopro, 76% of UK consumers would refrain from purchasing goods from a brand if their reputation was tied to fake goods, and 66% of consumers who had been scammed after unintentionally buying fake goods had lost faith in that brand. Counterfeiting can also affect pricing. Brands may be forced to lower their prices in order to compete when counterfeiting is prevalent. This can have a negative impact on their bottom line.

(Lux Tag, 2021) Consumers are taking money from the legitimate fashion industry, putting it into counterfeiters' pockets, and causing job loss, affecting innovation and global GDP. What's frustrating is that 88% of consumers who have bought counterfeit goods believe the brand is slightly to fault and that it should be taking more precautions to safeguard them.

3. STATEMENT OF PROBLEM

The luxury fashion industry confronts a widespread issue with counterfeit products, which detrimentally affect brand reputation and economic viability. Counterfeits, meticulously imitating authentic designs and quality, deceive consumers and undermine brand exclusivity, leading to significant market share erosion and dilution of brand identity. Furthermore, counterfeit production often involves exploitative labour practices and supports criminal networks, exacerbating ethical and societal concerns. Therefore, there's an urgent need to comprehensively understand the multifaceted impact of counterfeit products on the luxury fashion industry. In the present study the researcher has made an effort to analyse the impact of counterfeit products on the luxury fashion industry, the result will help the luxury fashion brands evaluate their value chain and implement measures to combat counterfeits. This includes examining their economic consequences, ethical implications, and societal effects

4. OBJECTIVES OF THE STUDY

- To assess the economic ramifications of counterfeit products on the luxury fashion industry.
- To analyse consumer perceptions and behaviours regarding counterfeit products in the luxury fashion sector.
- To evaluate the impact of counterfeit products on brand equity and reputation within the luxury fashion industry.

5. SCOPE OF THE STUDY

1. Consumer Behaviour: Examining how, in the luxury fashion sector, the existence of counterfeit goods affects consumer perceptions, purchase choices, and brand loyalty.
2. Economic Impact: Evaluating how counterfeit goods affect luxury fashion firms financially, taking into account lost sales, damaged brand equity, and litigation costs.
3. Brand Image and Reputation: Analysing how consumers and stakeholders view luxury fashion businesses' reputations and perceived values in relation to the widespread availability of fake goods.
4. Legal and Regulatory Frameworks: Examining how well-functioning current laws and rules are at preventing counterfeit goods from entering the luxury fashion market and pinpointing possible areas for development.

6. METHODOLOGY

The Study: Descriptive in Nature

Data Collection Methods:

Primary Data- Collected through structured questionnaires designed for the research study.

Secondary Data- Gathered from reputable sources such as research papers, academic journals, and national/international publications.

A comprehensive review of existing literature to provide a strong theoretical foundation

7. PROFILE OF SAMPLE UNIT

The sample unit consists of respondents from Bengaluru, Karnataka, India. Ages range from >18 years up to <25 years and genders male, female, and others. Other demographics of the sample unit are explained in detail in data analysis and interpretation further in the paper.

8. LIMITATIONS

1. **Sample Bias:** A biased sample could have an overrepresentation or underrepresentation of particular demographics or geographic areas, which could provide constraints to the study.
2. **Reliable Data:** Due to the covert nature of counterfeit operations and the unwillingness of impacted parties to divulge information, it can be difficult to gather reliable data on counterfeit goods and their effects on the luxury fashion sector.
3. **Causality:** Because there are numerous confounding factors, it may be challenging to determine a clear causal link between counterfeit goods and their effects on the luxury fashion sector.
4. **Time limits:** Time limits may make it difficult to conduct an extensive study on the long-term consequences of counterfeit goods on the luxury fashion sector, particularly when it comes to tracking market trends and customer behaviour over a prolonged period.

5. **Resource Constraints:** The study's breadth and depth may be limited by a lack of funds and access to pertinent data sources.

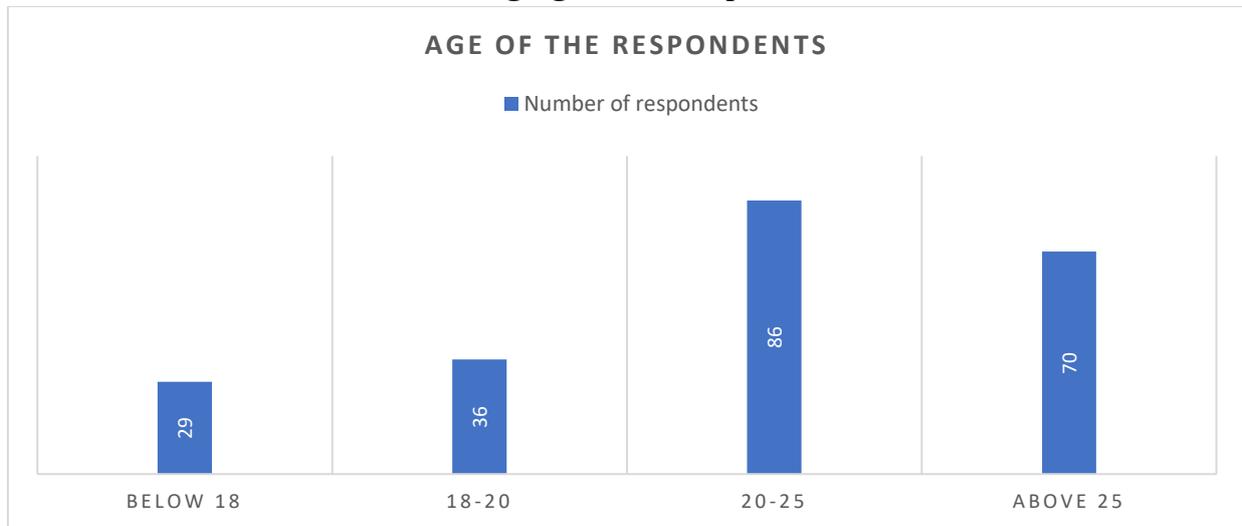
9. DATA ANALYSIS AND INTERPRETATION

TABLE 1
Showing Age of the Respondents

Sl. No	Age of the Respondents	Number of respondents	Percentage
1	Below 18	29	13.1%
	18-20	36	16.3%
2	20-25	86	38.9%
	Above 25	70	31.7%
3			
4			
Total		221	100%

(Source: Primary Data)

Graph 1
Showing Age of the Respondents



Analysis/Interpretation:

The above research data reveals that maximum of 86 respondents (38.9%) belonged to the age group of 20-25 years followed by 70 respondents (31.7%) >25, 36 respondents (16.3%) belonged to 18-20 years and only 29 (13.1%) respondents belonged to the age group below 18. The classification of age helps us detect the trend among various ages for the purchase of luxury fashion products and their counterfeit.

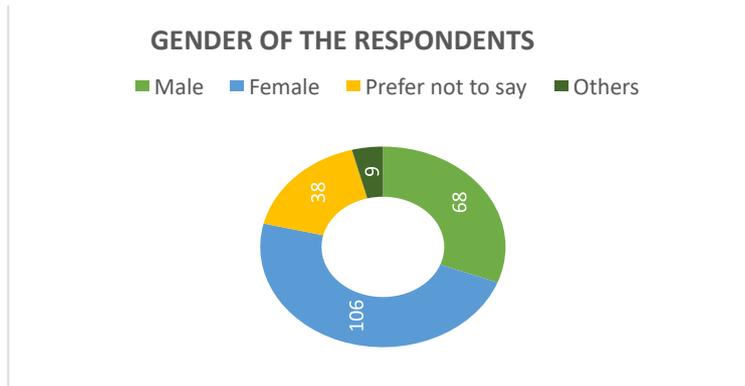
TABLE 2
Showing Gender of the Respondents

Sl. No	Gender of the Respondents	Number of respondents	Percentage
1	Male	68	30.8%

2	Female	106	48%
3	Prefer not to say	38	17.2%
4	Others	9	4.1%

Total **221** **100%**

(Source: Primary Data)



Graph 2 Showing Gender of the Respondents

Analysis/Interpretation:

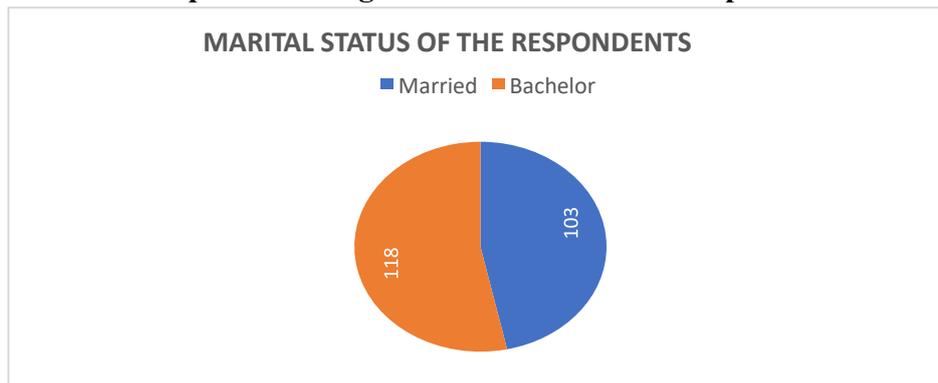
The above research data reveals that 106 respondents (48%) are female, 68 respondents (30.8%) are male, 38 respondents (17.2%) preferred not to share their gender, and 9 respondents (4.1%) fall under other categories of gender. The classification of gender helps us detect the trend among various genders for the purchase of luxury fashion products and their counterfeit

TABLE 3
Showing Marital Status of the Respondents

Sl. No	Marital Status of the Respondents	Number of respondents	Percentage
1	Married	103	46.6%
2	Bachelor	118	53.4%
Total		221	100%

(Source: Primary Data)

Graph 3 Showing Marital Status of the Respondents



Analysis/Interpretation:

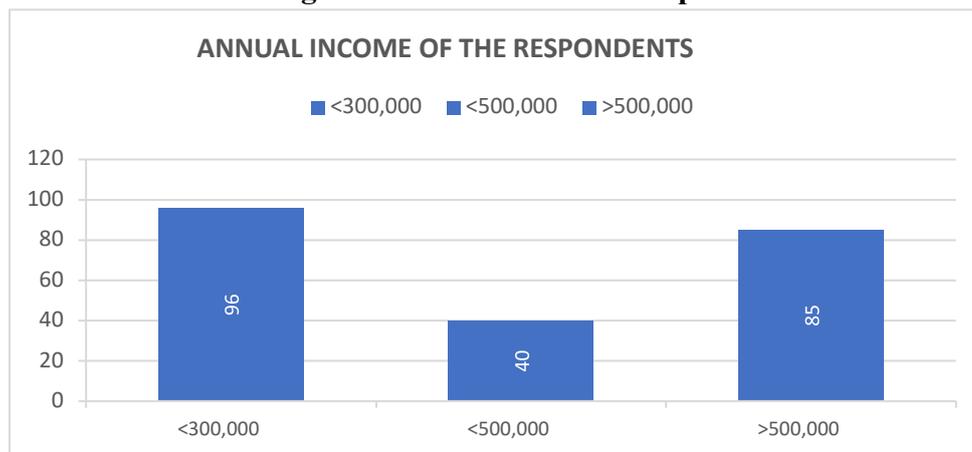
The above research data reveals that 118 (53.4) respondents are bachelors and 103 respondents are married (46.6%). The marital status of respondents is important in understanding the lifestyle of individuals which will therefore help us understand their purchasing pattern.

TABLE 4
Showing Annual Income of the Respondents

Sl. No	Annual Income of the Respondents	Number of respondents	Percentage
1	<300,000	96	43.4%
	<500,000	40	18.1%
2	>500,000	85	38.5%
3			
Total		221	100%

(Source: Primary Data)

Graph 4
Showing Annual Income of the Respondents



Analysis/Interpretation:

The above research data reveals that 85 respondents earn >500,000 (38.5%), 96 respondents earn < 300,000 (43.4%) and 40 respondents earn <500,000(18.1%). The annual income is important in understanding the purchasing power of the respondents which will help us to understand purchasing trends and patterns.

TABLE 5
Showing Family size of the Respondents

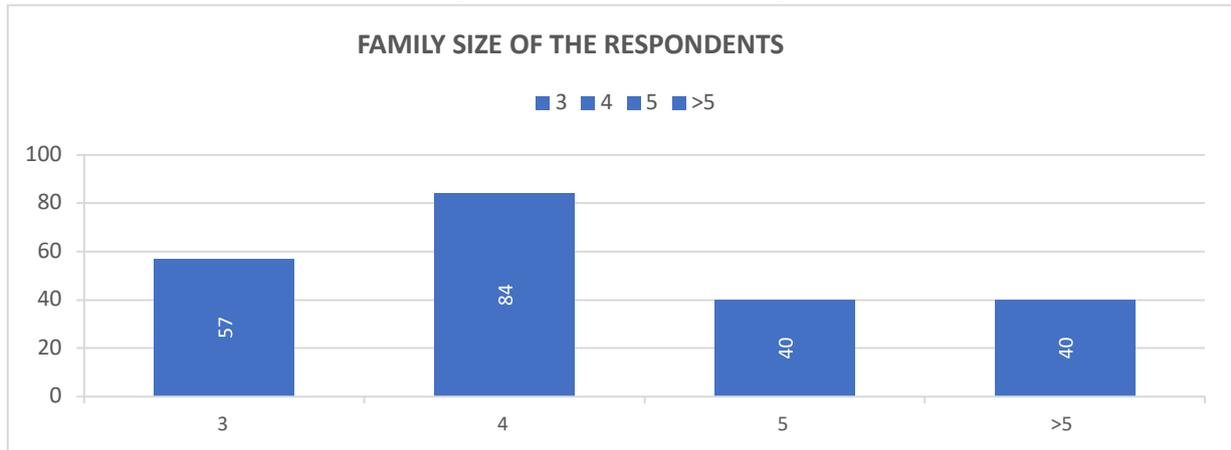
Sl. No	Family size of the Respondents	Number of respondents	Percentage
1	3	57	25.8%
2	4	84	38%
3	5	40	18.1%

4 >5 40 18.1%

Total 221 100%

(Source: Primary Data)

**Graph 5
Showing Family size of the Respondents**



Analysis/Interpretation:

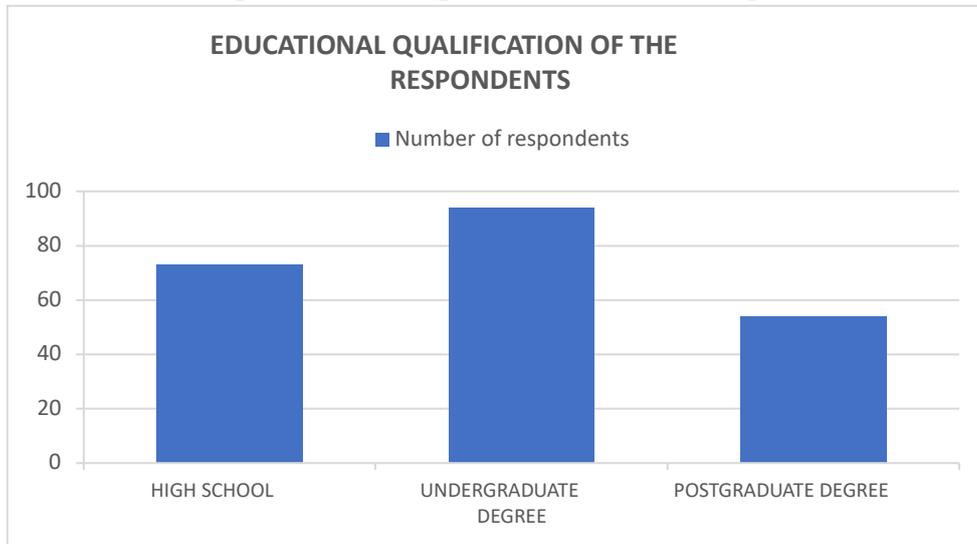
The above research data reveals that 84 respondents (38%) have a family size of 4, 57 respondents (25.8%) have a family size of 3, 40 respondents (18.1%) 5 members and 40 respondents (18.1%) >5. The family size of the respondents helps us understand the lifestyle of the respondents and its implications on purchasing power

**TABLE 6
Showing Educational qualification of the Respondents**

Sl. No	Educational qualification of the Respondents	Number of respondents	Percentage
1	High School	73	33%
2	Undergraduate Degree	94	42.5%
3	Postgraduate Degree	54	24.4%
Total		221	100%

(Source: Primary Data)

Graph 6
Showing Educational qualification of the Respondents



Analysis/Interpretation:

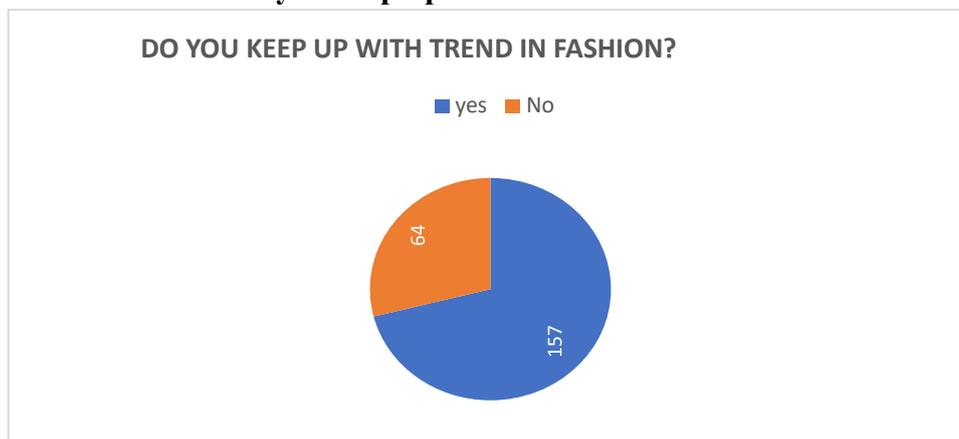
The above research data reveals that 94 respondents (42.5%) have an undergraduate degree, 73 respondents (33%) have a high school degree and 54 respondents (24.4%) have a postgraduate degree. The educational qualification of the respondents is important in understanding how it may correlate with other factors like income and marital status.

TABLE 7
Do you keep up with trends in fashion?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	57	71%
2	No	4	29%
Total		221	100%

(Source: Primary Data)

Graph 7
Do you keep up with trends in fashion?



Analysis/Interpretation:

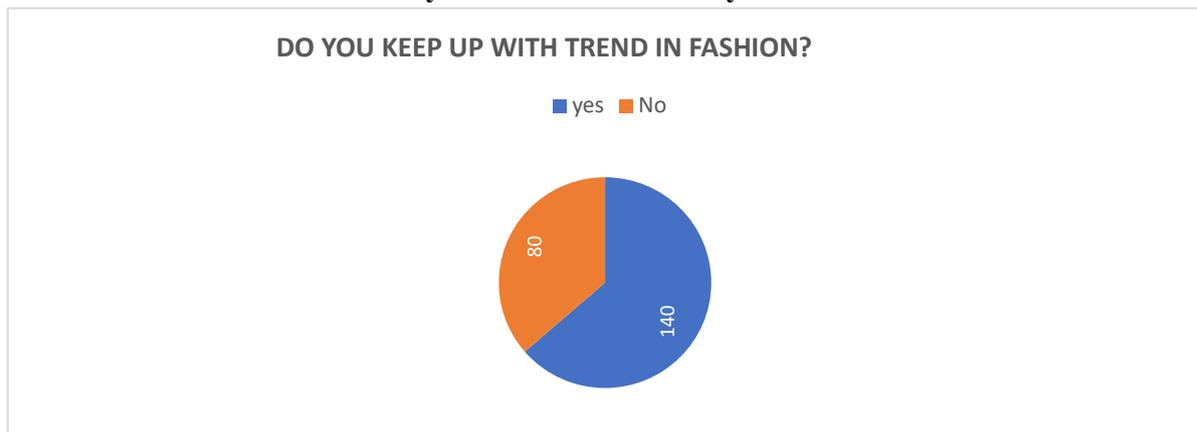
The above research data reveals that 157 respondents (71%) keep up with fashion trends and 64 (29%) respondents do not keep up with fashion trends. This indicates a notable interest in fashion trends among the surveyed population.

TABLE 8
Do you own a lot of trendy items?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	40	63.6%
2	No	0	36.4%
Total		221	100%

(Source: Primary Data)

Graph 8
Do you own a lot of trendy items?



Analysis/Interpretation:

The above research data reveals that 140 respondents (63.6%) chose 'yes' and 80 respondents (36.4%) chose 'no'. This shows a substantial interest in trendy fashion items.

TABLE 9
Do you always want to be the first one to try new fashion products?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	107	48.6%
2	No	113	51.4%

Total

221

100%

(Source: Primary Data)



Graph 9

Do you always want to be the first one to try new fashion products?

Analysis/Interpretation:

The above research data reveals the tendencies of respondents to be the first ones to try new fashion products. 113 respondents (51.4%) chose ‘no’ and 107 respondents (48.6%) chose ‘yes’. showcasing a balanced distribution of preferences.

TABLE 10

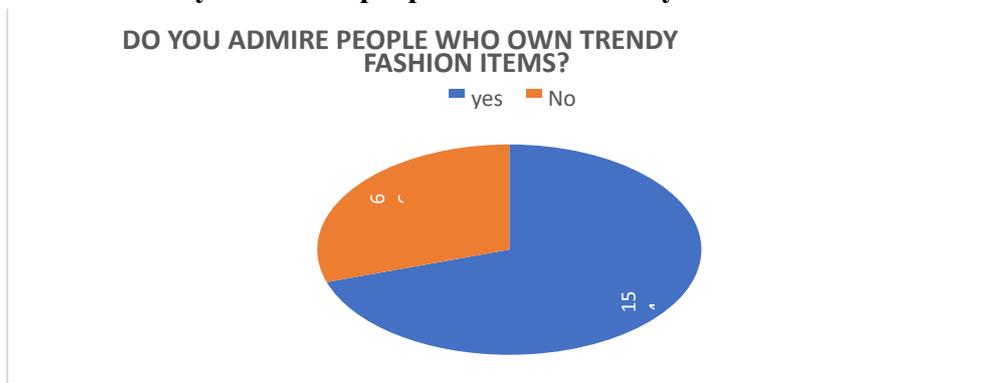
Do you admire people who own trendy fashion items?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	54	70%
2	No	66	30%
Total	221	100%	

(Source: Primary Data)

Graph 10

Do you admire people who own trendy fashion items?



Analysis/Interpretation:

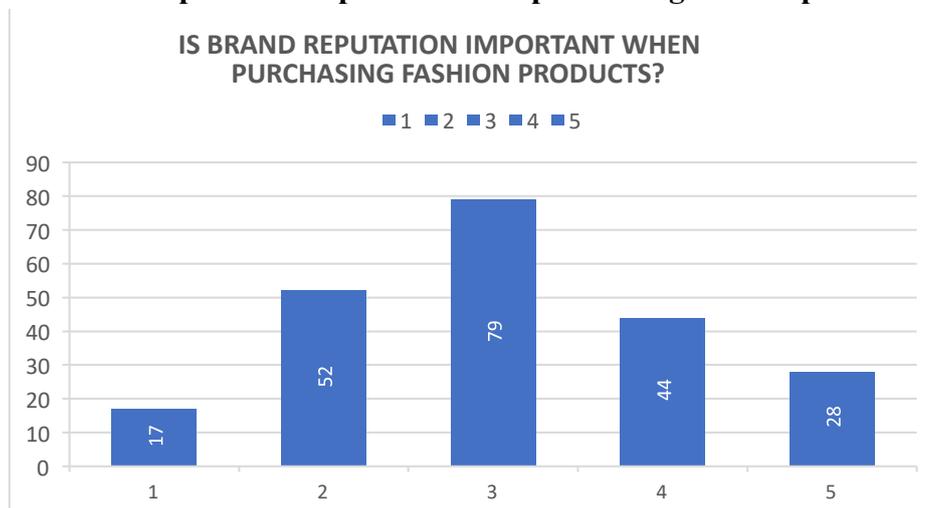
The above research data reveals admiration towards people who own trendy fashion items. It is found that 154 respondents (70%) admire such people and 66 respondents (30%) have no such feelings. This suggests a significant majority of the surveyed population admires those with trendy fashion items.

TABLE 11
Is brand reputation important when purchasing fashion products?

Sl. No	Respondents	Number of respondents	Percentage
1	1	17	7.7%
2	2	52	23.6%
3	3	79	35.9%
4	4	44	20%
5	5	28	12.7%
Total		221	100%

(Source: Primary Data)

Graph 11
Is brand reputation important when purchasing fashion products?



Analysis/Interpretation:

The above research data reveals the opinion regarding the importance of brand reputation while purchasing fashion products. The average rating for the importance of brand reputation when purchasing fashion products is 3.06 out of 5. This suggests a moderate level of significance attributed to brand reputation within the surveyed population.

TABLE 12
Have you ever purchased a luxury or high-end fashion product?

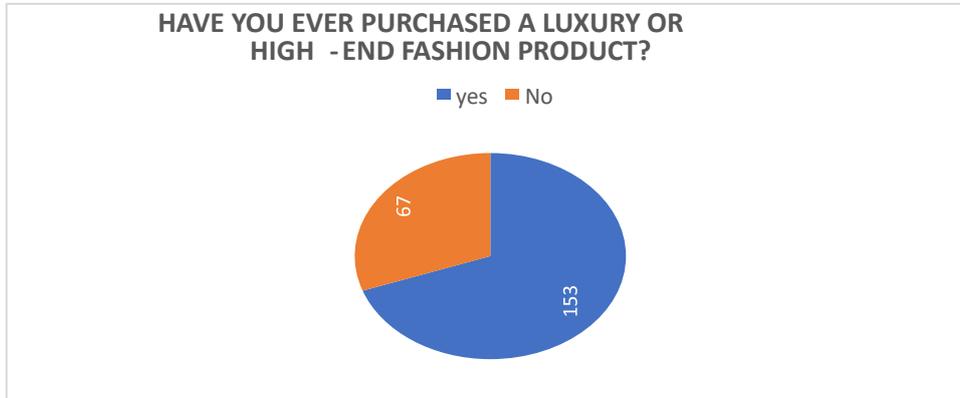
Sl. No	Respondents	Number of respondents	Percentage
1	yes	53	69.5%
2	No	7	30.5%

Total

221

100%

(Source: Primary Data)



Graph 12

Have you ever purchased a luxury or high-end fashion product?

Analysis/Interpretation:

The above research data reveals that records if the respondents have purchased any luxury fashion products. It is found that 153 respondents (69.5%) have purchased luxury fashion products and 67 respondents (30.5%) have not purchased a luxury fashion product. This indicates a considerable portion of the surveyed population has experience with purchasing luxury fashion items.

TABLE 13

How many luxury items do you own?

Sl. No	Respondents	Number of respondents	Percentage
1	None	25	11.3%
2	1-2	54	24.4%
3	3-5	70	31.7%
4	More than 5	72	32.6%
Total	221	100%	

(Source: Primary Data)

Graph 13

How many luxury items do you own?



Analysis/Interpretation:

The above research data reveals that the number of luxury fashion items owned by the respondents. It is shown that 72 respondents (32.6%) own more than 5 items, 70 respondents (31.7%) own 3-5 items, 54 respondents (24.4%) own 1-2 items and only 25 respondents (11.3%) own none. This indicates a varied distribution of ownership levels of luxury items within the surveyed population

TABLE 14
Why do you purchase luxury items?

Sl. No	Respondents	Number of respondents	Percentage
1	Brand Loyalty	48	22%
2	Status symbol	49	22.5%
3	Personal Satisfaction	106	48.6%
4	Social recognition	15	6.9%
Total		221	100%

(Source: Primary Data)

Graph 14
Why do you purchase luxury items



Analysis/Interpretation:

The above research data reveals the plausible reason behind purchasing luxury fashion items. It is shown that 106 respondents selected personal satisfaction (48.6%), 49 respondents (22.5%) selected status symbol, 48 respondents (22%) selected brand loyalty, and 15 respondents (15%) selected social recognition.

TABLE 15
Do people around you encourage the purchase of luxurious fashion products?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	26	57.3%
2	No	4	42.7%

Total

221

100%

(Source: Primary Data)



Graph 15

Do people around you encourage the purchase of luxurious fashion products?

Analysis/Interpretation:

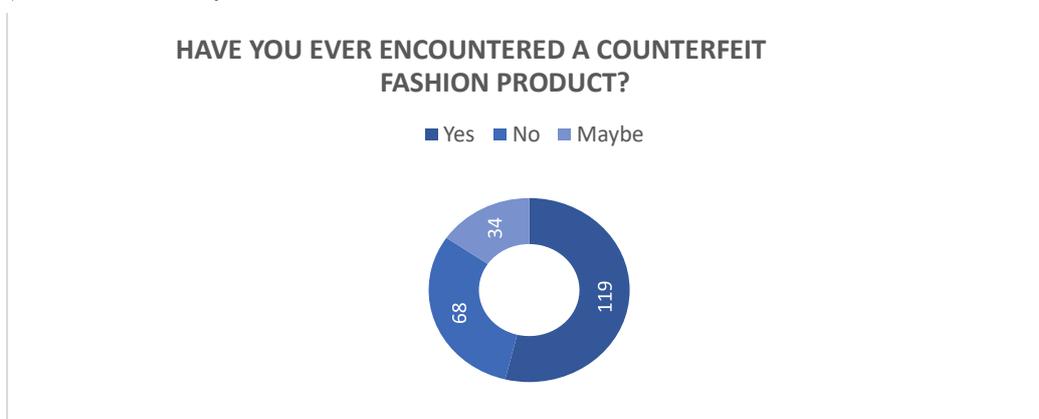
The above research data reveals the encouragement to purchase luxury fashion items by people around them. It is found that 126 respondents (57.3%) do feel such encouragement and 94 respondents (42.7%) feel no such encouragement. This suggests a mixed influence from peers or social circles regarding the purchase of luxury fashion items within the surveyed population.

TABLE 16

Have you ever encountered a counterfeit fashion product?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	119	53.8%
2	No	68	30.8%
3	Maybe	34	15.4%
Total		221	100%

(Source: Primary Data)



Graph 16

Have you ever encountered a counterfeit fashion product?

Analysis/Interpretation:

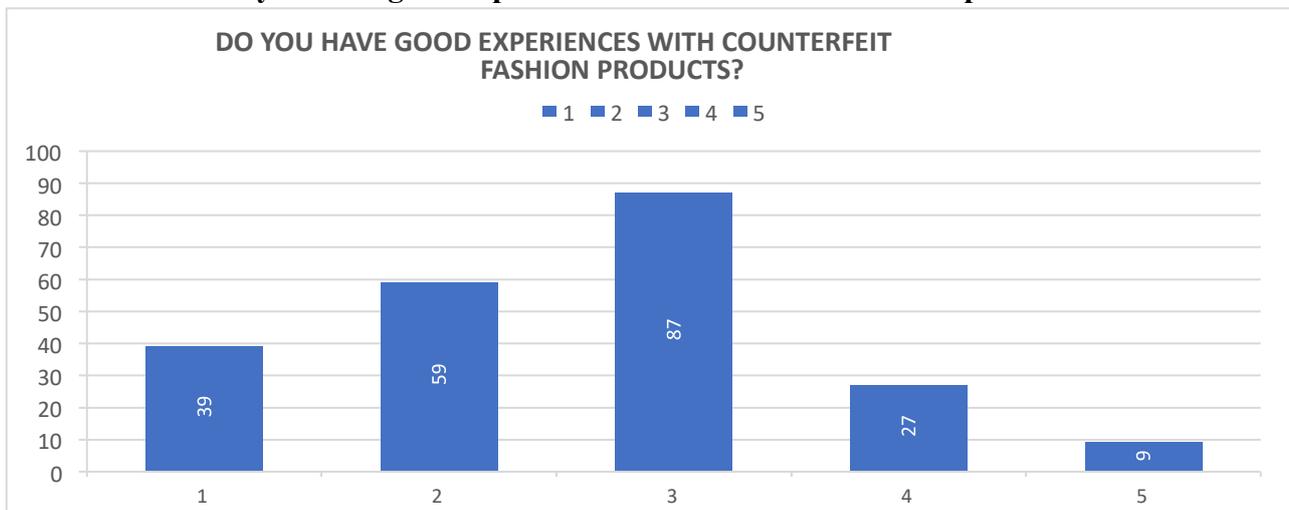
The above research data reveals the encounter of counterfeit luxury fashion products. It is found that 119 respondents (53.8%) have encountered such products, 68 respondents (30.8%) have not encountered such products and 34 respondents (15.4%) are not sure about any such encounter. This suggests a significant prevalence of encounters with counterfeit fashion items within the surveyed population.

TABLE 17
Do you have good experiences with counterfeit fashion products?

Sl. No	Respondents	Number of respondents	Percentage
1	1	39	17.6%
2	2	59	26.7%
3	3	87	39.4%
4	4	27	12.2%
5	5	9	4.1%
Total	221	100%	

(Source: Primary Data)

Graph 17
Do you have good experiences with counterfeit fashion products?



Analysis/Interpretation:

The above research data reveals the respondent's experience with counterfeit fashion products on a scale of 1-5, 1 denoting the worst experience and 5 denoting an excellent experience with such products. The average rating for experiences with counterfeit fashion products is 2.58 out of 5. This suggests a mixed perception of the quality of encounters with counterfeit fashion items within the surveyed population.

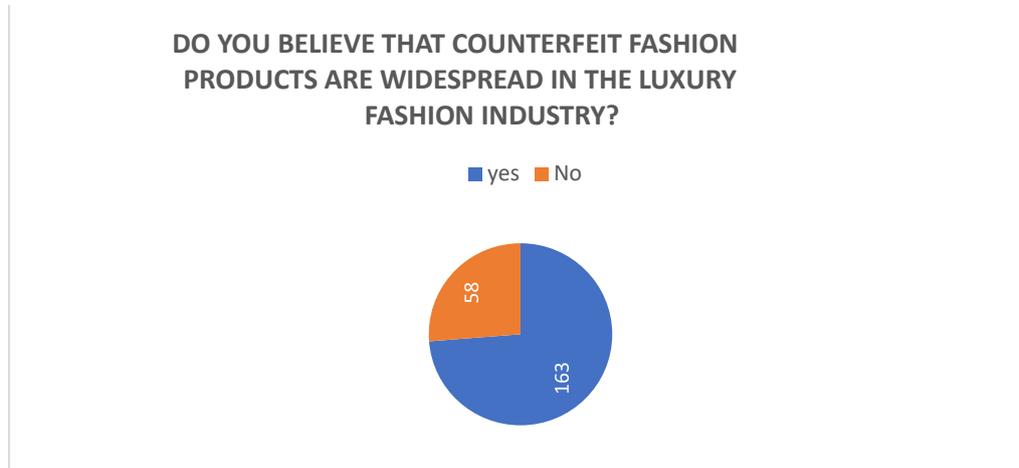
TABLE 18

Do you believe that counterfeit fashion products are widespread in the luxury fashion industry?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	63	73.8%

2	No	8	26.2%
Total		221	100%

(Source: Primary Data)



Graph 18

Do you believe that counterfeit fashion products are widespread in the luxury fashion industry?

Analysis/Interpretation:

The above research data reveals the respondents' opinion on the widespread prevalence of counterfeit products in the luxury fashion industry. It is seen that 163 respondents (73.8%) believe that counterfeit products are widespread in the luxury fashion industry. This indicates a prevailing perception among the surveyed population regarding the prevalence of counterfeit items within the luxury fashion sector.

TABLE 19

Have you ever unknowingly purchased a counterfeit luxury fashion product?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	92	41.8%
2	No	94	42.7%
3	Maybe	34	15.5%
Total	221	100%	

(Source: Primary Data)

Graph 19

Have you ever unknowingly purchased a counterfeit luxury fashion product?



Analysis/Interpretation:

The above research data reveals whether the respondents have ever unknowingly purchased a counterfeit luxury fashion product. It is found that 92 respondents (41.8%) selected yes, 94 respondents (42.7%) selected no, and 34 respondents (15.5%) selected maybe. This highlights a substantial proportion of individuals who have encountered counterfeit items despite their awareness.

TABLE 20

Do people around you buy luxurious fashion products

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	57	71%
2	No	64	29%
Total		221	100%

(Source: Primary Data)



Graph 20

Do people around you buy luxurious fashion products

Analysis/Interpretation:

The above research data reveals the purchase of luxury fashion products by people around them. It is shown that 157 respondents (71%) have people around them who buy luxurious products and 64 respondents (29%) do not have such people around them. This suggests a prevalent perception of luxury fashion consumption within the social circles of the surveyed population.

TABLE 21
What motivates you to buy counterfeit fashion products?

1	Similar appearance to authentic items	64	29%
2	Cost Saving	75	33.9%
3	Unawareness of authenticity	68	30.8%
4	Fear of theft or loss	14	6.3%
Total		221	100 %

(Source: Primary Data)



Graph 21
What motivates you to buy counterfeit fashion products?

Analysis/Interpretation:

The above research data reveals what motivates the respondents to buy counterfeit products. It is found that 75 respondents (33.9%) have chosen cost savings, 68 respondents (30.8%) have chosen unawareness of authenticity, 64 respondents (29%) have chosen a similar appearance to authentic items, and 14 respondents (6.3%) have chosen fear of theft or loss with genuine items. authentic items (28.96%), and fear of theft or loss with genuine items (6.33%). This illustrates varied reasons influencing individuals' decisions to buy counterfeit fashion items within the surveyed population.

TABLE 22

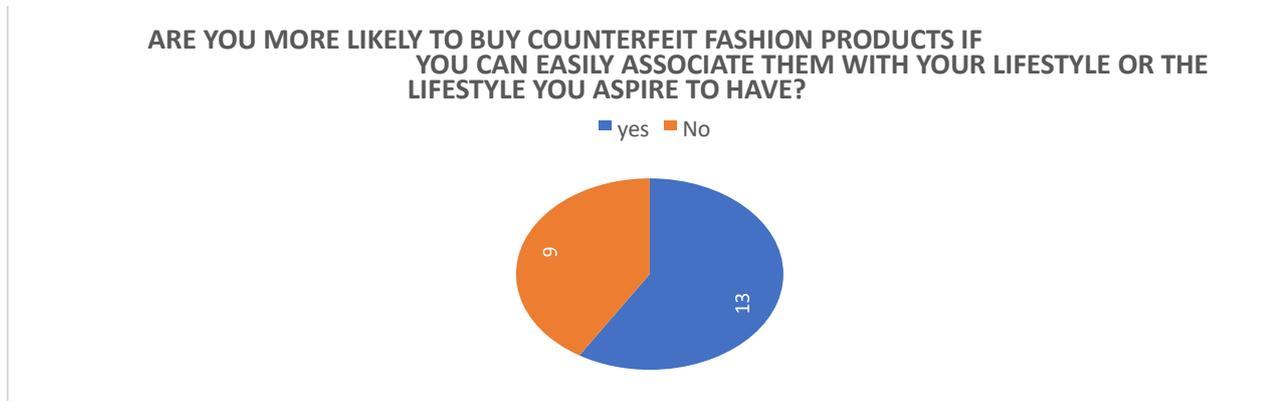
Are you more likely to buy counterfeit fashion products if you can easily associate them with your lifestyle or the lifestyle you aspire to have?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	30	58.8%
2	No	1	41.2%
Total		221	100%

(Source: Primary Data)

Graph 22

Are you more likely to buy counterfeit fashion products if you can easily associate them with your lifestyle or the lifestyle you aspire to have?



Analysis/Interpretation:

The above research data reveals if respondents are more likely to purchase counterfeit luxury fashion products if they can easily associate them with their lifestyle or the lifestyle they aspire to have. It is found that 130 respondents (58.8%) have chosen yes and 91 respondents (41.2%) have chosen no. This suggests a significant influence of perceived lifestyle association on the likelihood of purchasing counterfeit fashion items within the surveyed population.

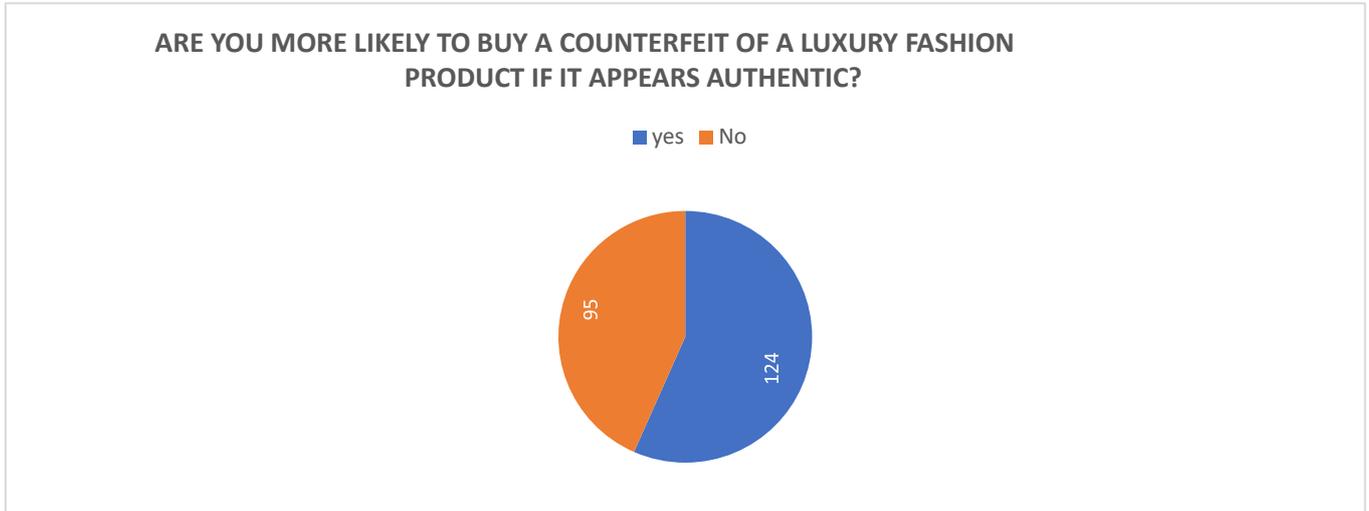
TABLE 23

Are you more likely to buy a counterfeit of luxury fashion product if it appears authentic?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	24	56.6%
2	No	5	43.4%

Total **221** **100%**

(Source: Primary Data)



Graph 23

Are you more likely to buy a counterfeit of luxury fashion product if it appears authentic?

Analysis/Interpretation:

The above research data reveals if respondents are more likely to buy a counterfeit luxury fashion product if it appears authentic. It is found that 124 respondents (56.6%) are likely to buy such products if it appears authentic and 95 respondents (43.4%) have no such tendencies. This suggests a significant influence of perceived authenticity association on the likelihood of purchasing counterfeit fashion items within the surveyed population.

TABLE 24

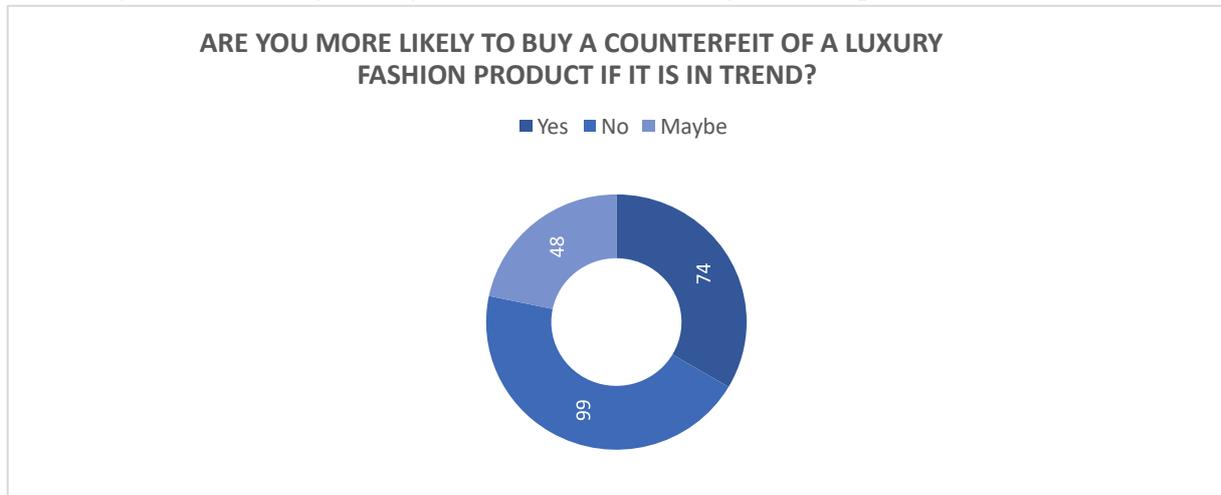
Are you more likely to buy a counterfeit of luxury fashion product if it is in trend?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	74	33.5%
2	No	99	44.8%
3	Maybe	48	21.7%
Total		221	100%

(Source: Primary Data)

Graph 24

Are you more likely to buy a counterfeit of luxury fashion product if it is in trend?



Analysis/Interpretation:

The above research data reveals if the respondents are more likely to buy a luxury fashion product if it is in trend. It is found that 99 respondents (44.8%) have no such tendencies, 74 respondents (33.5%) have such tendencies and 48 respondents (21.7%) have no opinion about the above. This suggests a mixed perception of the influence of trends on the likelihood of purchasing counterfeit luxury fashion items within the surveyed population.

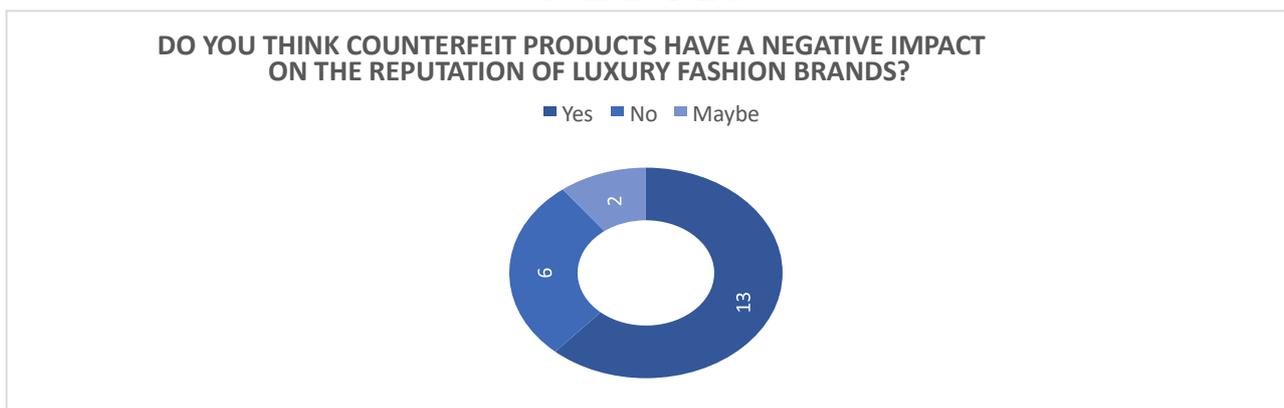
TABLE 25

Do you think counterfeit products have a negative impact on the reputation of luxury fashion brands?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	136	61.5%
2	No	62	28.1%
3	Maybe	23	10.4%
Total		221	100%

(Source: Primary Data)

Graph 25 Do you think counterfeit products have a negative impact on the reputation of luxury fashion brands?



Analysis/Interpretation:

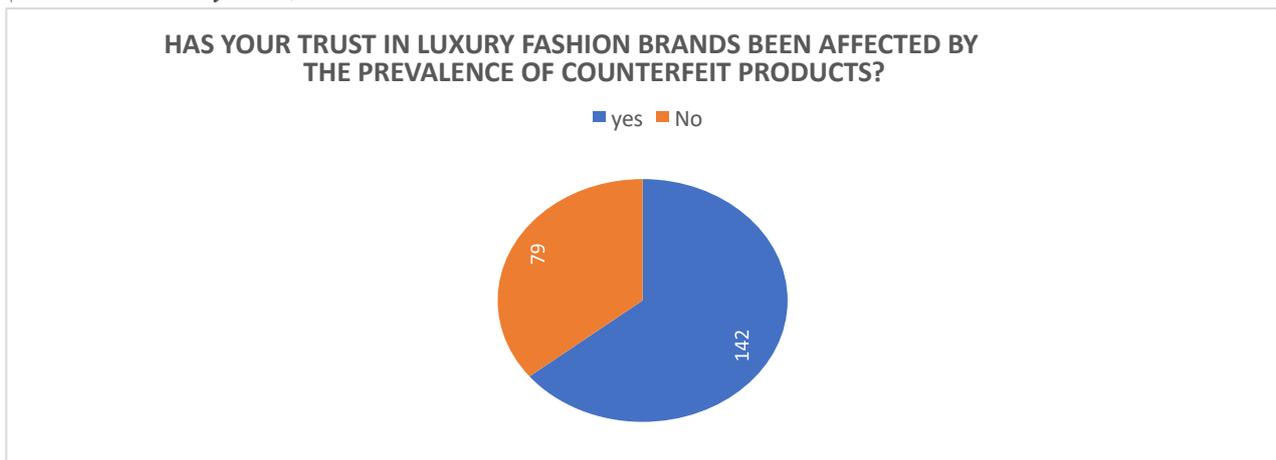
The above research data reveals the opinion of respondents on the negative impact of counterfeit products on the respondents of luxury fashion brands. It is found that 136 respondents (61.5%) believe that such products hurt the brand reputation, 62 respondents (28.1%) do not think that it affects the brand reputation, and 23 respondents (10.4%) have chosen maybe. This indicates a prevalent perception of the negative implications of counterfeit products on luxury fashion brand reputations within the surveyed population.

TABLE 26

Has your trust in luxury fashion brands been affected by the prevalence of counterfeit products?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	42	64.3%
2	No	9	35.7%
Total		221	100%

(Source: Primary Data)



Graph 26

Has your trust in luxury fashion brands been affected by the prevalence of counterfeit products?

Analysis/Interpretation:

The above research data reveals if the respondents' trust in brands has been affected by the prevalence of counterfeit products. It is shown that 142 respondents (64.3%) believe that their trust has been affected and 79 respondents (35.7%) do not think that their trust in brands has not been affected. This suggests a significant impact of counterfeit products on the trust levels associated with luxury fashion brands within the surveyed population.

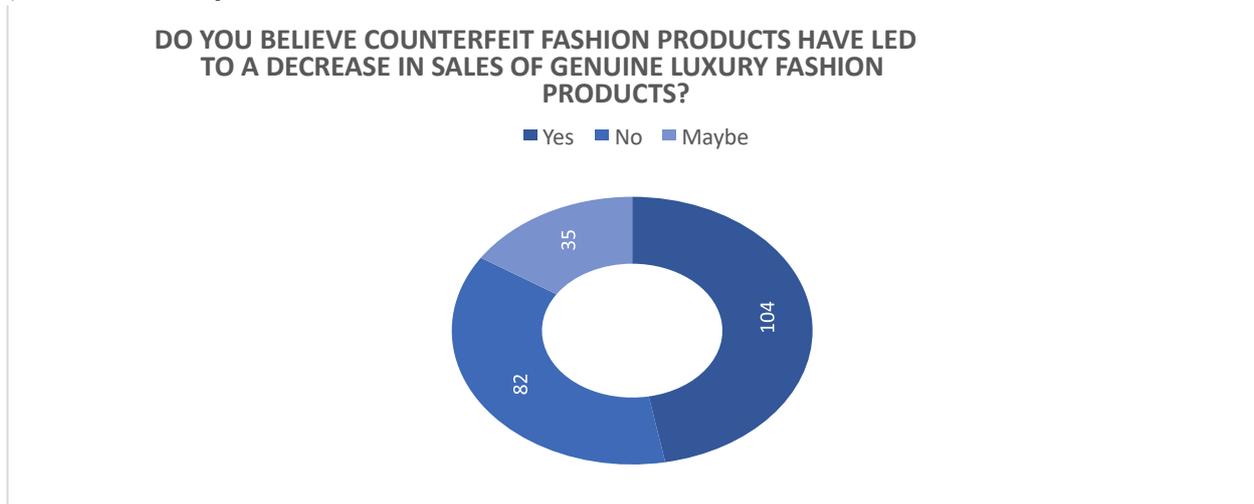
TABLE 27

Do you believe counterfeit fashion products have led to a decrease in sales of genuine luxury fashion products?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	104	47.1%

2	No	82	37.1%
3	Maybe	35	15.8%
Total		221	100%

(Source: Primary Data)



Graph 27

Do you believe counterfeit fashion products have led to a decrease in sales of genuine luxury fashion products?

Analysis/Interpretation:

The above research data reveals if the respondents believe counterfeit fashion products have led to a decrease in sales of genuine luxury fashion products. It is shown that 104 respondents (47.1%) believe that counterfeit fashion products have led to a decrease in sales, 82 respondents (37.1%) do not believe in the above and 35 respondents (15.8%) were uncertain. This indicates a mixed perception of the impact of counterfeit products on the sales of genuine luxury fashion items within the surveyed population.

TABLE 28

Do you believe that counterfeit product contributes to job losses in the fashion industry?

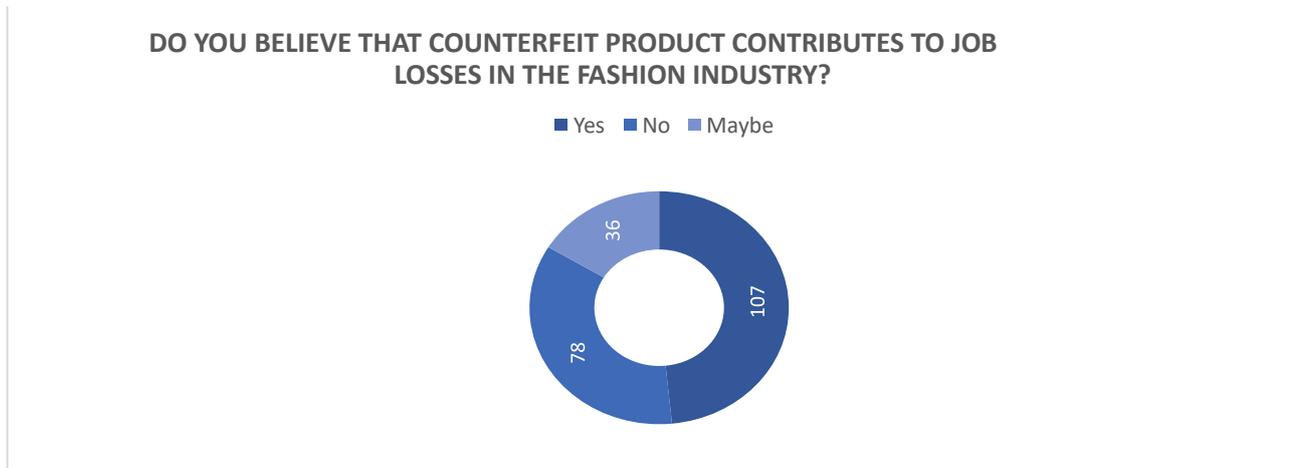
Sl. No	Respondents	Number of respondents	Percentage
1	Yes	107	48.4%
2	No	78	35.3%
3	Maybe	36	16.3%

Total

221

100%

(Source: Primary Data)



Graph 28

Do you believe that counterfeit product contributes to job losses in the fashion industry?

Analysis/Interpretation:

The above research data reveals if the respondents believe that counterfeit product contributes to job losses in the fashion industry. It is shown that 107 respondents (48.42%) believe that counterfeit products contribute to job losses in the fashion industry, while 78 respondents (35.3%) disagreed, and 36 respondents (16.29%) were uncertain. This suggests a varied perception of the potential impact of counterfeit products on employment within the fashion industry among the surveyed population.

TABLE 29

Do you think counterfeit products affect the innovation and creativity of the fashion industry?

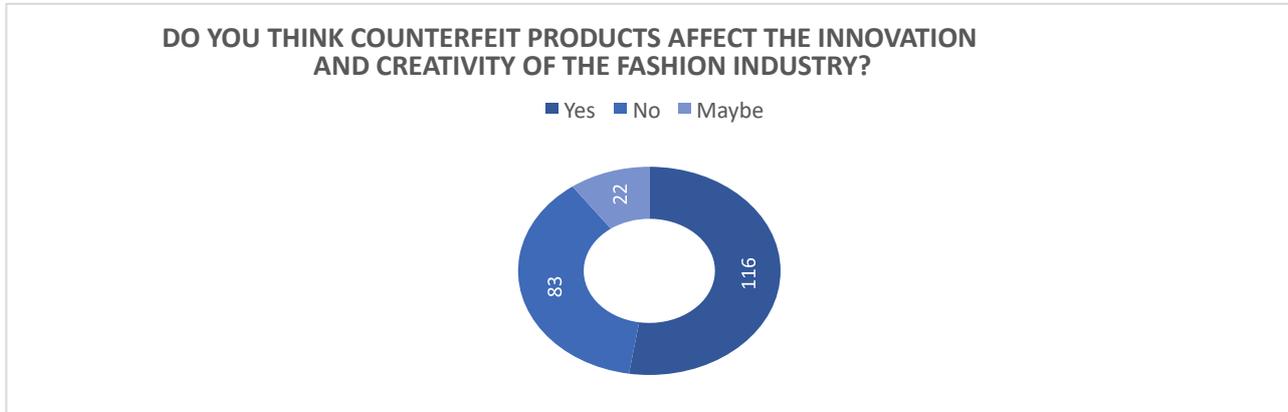
Sl. No	Respondents	Number of respondents	Percentage
1	Yes	116	52.5%
2	No	83	37.6%
3	Maybe	22	10%

Total

221

100%

(Source: Primary Data)



Graph 29

Do you think counterfeit products affect the innovation and creativity of the fashion industry?

Analysis/Interpretation:

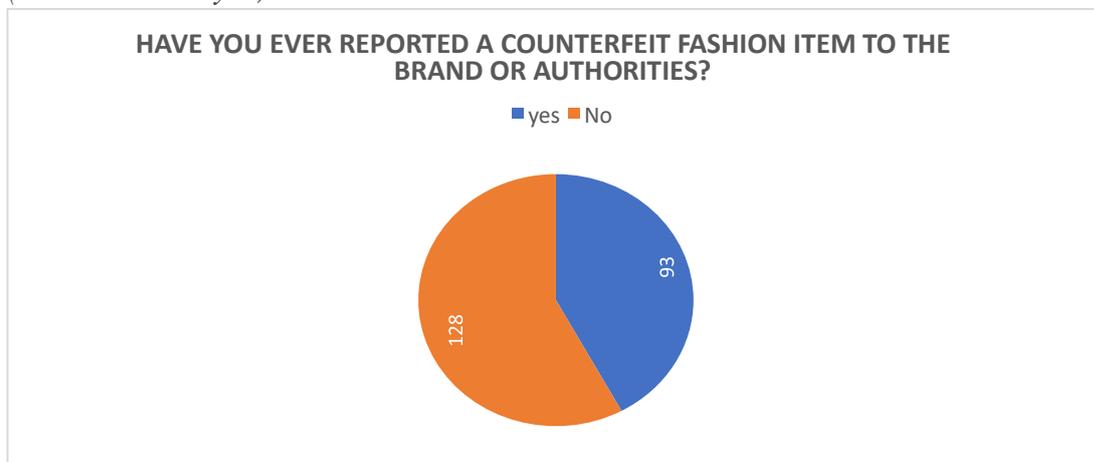
The above research data reveals if respondents believe if counterfeit products affect the innovation and creativity of the fashion industry. It is shown that 116 respondents (52.5%) selected yes, 83 respondents (37.6%) selected no, and 22 respondents (10%) selected maybe. This indicates a notable perception of counterfeit products impacting innovation and creativity within the fashion industry among the surveyed population.

TABLE 30

Have you ever reported a counterfeit fashion item to the brand or authorities?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	93	42.1%
2	No	128	57.9%
Total		221	100%

(Source: Primary Data)



Graph 30

Have you ever reported a counterfeit fashion item to the brand or authorities?

Analysis/Interpretation:

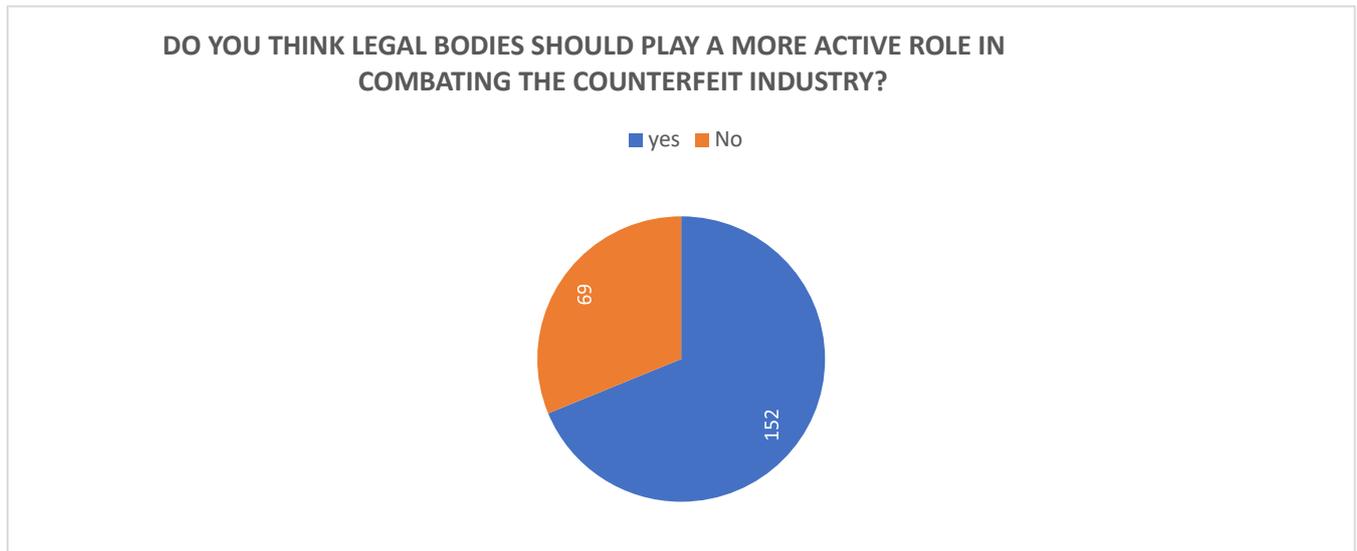
The above research data reveals if the respondents have ever reported a counterfeit luxury fashion item to the brand or authorities. It is found that a majority of 128 respondents (57.9%) have not reported any such items and only 93 respondents (42.1%) have reported such items. This suggests a significant portion of individuals taking action against counterfeit fashion items within the surveyed population.

TABLE 31

Do you think legal bodies should play a more active role in combating the counterfeit industry?

Sl. No	Respondents	Number of respondents	Percentage
1	yes	52	68.8%
2	No	9	31.2%
Total		221	100%

(Source: Primary Data)



Graph 31

Do you think legal bodies should play a more active role in combating the counterfeit industry?

Analysis/Interpretation:

The above research data reveals the opinion of respondents on whether legal bodies should play a more active role in combating the counterfeit industry. It is found that 152 respondents (68.8%) agree with the opinion and 69 respondents (31.2%) do not agree with it. This indicates a prevalent perception of the need for increased involvement of legal entities in addressing counterfeit-related issues within the surveyed population.

TABLE 32

Are you aware of any specific laws or regulations aimed at curbing counterfeit fashion products?

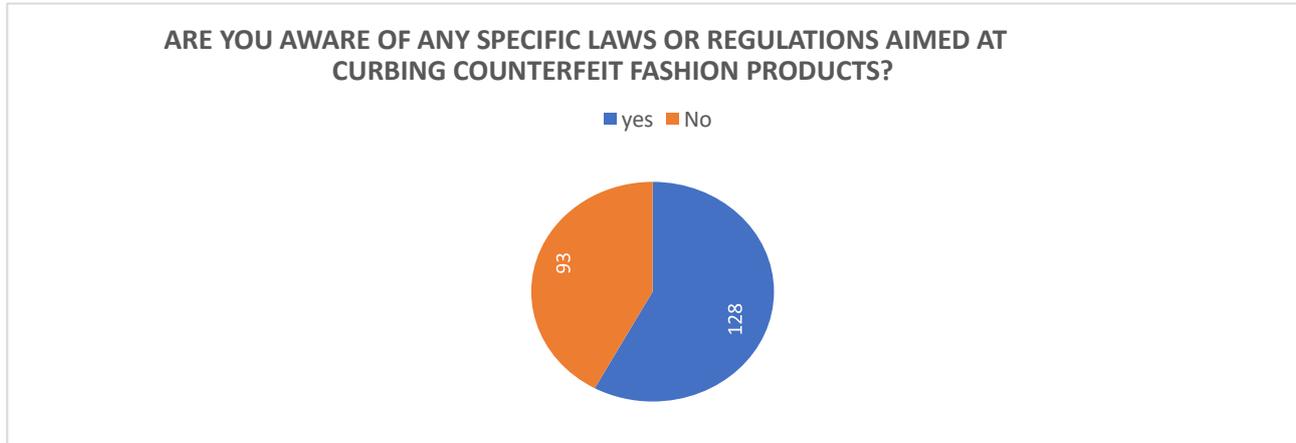
Sl. No	Respondents	Number of respondents	Percentage
1	Yes	28	57.9%
2	No	3	42.1%

Total

221

100%

(Source: Primary Data)



Graph 32

Are you aware of any specific laws or regulations aimed at curbing counterfeit fashion products?

Analysis/Interpretation:

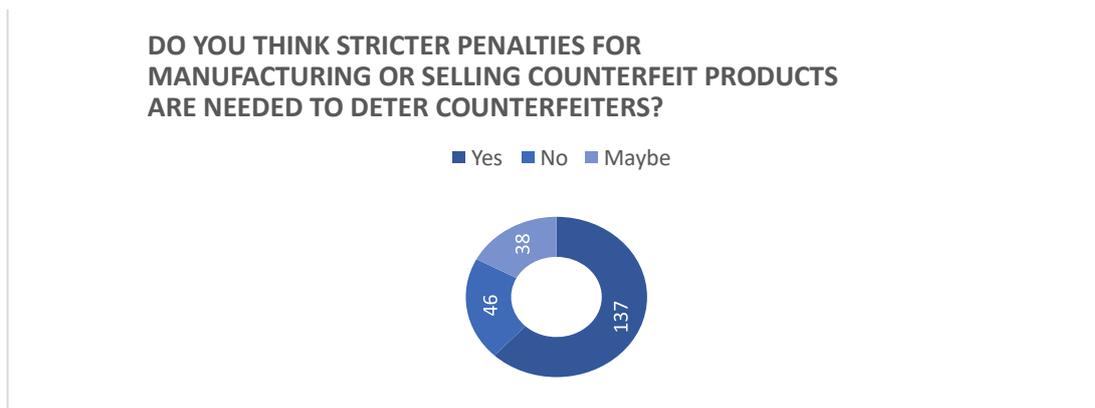
The above research data reveals if the respondents are aware of any specific laws or regulations aimed at curbing counterfeit fashion products. It is found that a maximum of 128 respondents (57.9%) are aware of such laws or regulations and 93 respondents (42.15%) are not aware of any such laws or regulations. This suggests a significant portion of the surveyed population is informed about legal measures targeting counterfeit items within the fashion industry.

TABLE 33

Do you think stricter penalties for manufacturing or selling counterfeit products are needed to deter counterfeiters?

Sl. No	Respondents	Number of respondents	Percentage
1	Yes	137	62%
2	No	46	20.8%
3	Maybe	38	17.2%
Total		221	100%

(Source: Primary Data)



Graph 33

Do you think stricter penalties for manufacturing or selling counterfeit products are needed to deter counterfeiters?

Analysis/Interpretation:

The above research data reveals whether the respondents think stricter penalties for manufacturing or selling counterfeit products are needed to deter counterfeiters. It was found that 137 respondents (62.44%) believe that stricter penalties for manufacturing or selling counterfeit products are needed to deter counterfeiters, while 46 respondents (20.81%) disagreed, and 38 respondents (17.18%) were undecided. This indicates a prevalent perception of the necessity for more stringent penalties to discourage counterfeit activities within the surveyed population.

10. FINDINGS

- Prevalence of Counterfeit Encounters: A significant portion of respondents (53.85%) reported encountering counterfeit fashion products, indicating a widespread issue within the luxury fashion industry.
- Negative Impact on Brand Reputation and Trust: A majority of respondents (61.54%) believe that counterfeit products have a negative impact on the reputation of luxury fashion brands, and 64.25% reported that their trust in luxury fashion brands has been affected by the prevalence of counterfeit products.
- Potential Decrease in Sales and Job Losses: While opinions were mixed, a notable proportion of respondents (46.85%) believe that counterfeit fashion products have led to a decrease in sales of genuine luxury fashion products, and 48.42% believe that counterfeit products contribute to job losses in the fashion industry.
- Perceived Impact on Innovation and Creativity: A significant portion of respondents (52.49%) believe that counterfeit products affect the innovation and creativity of the fashion industry, indicating concerns about the industry's ability to innovate in the presence of counterfeit competition.
- Call for Stricter Penalties and Legal Involvement: A majority of respondents (62.44%) believe that stricter penalties for manufacturing or selling counterfeit products are needed to deter counterfeiters, and 68.78% believe legal bodies should play a more active role in combating the counterfeit industry, highlighting a demand for stronger legal measures to address the issue.

11. SUGGESTIONS

- Implement stricter penalties for manufacturing and selling counterfeit products to deter counterfeiters.
- Increase awareness among consumers about the ethical and legal consequences of purchasing counterfeit goods.
- Utilize blockchain technology to create transparent supply chains for verifying product authenticity.
- Conduct more research on consumer motives for purchasing counterfeit products and their impact on the luxury fashion industry.
- Explore innovative solutions to combat digital counterfeits, especially with the rise of e-commerce and online marketplaces.
- Advocate for stricter regulations and enforcement measures to protect the reputation and integrity of luxury fashion brands.

- Encourage responsible consumption practices and promote the value of authentic, high-quality products within the fashion industry.

12. CONCLUSION

The widespread prevalence of counterfeit products in the luxury fashion industry due to various factors like the need to own trendy fashion items, and encouragement to buy luxury fashion products in the social circle needs to be addressed seriously. The very essence of the luxury fashion industry lies in its differentiated items which are being adversely affected due to counterfeit products. It can be seen through the collection and interpretation of primary data that 61.5% of the respondents believe that counterfeit products have a negative impact on the reputation of brands.

Not only do counterfeit products affect the exclusivity of the brands and their reputation it also has a negative effect on how consumers begin to perceive the luxury fashion industry altogether. It also has a negative impact on the economy in terms of unemployment in the luxury fashion industry since the prevalence of counterfeited goods also affects the unique selling point of the luxury fashion industry which is innovation and creativity. The collection of primary data in our research positively proves the point. It is found that 48.7% of the respondents believe that counterfeited products cause job losses in the luxury fashion industry and 52.5% of the respondents think that counterfeited products affect the innovation and creativity of the fashion industry.

While the brands are making efforts to curb counterfeits it is clear that it is not enough. In our research, it was found that 57.9% of the respondents were not aware of any specific laws or regulations aimed at curbing counterfeit fashion products. This shows that there is not enough awareness about the impact of counterfeit products on the luxury fashion industry. And fairly enough 68.8% of respondents agree with the fact that legal bodies should play a more active role in combating the counterfeit industry and 62% of the respondents agree with the fact that stricter penalties should be implemented for counterfeiters.

Eliminating counterfeit products from the luxury industry is going to be a long and tedious journey but a needed one to maintain the legacy of luxury fashion. It should be a joint effort between the consumers, the manufacturers of the luxury fashion products and the legal bodies.

REFERENCES:

1. Corral, L. C., & Walker, K. J. (n.d.). *Exploring the Abilities of 3D Printing and its Viability for Consumption in the Fashion Industry*. ScholarWorks@UARK. <https://scholarworks.uark.edu/ampduht/1>
2. *Why young shoppers are cool with counterfeits* | *Financial Times*. (n.d.). Why Young Shoppers Are Cool With Counterfeits | Financial Times. <https://www.ft.com/content/9609381f-8ad5-4f95-b2b2-2b8b050107d4>
3. *BoF Insights* | *In the Age of BeReal, Gen-Z Says It's Acceptable to Buy Fake Fashion*. (2023,
4. March 14). *BoF Insights* | in the Age of BeReal, Gen-Z Says It's Acceptable to Buy Fake Fashion | BoF. <https://www.businessoffashion.com/articles/retail/bof-insights-chart-watchgen-z-counterfeit-luxury-goods-fake/>
5. *The Psychology Behind Why People Buy Luxury Goods*. (2023, June 29). Investopedia. <https://www.investopedia.com/articles/personal-finance/091115/psychology-behind-why-people-buy-luxury-goods.asp>

6. *Why most Indians purchase counterfeits*. (n.d.). Fortune India: Business News, Strategy, Finance and Corporate Insight. <https://www.fortuneindia.com/opinion/why-most-indianspurchase-counterfeits/103166>
7. *Perceptions of counterfeits among luxury goods differ across cultures* | Penn State University. (2021, July 2). Perceptions of Counterfeits Among Luxury Goods Differ Across Cultures | Penn State University. <https://www.psu.edu/news/research/story/perceptionscounterfeits-among-luxury-goods-differ-across-cultures/>
9. *Young shoppers can't get enough of counterfeit goods*. (n.d.). FashionUnited. <https://fashionunited.uk/news/fashion/young-shoppers-can-t-get-enough-of-counterfeitgoods/2023042569183>
11. Nast, C., & V. (2023, April 10). *Gen Z loves dupes. Is this bad news for luxury fashion brands?* Vogue Business. <https://www.voguebusiness.com/fashion/gen-z-loves-dupes-is-thisbad-news-for-luxury-fashion-brands>
12. *Understanding the Behavior of Consumers Who Buy Counterfeit Products*. (n.d.).
13. *Understanding the Behavior of Consumers Who Buy Counterfeit Products*. <https://www.linkedin.com/pulse/understanding-behavior-consumers-who-buy-counterfeithernan-albamonte>
14. Organisation for Economic Co-operation and Development (OECD). (2019). *Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact*.
15. Hausman, A., & Johnston, W. (2014). *The Influence of Fashion Counterfeits on the Purchase Intentions of Consumers*. *Journal of Consumer Marketing*, 31(1), 46-56.
16. Kasim, A., Juwaheer, T. D., & Horigome, Y. (2016). *Counterfeit Luxury Consumption in a Collectivist Society: Insights from Mauritius*. *Journal of Fashion Marketing and Management*, 20(2), 181-197.
18. Wilcox, K., Kim, H., & Sen, S. (2009). *Why Do Consumers Buy Counterfeit Luxury Brands?* *Journal of Marketing Research*, 46(2), 247-259.
20. Phau, I., & Teah, M. (2009). *Devil wears (counterfeit) Prada: A study of antecedents and outcomes of attitudes towards counterfeits of luxury brands*. *Journal of Consumer Marketing*, 26(1), 15-27.
21. Treadway, D. C., & Kidwell, B. (2016). *The Dark Side of Luxury: Social Costs of the Luxury Brand Illusion*. *Journal of Marketing Theory and Practice*, 24(2), 151-164.
22. De Matos, C. A., & Rossi, C. A. (2013). *Word-of-mouth communications in marketing: A meta-analytic review of the antecedents and moderators*. *Journal of the Academy of Marketing Science*, 41(1), 1-15.
23. Kretschmer, T., & Hardwick, P. (2007). *Images of Copyright: A Look at the Visual Artists Rights Act*. *Vanderbilt Journal of Entertainment & Technology Law*, 10(4), 841-880.
24. Maskus, K. E. (2000). *Intellectual Property Rights in the Global Economy*. Institute for International Economics.
25. DeSarbo, W. S., et al. (2019). *Consumer Ethical Beliefs and Social Influence on Luxury Brand Preferences: A Cross-Cultural Investigation*. *Journal of International Marketing*, 27(4), 18-37.
26. Wiedmann, K. P., Hennigs, N., & Siebels, A. (2009). *Measuring Consumers' Luxury Value Perception: A Cross-Cultural Framework*. *Academy of Marketing Science Review*, 2009(9).

27. Lobb, A. (2009). The Cost of Counterfeiting: Fakes as Luxury Products. In K. Kemp, G. Appenzeller, M. Nuyttens, & B. Hake (Eds.), *Counterfeiting and Piracy: A Comprehensive Literature Review* (pp. 88-109).
28. Ren, G., Karam, A., & Chen, Y. (2019). Counterfeit Luxury Consumption in Emerging Markets: A Review. *Journal of International Consumer Marketing*, 31(5), 417-429.
29. Nia, A., Zaichkowsky, J., & Silvera, D. H. (2008). The Role of Emotions in Online Consumer Behavior: A Comparison of Search, Experience, and Credence Services. *Journal of Services Marketing*, 22(5), 347-356.
31. The Role of Brand-Logo Placement in TV Advertising: The Influence of Congruity and Modality of TV Programs on Brand Attitude Formation. *Journal of Advertising Research*, 58(2), 204-218 (2018).
32. The Role of Ethical Value Discourses in Promoting Counterfeit Luxury Fashion Consumption. *Journal of Business Research*, 109, 488-496 (2020).
33. Roberts, L., Yuan, Y., & Xu, Y. (2021). Digital Counterfeit Luxury in a Sharing Economy: An Examination of Purchase Intention. *Journal of Business Research*, 132, 13-25.
34. Bartos, P. J., & Xu, S. (2020). Blockchain Technology Adoption: The Case of the Fashion Industry. *Journal of Theoretical and Applied Electronic Commerce Research*, 15(2), 133-148.
35. Industry.