The Relationships Among Counterfeit Users' Social Class, Perceived Counterfeit Proliferation, Luxury Brand Values and Patronage Intention: A Moderating Effect of Need For Status

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ความสัมพันธ์ระหว่าง ชนชั้นทางสังคมของผู้ใช้สินค้าลอกเลียนแบบ การรับรู้ถึงความแพร่ขยาย
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การทบทวนวรรณกรรมเกี่ยวกับสินค้าแบรนด์เนมลอกเลียนแบบได้แสดงให้เห็นถึง ช่องว่างในงานวิจัยสามประการ ประการแรก ผลงานวิจัยที่ผ่านยังไม่สามารถสรุปได้ว่าสินค้าแบ รนด์เนมลอกเลียนแบบมีผลกระทบต่อแบรนด์ของแท้อย่างไร ประการที่สอง ผลของความต้องการ สถานภาพในฐานะตัวแปรกำกับต่อความสัมพันธ์ของสินค้าแบรนด์เนมลอกเลียนแบบกับคุณค่า ของแบรนด์ (Brand Value) ของแบรนด์เนมของแท้ยังไม่ได้ถูกศึกษาในงานวิจัยที่ผ่านมา ประการ ที่สาม งานวิจัยที่ผ่านมาที่เกี่ยวข้องกับผลกระทบของสินค้าแบรนด์เนมลอกเลียนแบบต่อคุณค่าของ แบรนด์ของแบรนด์เนมของแท้ ไม่ได้ระบุชัดเจนว่างานวิจัยดังกล่าวศึกษามิติใดของคุณค่าของแบ รนด์ เพื่อเป็นการปิดช่องว่างในงานวิจัย งานวิจัยฉบับนี้ได้ทำงานวิจัยความสัมพันธ์ระหว่างชนชั้น ทางสังคมของผู้ใช้สินค้าลอกเลียนแบบ การรับรู้ถึงความแพร่ขยายของสินค้าลอกเลียนแบบ และ คุณค่าแบรนด์สินค้าหรูหรา และ ได้ศึกษาว่าความสัมพันธ์ดังกล่าวนั้นแตกต่างอย่างไร สำหรับ ผู้บริโภคที่มีความต้องการสถานภาพสูงและผู้บริโภคที่มีความต้องการสถานภาพต่ำ อีกทั้งยังศึกษา ความสัมพันธ์ระหว่างคุณค่าแบรนด์สินค้าหรูหราและความตั้งใจอุปถัมภ์ งานวิจัยนี้ได้มีการเก็บ ตัวอย่างทั้งหมด 224 ตัวอย่าง แบ่งออกเป็นตัวอย่างผู้บริโภคที่มีความต้องการสถานภาพสูง 138 ตัวอย่าง และตัวอย่างผู้บริโภคที่มีความต้องการสถานภาพต่ำ 116 ตัวอย่าง โดยใช้เทคนิค PLS-SEM ในการวิเคราะห์ข้อมูล วิทยานิพนธ์ฉบับนี้ได้รายงานผลงานวิจัยทั้งหมดพร้อมทั้งการอภิปราย ผลงานวิจัย และได้นำเสนอแนวทางการทำวิจัยเพิ่มเติมในอนาคต เพื่อเป็นการต่อยอดความรู้ทาง วิชาการต่อไป

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Literature reviews have shown that three main gaps prevail in literature of counterfeit luxury brands. First, there is a mixed result regarding the effects on counterfeits. Second, past studies did not explore the interaction effects of consumers' need for status with the relationships between counterfeit product consumption and luxury fashion brand values. Third, past studies that explored the effects of counterfeits on original luxury brand values did not clearly define the dimensions of the value being studied. To address the gaps in the literature, this research studies the relationships between the social class of the counterfeit luxury fashion brand users, perceived proliferation of counterfeit luxury fashion products, and the brand values of the original luxury fashion brand and how these relationships will be different for consumers with high need for status and low need for status. Moreover, this research also studies the relationships between the original luxury fashion brand values and the consumers' intention to patronize the original brand. Two hundred and twenty-four samples were collected, divided into 138 samples with high need for status and 116 samples with low need for status. PLS-SEM technique was used to analyze the data. Results were reported and discussed. Also, directions for future research were suggested.

Department:	Marketing	Student's Signature	....
Field of Study:	Marketing	Advisor's Signature	....
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CONTENTS

LIST OF TABLES

LIST OF FIGURES

จุฬาลงกรณ์มหาวิทยาลัย

CHULALONGKORN UNIVERSITY

CHAPTER 1 INTRODUCTION

1.1 Rationale

1.1.1 Luxury Brand Consumption

The seek for social standing or social status is what motivates much of consumers' consumption behavior (Eastman, Goldsmith & Flynn, 1999). This is one of the reasons why certain brands are being sought after more than others (Commuri, 2009). Brands that carry prestigious symbolic values are often more desired by certain groups of consumers compared to other brands that do not.

The topic of luxury brand consumption has been one of the main topics focused on by many marketing scholars regarding status consumption research. This is because luxury brands carry certain brand values that allow users to portray social standing that other generic brands do not. According to Vigneron and Johnson (2004), such luxury brand value is derived from five value sub dimensions, which are, quality, hedonic, prestige, self-identity, and uniqueness value.

It is generally known that luxury brands often come with extremely high price. As the demand for luxury brands increases, certain group of people have been finding leeway around the requirement of high investment through the use of counterfeit luxury brand products. Therefore, it is not only the demand for luxury brands that is increasing, but the demand of counterfeit luxury products has also been increasing as well (Wang and Song, 2013) .

1.1.2 Luxury Fashion Brand Counterfeiting

According to Cesareo and Stottinger (2015), luxury fashion brand counterfeiting has become a problem at a global level. The Organization for Economic Cooperation and Development has estimated that 5-9 percent of the global trade volume is counterfeit products (Hieke, 2010). The estimated total value of counterfeits sold

worldwide is as high as 1.8 trillion US dollars (The Economist Newspaper Limited, 2015). According to the Business Action to Stop Counterfeiting and Piracy (BASCAP), counterfeiting problem has grown over 10,000 percent over the past twenty years.

Pottengal Mukundan, the Director of the International Maritime Bureau, has even mentioned that the problem of counterfeits actually has more negative effect than what many people think. It affects the economies of countries, people's livelihoods, and even health and safety. It was reported that counterfeits have caused approximately 2.5 million jobs worldwide to be dismantled (Aris Export, 2016). Thus, if counterfeits continue to grow, employment problems will continue to rise.

Even worse than the unemployment problem, counterfeiting can even lead to child slavery. One of the reasons to why counterfeits can be so cheap is that their production does not have labor cost. As counterfeit productions are underground, they are essentially unregulated (Aris Export, 2016). Dana Thomas described in her book "Deluxe: How Luxury Lost Its Luster" how she saw seven little children under ten years old in an assembly plant in Thailand sitting on the floor assembling counterfeit leather handbags. The children had their legs broken and their lower legs were tied to the thigh to prevent the bones from mending. This shows how serious the problems with counterfeiting has become.

To add fuel to the fire, counterfeit products have been growing every year. According the U.S. Customs and Border Protection, the number of counterfeit seizures has increased from approximately 3,700 the year 2001 to 20,000 in 2010. This is approximately a 21 percent CAGR, which is greater than the sales growth in many large corporates. Figure 1 depicts the growth in counterfeit seizures by the U.S. Customs.

According to The Economist (2015), of all the counterfeits being seized at the U.S. border, almost 70 percent are watches, jewelry, handbags, wallets, and clothing, while the other approximately 30 percent are pharmaceuticals, personal care, footwear, consumer electronics, and others. On the other hand, approximately 55 percent of all

counterfeits being seized in the European Union are watches, jewelry, handbags, wallets, and clothing, while the other approximately 45 percent are pharmaceuticals, personal care, footwear, consumer electronics, and others. Figure 2 depicts the percentage of counterfeit goods being seized in the U.S. and the European Union. This shows that the majority of counterfeits are fashion goods.

Figure 1: Growth in Counterfeit Seizures by the U.S. Customs (von Massow, 2013)

Figure 2: Percentage of counterfeit goods being seized in the U.S. and the European Union (The Economist Newspaper Limited, 2015)

Counterfeiting in Asia is no better than in the other parts of the world. China is the world's biggest producer of counterfeit products. Sixty-seven percent of all counterfeit products seized are produced in China (Lowe, 2013). While the market for luxury products is growing rapidly in China, the market for counterfeit luxury product is growing equally fast (Y. Wang & Song, 2013).

Thailand is also known for its long histories of counterfeit trafficking across multiple product categories (Commuri, 2009). Counterfeit luxury fashion brands are openly sold in Bangkok (Ehrlich, 2015). Several miles away from the Pratunam Market, counterfeit luxury fashion brand products can even be found in an air-conditioned mall. This shows how serious counterfeit luxury fashion product problem has become in Thailand.

Some of the limited information reveals that global luxury fashion brands such as Balenciaga have expressed concerns regarding counterfeit products taking up their market shares (Chu, 2016). Lindsey (2015) has mentioned in a blog entry that it is the mentality of the consumers that has to be changed. Counterfeit users, according to Linsey, has to be aware that their actions of buying counterfeits is not a signal of smartness but are actions that lead to many serious problems. Counterfeit users will just have to learn that if they cannot afford the authentic product, they will just have to not use to product.

This account by Lindsey (2015) is some of the handful evidences that consumers are actually dissatisfied with counterfeit users and the proliferation of counterfeit products. In Thailand, consumers are starting to be afraid of deceptive counterfeits such that social media are often being used to request opinion from other consumers whether they interested products is authentic or not. Figure 3 shows an example of such account.

Figure 3: The Use of Social Media to Prevent Being Deceived by Deceptive Counterfeit Products
(Pantip.com, 2015)

The examples mentioned above are just some of the examples from a very limited pool of data regarding how counterfeits affect authentic luxury brand owners and the authentic brand itself. As signals of discontentment towards counterfeit luxury consumption start to appear, the answer to how serious counterfeit products affect authentic luxury brands is still very vague.

1.1.3 The Study of the Effects of Counterfeit Luxury Brands

Amidst the worsening of counterfeit problems, a lot of publications related to the effect of counterfeit products on the economy and the antecedents of counterfeit consumption are abundant. However, studies to how counterfeit products affect the authentic luxury brand users and the authentic brand itself is very limited. It is still unclear how authentic luxury brand users react to counterfeit consumptions and under what conditions will counterfeit products harm or not harm the authentic luxury brand values.

As mentioned that luxury brands are often used to portray one's social status and self-identity. However, different people have different level of need for status. Therefore, it is highly possible that counterfeit consumption will have a different relationship with how people with high and low need for status perceive luxury brand values.

Since early 1990s, the study of the demand for counterfeit products has become an interest of marketing researchers (Hieke, 2010) but only small amount of research has tried to uncover the effects that counterfeit product consumptions have on the original brands. This is particularly relevant in the case of luxury brands (Commuri, 2009). To the best of our knowledge, only a handful of published research (e.g. Amaral & Loken, 2016; Commuri, 2009; Gabrielli et al., 2012; Hieke, 2010; Lee, 2011; Nia & Zaichkowsky, 2000; Romani et al., 2012; Wang & Song, 2013) in the past have directly explored the effect of counterfeit products on the original luxury brands. Therefore, very little is known about how counterfeit luxury products affect the genuine brand (Amaral & Loken, 2016).

Nia and Zaichkowsky (2000) were the first to study the effects of counterfeits on original luxury brands and indicated that images and the owning of counterfeit products do not have any effect on the original brand. However, the limitation that arose in the study by Nia and Zaichkowsky (2000) is that the study lacks interpersonal comparative element. The symbolic value of wealth and status is relevant only when they are being compared with those of others. Therefore, a significant part of the value and brand equity of luxury products is inherently derived from the interpersonal comparison of wealth and status (Corneo & Jeanne, 1997). The questionnaire used by Nia and Zaichkowsky (2000) lack this interpersonal comparative element. Hence, it is too early to conclude from this study that counterfeit products do not have any effect on the original brand. Moreover, the respondents' need for status was unknown. It was reported in the study that respondents are conveniently sampled from the ones with the highest incomes in the city. It is this possible that the respondents happen to be the ones with low need for status since they are from the well-to-do group that do not seek for social approval through the use of luxury brands and, thus, do not care whether the things that they use are being counterfeited or not.

In contrast to the study by Nia and Zaichkowsky (2000), Commuri (2009) suggests that counterfeits harm the original luxury brands. In-depth interviews reveal

that Thai and Indian users of authentic brands often respond to counterfeited brands by adopting one of these three strategies: flight, reclamation, or abranding. Of the three, flight and reclamation are of our interest. Flight refers to when an authentic brand user abandons the brand. This is often adopted by consumers seeking to construct identity through luxury brand consumption. Reclamation, on the other hand, occurs when authentic brand users try to express how they are one of the first to patronize the brand. While not willing to switch brand, these users are discontent with the presence of counterfeits. The interesting thing, however, is that the responses by different interviewees show difference in their sensitivity to how their social status is being perceived and their response to counterfeit consumptions vary accordingly.

The experimental study by Hieke (2010) suggests that counterfeit luxury brand products do not lead to a significant change in the perception towards the genuine brand. While it was reported that counterfeits weaken the consumers' mental image of the original luxury fashion brand, they do not reduce the brand's perceived level of luxury nor the overall evaluation of the brand.

Lee (2011) reported a mixed result. Five hundred and four questionnaires regarding perceptions of counterfeited luxury brand were collected online. Fifty-two-point nine percent of the respondents who have reported seeing counterfeit Chanel agreed that counterfeits negatively affect the perception of genuine Chanel Brand. However, when the respondents who indicated that they had seen a Chanel counterfeit were asked to describe how exposure to the counterfeits had affected how they evaluate authentic goods, counterfeits were reported to positively affect the value, reputation, and satisfaction of the brand.

Gabrielli et al. (2012) reported results in favor of counterfeit products. The authors conducted a study online on how counterfeit luxury products affect Louis Vuitton's brand equity using the CBBE model by Keller (1993). Results indicate that non-users of Louis Vuitton who were exposed to the brand's fake product rate the brand higher in salience, performance, and resonance compared to the ones that were not.

Users of the brand who were exposed to fake products, on the other hand, rate Louis Vuitton higher in all aspects in the CBBE model except for salience when compared to the ones that were not.

Romani et al. (2012) reported similar results as Gabrielli et al. (2012). The authors suggest that the willingness-to-purchase of a well-known authentic brand among Italian undergraduate students increases after they were made aware of counterfeit products.

Contradicting some of the previous studies are the research by Wang and Song (2013) and Amaral and Loken (2016). Wang and Song (2013) reported that Chinese consumers, regardless of their experience with genuine and counterfeit purchasing, believe that counterfeits devalue the genuine brand. Amaral and Loken (2016) suggested that, in some cases, the adoption of counterfeit luxury brand products has adverse effect on the authentic brand.

1.1.4 The Need for Further Research

Three main gaps prevail in the current literature. First, past studies have shown mixed results of the effects of counterfeits on the original luxury fashion brands. Theoretically, counterfeit products should serve to tarnish the brand values and the image of the original luxury fashion brands due to the severe loss in the exclusivity and uniqueness (Hieke, 2010; Hilton, Choi & Chen, 2004). Users of luxury brands, especially in collectivistic cultures, use luxury products to distinguish themselves from others (Bian & Forsythe, 2012) and to construct identity (Commuri, 2009). Therefore, the proliferation of counterfeit product usage may serve to diminish the ability of the original brand users to distinguish themselves or to construct the desired identity through the use of genuine luxury brand.

However, as described above, some research maintains that counterfeits do not affect the original luxury fashion brand (Hieke, 2010; Arghavan Nia & Judith Lynne Zaichkowsky, 2000). Some even assert that counterfeits actually benefit the authentic brands (Gabrielli et al., 2012; Romani et al., 2012). Results from studies such the ones

from Commuri (2009) and Amaral & Loken (2016) have shown that counterfeits actually have adverse effects on the original luxury fashion brands. It is highly possible that these contradictory results arise from methodological limitations.

Of all the studies mentioned above, only Commuri (2009) and Amaral and Loken (2016) formally took into account the social hierarchy of the counterfeit luxury brand users in analyzing the effect of counterfeit product adoption on genuine luxury brands. According to Commuri (2009), some of the original brand users generally abandon the brand because they perceive that the social class of the counterfeit users is lower than theirs. Since counterfeits are usually the exact copy of the original, genuine brand users believe that wearing luxury products may cause people to think that they are one of the counterfeit users (Commuri, 2009) belonging to a group of people from a lower social class. In tandem to the result by Commuri (2009), Amaral and Loken (2016) reported that there is a relationship between the difference in social status of authentic and counterfeit luxury brand users and the level of brand prestige perceived by the authentic users.

It is important to point out that studies that do not take social class of counterfeit users into account almost always yield inconclusive results regarding the effects of counterfeit products on the genuine luxury brand. However, the two studies that took counterfeit user's social class into account (Commuri, 2009 and Amaral & Loken, 2016) suggest that counterfeit products have detrimental effects on authentic luxury brands. Therefore, this suggests that the difference in social class of the counterfeit and authentic brand users play a crucial role in determining whether counterfeit products will have negative effect on authentic brands or not. As mentioned that there are only two relevant research papers that studied the effect counterfeit users' social class, further investigation is needed to verify the effects that counterfeit user's social class.

Another noteworthy observation from Commuri's (2009) work is that different respondents have different level of need for status and these respondents reacts differently to counterfeit consumption. For example, a young male respondent with the

apparent need for social approval choose to abandon a brand because it is heavily counterfeited. On the other hand, a middle-age woman who, according to Commuri (2009), belongs to a more affluent group demonstrates that she does not care if she sees someone wearing a counterfeit version of the very same product that she is wearing. This is perhaps due to the reason that she is in low need for status.

The observation above brings us to the second important gap. Past studies did not explore into the interactions of consumer's 'need for status' with the relationships between counterfeit product consumption and luxury fashion brand values. In order to get a more complete picture of the phenomena, it is important to understand that maintaining social distance is not equally important to every person. According to Han *et al.* (2010), consumers can be segmented according to their need for status. It could be argued that people who are in need for status and social acceptance are more likely to abandon a luxury brand when people from a lower class start adopting the brand's counterfeit product. It is therefore not only important to study the relationships between difference in social status on luxury brand values but also important to explore consumer's need for status will interact with this relationship. None of the literatures on counterfeit luxury brand reviewed so far have tried to accommodate consumer's need for status in their studies.

The third gap is that past studies that explored the effects of counterfeits on original luxury brand values do not clearly define the dimensions of the value being studied. A possible reason to why the results from previous studies are inconclusive is that counterfeits may affect some dimensions of the luxury brand values while not affecting the others. Luxury brand value can be divided into five main dimensions (Vigneron & Johnson, 2004). It is important to clearly specify which dimensions of the brand value are being investigated in order to deliver clear results. This issue will be further is discussed in the literature review section.

1.2 Research Questions and Objectives

To address the gaps in the literature mentioned above, this research aims to study how the social class of the counterfeit users and the perceived counterfeit proliferation are related to the different dimensions of the original luxury brand values, which are quality value, hedonic value, prestige value, self-identity value, and uniqueness value. The relationships between original luxury brand values and the intention to patronize the authentic luxury brands will also be studied. Most importantly, we are also interested in studying how consumers' need for status will affect the consumer's ratings on the original luxury brand values for the brands that are perceived to be heavily counterfeited. As there are many luxury brands in the market, it is important that we clearly specify that our research aims to study only luxury fashion brands. Specifically, this research tries to address the following research questions:

1. What are the relationships between the social class of the counterfeit luxury fashion brand users and the brand values of the original luxury fashion brand and how will these relationships be different for consumers with high need for status and low need for status?

2. What are the relationships between the perceived proliferation of counterfeit luxury fashion products and the brand values of the original luxury fashion brand and how will these relationships be different for consumers with high need for status and low need for status?

3. What are the relationships between the original luxury fashion brand values and the consumers' intention to patronize the original brand?

The objectives of this research are to:

1. To study the relationships between the social class of the counterfeit luxury fashion brand users and the brand values of the original luxury fashion brand and how these relationships will be different for consumers with high need for status and low need for status.

2. To study the relationships between the perceived proliferation of counterfeit luxury fashion products and the brand values of the original luxury fashion brand and how these relationships will be different for consumers with high need for status and low need for status.

3. To study the relationships between the original luxury fashion brand values and the consumers' intention to patronize the original brand?

1.3 Research Scope

Regarding luxury brand, there are many aspects of research that past studies have focused on. One of which is luxury brand values which is studied by researchers such as Kapferer (1998), Vigneron and Johnson (2004) and Wiedmann et al. (2009). In regard to the research on luxury brand values, researchers often focus on discovering the different dimensions of brand values. Though different models of luxury brand dimensions are proposed by different researchers, this research uses the model proposed by Vigneron and Johnson (2004), which indicates that there are five dimensions of luxury brand values. These values are quality, hedonic, prestige, self-identity, and uniqueness value.

The antecedents to luxury consumption is another area widely explored by past studies and is very closely related to the research on luxury brand values. Some of which include Wong and Ahuvia (1998), Truong et al. (2010) and Bian and Forsythe (2012). This area of research focuses on the main factors affecting luxury brand consumption such as identity building and social acceptance.

Another aspect of luxury brand research largely focused by many marketing scholars is luxury brand management as studied by researchers such as Atwal and Williams (2009), Okonkwo (2009) and Truong et al. (2009). The scope of luxury brand management research cover topics such as luxury client relationship management, experiential marketing management, online luxury marketing strategies, and competitive luxury brand positioning.

Regarding the literature of counterfeiting, one of the main areas focused by scholars is the supply of counterfeits. This area concerns with the production setting, tactics, the factors motivating counterfeit producers, and the means in which counterfeit products enter the market (Staake, Thiesse, & Fleisch, 2009). Some of the past studies in this area include Ben-Shahar & Assaf (2004) and Khouja & Smith (2007).

Another area on counterfeit research is the demand of counterfeits. This area covers aspects such as the driving forces of counterfeit consumption (Penz & Stottinger, 2005) and customer attitudes and behaviors in the presence of counterfeit products (Staake et al., 2009). Some of the research studying the demand side of counterfeits include Penz & Stottinger (2005) and Cheung & Prendergast (2006).

The impact of counterfeits is another area of counterfeit research. This research area focuses on investigating the consequences involving turnover, brand value, and other key indicators of manufacturers of authentic products (Staake et al., 2009). Some of the past studies in this area include Grossman and Shapiro (1988) and Bosworth and Yang (2006).

The study of luxury brand counterfeits is one main subarea of counterfeit research. Same as described above, luxury counterfeit research can be categorized into the supply, demand, and impact aspects. The majority of past studies on luxury counterfeits is on the demand aspect. Some of such studies include those from Wilcox et al. (2009), Han et al. (2010) and Radón (2012). However, the more underexplored area of counterfeit luxury brand is its effect on the genuine brand. Related studies on this topic were already discussed in section 1.1.

In contributing to the deeper understanding of the effects of counterfeiting on the original luxury brand, this research is a multidisciplinary research that focuses on studying the impacts that counterfeit luxury fashion brand might have on the brand values of the original brands. In the area of luxury brand research, this research will focus on the brand value aspect. In the area of counterfeit research, this research will

focus on the area of the impacts of counterfeit products. Also, as there are many categories of luxury brands, this research will focus only on luxury fashion brands such as Louis Vuitton, Channel, and Hermes.
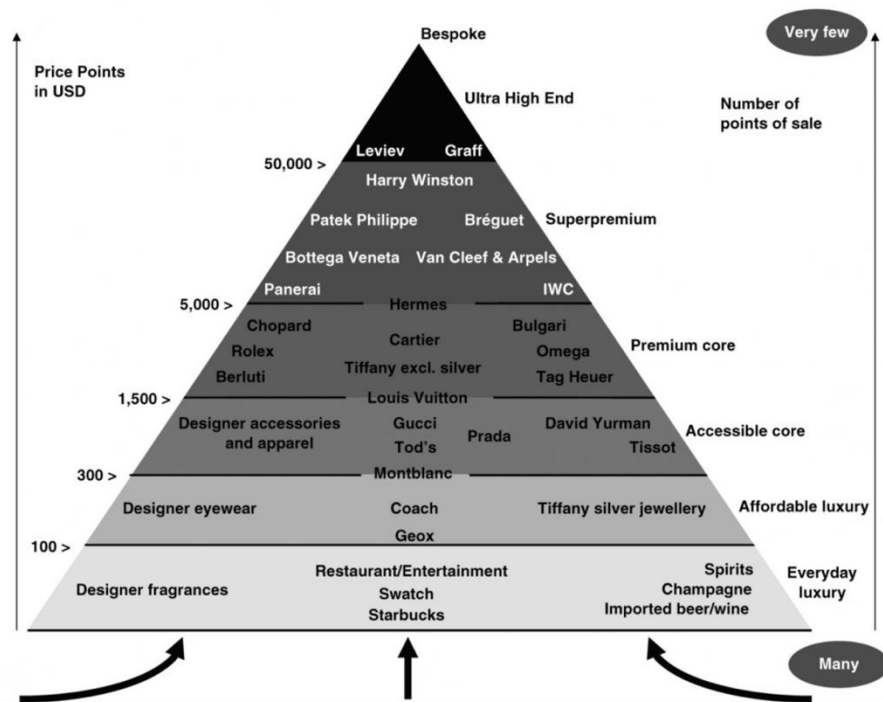
Figure 4: Rambourg's Brand Pyramid (Megan Willett, 2015)

While different fashion brands have different levels of perceived luxuriousness, classifications have been made to rank different luxury fashion brands according to their accessibility. According to Willett (2015), Erwan Rambourg has created a Brand Pyramid showing how various luxury brands can be ranked in terms of accessibility. According to the pyramid, shown in Figure 4, brands such as Geox, Coach, and Montblanc are considered as affordable luxury. While brands such as Louis Vuitton, Coach, and Prada are considered as accessible luxury, which is one tier higher than affordable luxuries. Based on this classification, the brands that we will regard as being a luxury fashion brand are brands belonging to the accessible luxury tier and above.

CHAPTER 2 LITERATURE REVIEW

The very fundamental question related to the topic of luxury brand is what constitutes the concept of luxury. Researchers have recognized that there is a great deal of vagueness to what defines luxury (Fionda & Moore, 2009). The lack of clarity is somewhat derived from fact that luxury is something subjective and a polemical term (Kapferer, 1997; Phau & Prendergast, 2000). What is considered to be luxurious for one person might be deemed ordinary by another. Also, the term seems to have an element of spectrum in it. That is, luxury is a matter of degree, located on a spectrum from 'very little' to 'very great' (Cornell, 2002; Kapferer, 1997). Therefore, researchers have been interested in crystalizing the term and providing it with a clear and solid definition.

In economic terms, luxury products are defined as those whose price per tangible quality is highest of the market (Kapferer, 1997; Nueno & Quelch, 1998). However, this strict economic definition of luxury does not differentiate luxury brands from the upper-end general brands (Kapferer, 1997). Also, this definition fails to capture the total essence of luxury brands, which involves intangible psychological values manifested in aspects such as symbolic functions and exclusivity (Nia & Zaichkowsky, 2000; Phau & Prendergast, 2000). Therefore, researchers have attempted to develop clear definition of luxury through exploring into the different aspects of luxury brand value.

In describing luxury brand values, different researchers use different terminologies. However, close inspections into those terms often reveal that many different terms actually encompass similar concepts. Table 1 outlines the different aspects of brand values proposed by past studies.

Table 1: A Review of Luxury Brand Value Dimensions

Brand Value	Kapferer (1998)	Vigneron & Johnson (1999)	Dubois et al. (2001)	Vigneron and Johnson (2004)	Wiedmann et al. (2009)
Quality Value	The beauty of the object The excellence of its products Craftsman-like production process	Quality Value	Excellent quality Very high price	Quality Value	Usability Value Quality Value
Hedonic Value	Its magic Sensuality	Emotional Value	Aesthetic and Polysensuality	Hedonic Value	Hedonic Value
Prestige Value	Satisfaction of belonging to a minority	Conspicuous Value	Very High Price	Conspicuous Value	Prestige Value
Self-Identity Value	Being never out of fashion Being at the forefront of fashion Knowing that we are one of the few to have one	Social Value	Superflousness	Extended Self Value	Self-Identity Value
Uniqueness Value	Uniqueness Creativity Exclusiveness Savoir-faire and respect for tradition	Unique Value	Scarcity and Uniqueness Ancestral Heritage and Personal History	Uniqueness Value	Uniqueness Value

2.1 The Luxury Brand Values

2.1.1 Quality Value

To provide a more holistic concept for luxury brand, Kapferer (1998) explored what consumers value in luxury brands. The study was done on 76 international luxury brands. The sample consists of 200 students from different courses in the HEC Business School. Results show that the factors consumers value about luxury brands are (1) the

beauty of the object, (2) the excellence of its products, (3) its magic, (4) uniqueness, (5) creativity, (6) sensuality, (7) exclusiveness, (8) indication of savoir-faire and respect for tradition, (9) being never out of fashion, (10) international reputation (11) craftsman-like production process (12) long history (13) grown out of a creative genius (14) satisfaction of belonging to a minority (15) knowing that we are one of the few to have one (16) being at the forefront of fashion. Findings by Kapferer (1998) has demonstrated that the value consumers sought form luxury brand goes beyond the functional aspect that was originally defined in economics term. Of all the 15 factors, it can be seen that "the beauty of the object", "the excellence of its products" and "craftsman-like production process" are related to the quality aspect of luxury brands.

Vigneron and Johnson (1999) have defined five values inherent in prestige brands, namely, conspicuous, unique, social, emotional, and quality value. Quality value, according to Vigneron and Johnson (1999), is the value derived from the product's superior performance and characteristics. It cannot be denied that in order for prestige brands to retain their superiority over general brands, they have to remain greater levels of quality (Garfein, 1989). For example, consumers may choose to buy a car from Rolls Royce because they have anticipated that the quality of the car will be well above that of the others. As prestige brands have to keep up with the expectations from its customers in relation to its high price, they will have to make sure that the perceived quality experienced by their customers is kept to a high standard.

The study by Dubois et al. (2001) has revealed six facets of the word luxury. In accordance to the findings by Vigneron and Johnson (1999), one of the six facets of luxury is *excellent quality*. According to Dubois et al. (2001), the relationship between the concept of luxury and quality is so strong such that both words are almost equivalent for some respondents. The respondents suggested that reliability and durability is guaranteed by the excellent quality. Therefore, when buying luxury products, they will not have to worry about deficiencies that could have come with the product. However,

if the luxury item fails to meet the quality standards, it will automatically disqualify to be regarded as a luxury item. Some of the respondents also associate the excellent quality of the product to the people using them. Through consuming a refined product, the adopter of the product is also refined. This essentially means that the excellent quality of the product is being incorporated into the user, allowing him or her to acquire the feeling of distinction and well-being.

The facet of very high price mentioned by Dubois et al. (2001) is also closely related to quality. According to the authors, the perception of high price often arises from the comparison of a luxury product with non-luxury alternatives. This facet is interrelated to excellent quality because it is viewed as a logical consequence of each other (Dubois, Laurent & Czellar, 2001b). That is, it is perceived by the consumers that products or services with very high quality comes with very high prices. Therefore, high price is viewed as an intrinsic characteristic of luxury that renders luxury products to be inaccessible to the general public (ibis). Following this logic, it can be concluded that the quality of the luxury product or service serve to legitimize the high price that it commands. However, the reverse is also true. If the high price demanded by luxury products are not supported by its high quality, or if comparable quality can be obtained through a non-luxury product, the price will immediately by perceived as excessive. It is important to note here that, for a number of respondents, high price does not only involve monetary cost but also covers psychic and energy cost. This means that luxury products are not only expensive but also require effort by the customer to be obtained.

Similar to the previous studies, Vigneron and Johnson (2004) have defined perceived quality of a luxury brand as the quality of luxury brands perceived by the consumers compared to the non-luxury counterparts. According to the authors, it is rather difficult to build a strong luxury brand image without paying attention to the quality of the products or services.

Wiedmann et al. (2009) has studied how luxury brand consumers can be segmented according to the needs that they sought from luxury products. The result by

Wiedmann et al. (2009) suggests that the luxury needs of consumers can be broken down into functional, individual, and social value. Furthermore, functional, individual, and social values can be further broken down into sub-dimensional values. The sub-dimensions of functional value are usability, quality, and uniqueness value. The sub-dimensions of individual value are self-identity, materialistic, and hedonic value. Social value is manifested as prestige value.

According to Wiedmann et al. (2009), usability value is related to the core functional benefits of luxury product while the quality value represents the superior quality and functional performance. Conceptually, the usability value and the quality value can be grouped together because a luxury product cannot be perceived to have high quality without being able to deliver its care functional benefits. Therefore, we will treat both values as quality value.

It can be seen that the word 'quality' is the terms majority of the authors use to describe the functional benefit of luxury products. Compared to the studies by Sheth et al. (1991) and Sweeney and Soutar (2001), the concept is equivalent to functional value. We would therefore define quality value as the value derived from the perceived superior quality and functional performance of luxury brand products.

As all of the authors mentioned above agree that quality is one basic value that consumers look for from luxury product consumption, we would therefore argue that a luxury brand's quality value is directly related to consumer's intention to patronize the brand.

H1: The quality value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

2.1.2 Hedonic Value

One of the luxury values proposed by Vigneron and Johnson (1999) is emotional value. This value is derived from the positive feelings and affect that consumers get

when using a prestige brand (Vigneron & Johnson, 1999). According to Sheth et al. (1991), certain goods and services are known to possess emotional values in addition to their functional value. Therefore, consumers who are not interested in portraying status through the use of prestige brand can still benefit from consuming prestige brands through benefits such as self-respect (Kahle, 1995). These people usually are not influenced by pressure from group norms (Bearden, Netemeyer & Teel, 1989) and are rather inner-directed consumers (Bearden, Netemeyer & Teel, 1989). This definition of emotional value as proposed by Vigneron and Johnson (1999) is congruent to Kapferer's (1998) 'its magic' and 'sensuality' factors of luxury.

Dubois et al. (2001) have proposed that aesthetics and polysensuality, which involves the aesthetic appeal, is one of the values that consumers sought after while consuming luxury products. This aspect of luxury consumption is highly hedonic. Conceptually, luxury products should arouse all the senses, that is it should not only look beautiful but should also should be pleasant to smell, touch, hear, and even taste (Dubois et al., 2001). When consuming the luxury goods, the users feel strong and powerful (*ibis*).

In tandem to the authors mentioned above, Vigneron and Johnson (2004) asserts that consumers' perceived hedonism in luxury brand consumption is associated with personal fulfillment through consuming luxury brands. The benefit obtained through luxury brand consumption in the aspect of hedonism is more of an emotional benefit rather than a function one (Sheth et al., 1991). It is important to mention that this dimension is strictly inner-directed and is not affected by interpersonal influence (Vigneron & Johnson, 2004). Similarly, Wiedmann et al. (2009) maintains that the hedonic value of luxury brand represents the sensory pleasures achieved from the use of luxury brands.

Despite the difference in the words used by different researchers to describe the hedonic experience in luxury consumption, the concepts are essentially the same.

Therefore, we will represent the concept using the term hedonic value. Compared to the work by Sheth et al. (1991) and Sweeney and Soutar (2001), the concept is equivalent to emotional value. We would therefore define hedonic value as the value derived from personal positive feelings or affective states achieved through the use of luxury brands and not derived from the portrayal of social status, self-concept, or any other interpersonal comparisons.

Since the authors have agreed that hedonism is one of the values that consumers sought after while consuming luxury products we would like to argue that a brand's hedonic value is directly related to the consumers' intention to patronize the brand.

H2: The hedonic value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

2.1.3 Prestige Value

According to Vigneron and Johnson (1999), a luxury brand's conspicuous value is the value that allows the user to convey power and status through the use of the brand. According to Bagwell and Bernheim (1996) and Corneo and Jeanne (1997), conspicuous consumption plays an important role in shaping the preferences of many products that are consumed in public. This view is supported by Veblen (1899), who suggested that conspicuous consumption is used to convey wealth and status. In Vigneron and Johnson's (1999) aspect, conspicuous value is heavily related to price. This is because conspicuous prestige brands are usually correlated with high price. For products that consumers have limited information about, such as luxury products, price is one of the most important cues in determining perception of quality (Erickson & Johansson, 1985; Jacoby, Olson & Haddock, 1971). Also, the research by Lichtenstein, Ridgway and Netemeyer (1993) has suggested that higher prices are indicators or certain degree of prestige. Therefore, the conspicuous value of a luxury brands is often derived from the high price of the brands and Dubois et al.'s (2001) luxury facet of high price can also be related to Vigneron and Johnson's (1999) conspicuous value. Moreover, the conspicuous

value defined by Vigneron and Johnson (1999) is also closely related to the luxury factors 'satisfaction of belonging to a minority' proposed by Kapferer (1998).

In congruence to the authors mentioned above, Vigneron and Johnson (2004) have proposed that the perceived conspicuousness dimension of luxury brand is related to the display of social position. Wiedmann et al. (2009) have presented a very similar concept of the prestige value of luxury brand. According to the authors, prestige value refers to how luxury brands are used to signal membership of a reference group.

In comparing the conceptual definitions of conspicuous value by Vigneron and Johnson (1999) and Vigneron and Johnson (2004) to that of prestige value by Wiedmann et al. (2009), we would see that two concepts are essentially the same. We would therefore represent the concept by using the term prestige value as the word 'prestige' would more clearly define the concept of social status.

As discussed above that prestige value is the value that provides users with the social benefit derived from the sense of belongingness to an aspirational group and is distinct from the concept of hedonic value, which encompasses the emotional benefit and not the social benefit of luxury consumption. Compared to the work by Sheth et al. (1991) and Sweeney and Soutar (2001), prestige value is equivalent to the concept of social value. According to the Theory of Leisure Class (Veblen, 1899), people generally try to distance themselves away from the ones in the lower social class while, at the same time, aspire to be accepted as members of the higher class. This view is supported by Corneo and Jeann (1997) and Wong and Ahuvia (1998), who suggest that people use luxury brand to prevent social rejection and to claim a desirable vertical location in the socioeconomic hierarchy. The prestige value of a luxury brand allows consumers to signal membership of an aspirational group (Vigneron & Johnson, 2004; Wiedmann et al., 2009). We therefore define prestige value as the value derived from the ability of the consumers to display social status through the use of a luxury brand.

As described above that portrayal of status is one of the main reasons consumers use luxury brands, we argue that the prestige value of a luxury brand positively affects consumer's intention to patronize the brand.

H3: The prestige value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

2.1.4 Self-Identity Value

Social value mentioned by Vigneron and Johnson (1999) is the value that allows consumer to enhance their desired self-concept. Consumers of luxury brands may aim to use the brand as an indicator of group membership and/or a means to represent themselves according to their desired self image (Belk, 1988; Dittmar, 1994). The concept of social value described by Vigneron and Johnson (1999) is related to Dubois et al.'s (2001) luxury facet of superflousness, which is associated with the uselessness of the luxury goods. That is, in order for a product to be luxury, it has to be perceived as not necessary for survival (Dubois et al., 2001a).

In marketing terms, the main value derived from luxury product consumption should not be functional value but should be from other benefits of a different nature. According to Dubois et al. (2001), superflousness may be perceived in three different ways. First is the aspect of overabundance. Luxury appears when one buys in an extremely large amount that goes far beyond the functional needs. The second aspect of superflousness is the feeling of freedom, which is related to overabundance. The feeling of freedom in this sense is the freedom to do as you like and something extraordinary. The third aspect takes the form of extended life space. Some of the examples include leisure time and absence of stress.

In comparing the concept of social value (Vigneron & Johnson, 1999) and superflousness (Eastman et al., 1999) to the luxury factors by Kapferer (1997) we would

see that that two concepts are associated with the factors 'being never out of fashion',

'knowing that we are one of the few to have one', and 'being at the forefront of fashion'.

Related to social value Vigneron and Johnson (1999) and Vigneron and Johnson

(2004) , have proposed another term called perceived extended self. This dimension of

luxury brand, as proposed by Vigneron and Johnson (2004), enables consumers to

construct their own identity through luxury brand consumptions. In some

circumstances, consumers can use luxury brands to construct their self-concept to

conform themselves with their reference group (Vigneron & Johnson, 2004). In

whatever case, the perceived extended self dimension of luxury brands allows

consumers to incorporate the brand's image into the self to enhance their self-concept.

The concept of social value (Vigneron & Johnson, 1999) and perceived extended self

(Vigneron & Johnson, 2004) is the same to that of self-identity value defined by

Wiedmann et al. (2009) as the value that represents the congruence between the image

of the luxury products and the self-concept of the user. As the term "self-identity" better

defined the concept of the construction of self-concept, we will use the term self-identity

value to represent the concept. Self-identity value will be defined here as the value

derived from the ability of the brand to convey the consumer's desired self-concept not

related to the portrayal of status.

Self-identity is the individual's opinion of one's own ability, appearance, and

characteristics (Graeff, 1996). Consumers generally adopt brands that have images

congruent to the self-identity that they which to construct and are less likely to adopt

brands that do not convey the desired image (Sirgy, 1985; Sirgy, 1997). According to

Levy (1959), consumers not only buy products only for what they can do but also for

their symbolic meaning. Following this line of logic, we can conclude that when

consumers buy a luxury brand, they also seek to incorporate the brand's symbolic

meaning into their own identity (Holt, 1995; Vigneron & Johnson, 2004; Wiedmann, et

al., 2009). Therefore, we argue that the self-identity value of a luxury brand positively affects consumer's intention to patronize the brand.

> H4: The self-identity value of a luxury fashion brand is positively related to consumer's intention to patronize the brand.

However, the self-identity value is not to be confused with the prestige value as the former allows users to portray their desired self-concept, which may or may not be related to social status, but the latter is the value specific to the portrayal of social status.

2.1.5 Uniqueness Value

Uniqueness value, as indicated by Vigneron and Johnson (1999), is another value inherent in luxury brands. According to the authors, uniqueness value is derived from the snob effect. The snob effect can occur in two circumstances. First, when a new product is newly launched (Mason, 1981 as cited in Vigneron & Johnson, 1999). Second, when consumers reject a brand because it is perceived to be consumed by the mass consumer (*ibis*). Therefore, the more limited the availability of a brand is, the more the brand is perceived to be valuable. This view is supported by Lynn (1991) who reported that the more a supply of a product is perceived to be limited, the more consumers' preference for the brand is enhanced. Solomon (1994) also suggested that rare items command prestige and respect. Compared to Kapferer's (1998) luxury factors, uniqueness valu*e* is equivalent to 'uniqueness', 'creativity', 'exclusiveness', and 'savoir-faire and respect for tradition'.

In-line with the results presented by the authors above, Dubois et al. (2001) claims that scarcity and uniqueness is one of the facets of luxury brands. According to the author, scarcity is closely related to the excellent quality and high prices of luxury goods. Luxury products in the mind of the consumers are the ones that require uncommon nature of skills to manufacture and deliver and thus cannot be mass-produced. Following this antecedent is that people also expect luxury goods to have

restricted distribution. Also, the shop in which luxury products are distributed are also expected to have a luxurious vibe. Because the shop itself is included as part of the luxury entity, the atmosphere in the shop is expected to convey the same sense of luxury as does the product. This includes the way the products are displayed, the interaction with the salesperson, and even the background music in the shop. Scarcity is not only limited to product availability but also includes the profile of the people who buy them. It is perceived by the respondents that luxury goods are reserved for the elite and selected group of people.

Another facet of luxury that is very closely related to the concept of uniqueness as proposed by Dubois et al. (2001) is ancestral heritage and personal history. This facet is related to the past of luxury products. In order to be perceived as being truly luxury, products and services must have a long history, elaborated processes, and the consumption that respects tradition (Dubois et al., 2001a). In other words, true luxury products and services must have a story to tell at the least and have a legend to pass on at the best. Thus, anchoring luxury products to the past helps contribute to the products' exclusivity and uniqueness (ibis).

Agreeing with the concept of luxury brand uniqueness discussed above, Vigneron and Johnson (2004) mention that the perceived uniqueness of a luxury brand is related to the scarcity or the exclusiveness of the brand. Thus, a luxury brand's perceived uniqueness allows consumers to enhance one's self and social image by circumventing similar consumptions. This view is supported by Wiedmann et al. (2009), who assert that the uniqueness value of a luxury brand refers to the rarity and exclusivity of the luxury products.

Despite the slight difference of word used, all the authors mentioned above suggest that the uniqueness of the product of a luxury brand is what consumers value. We will therefore refer to the concept of luxury brands' exclusiveness as uniqueness value.

As uniqueness value is the value derived from buying scarce goods that others cannot access (Vigneron & Johnson, 1999, 2004), it is logical to assume that the rarer a product, the more consumers would want to possess the product. According to the Commodity Theory, "any commodity will be valued to the extent that it is unavailable". Therefore, a luxury product will lose its value if it loses its uniqueness or rarity. When a prestigious product is newly introduced to the market, the snobs will want to acquire the product because it is less available. However, when the product starts to be adopted by the mass, status sensitive consumers will start to abandon the product. We would therefore define uniqueness value as the value derived from the desirability of a luxury brand product due to its limited availability and the difficulty to which consumers generally will be able to get access to.

Although it is possible to comprehend uniqueness value as being part of hedonic value because it is possible that consumers would derive positive feelings from being able to use a product of limited availability, the two constructs as described in this research are conceptually distinct. Vigneron and Johnson (2004) maintain that uniqueness value is a non-personal value that is derived from interpersonal influence. On the other hand, the authors describe hedonic value as being a personal value, which means that the value is derived from factors not related to interpersonal comparisons.

Uniqueness value is also distinct from prestige value because the former is derived from the possession of something of limited availability and not in any way related to status portrayal. On the other hand, prestige value is derived from the display of status through luxury brand usage and not related to the availability the brand.

It is also important to distinguish uniqueness value and self-identity value. Although it is possible that consumers use luxury brand to portray their exclusivity identity. In this case, the value of interest is self-identity value. However, when a consumer chooses to possess a luxury product just because it is rare and does not intend to use the product to portray his self-identity, the value of interest is uniqueness value.

The value derived from uniqueness value can be summarized using the Commodity Theory (Brock, 1968 as cited in Lynn, 1991). According to the Commodity Theory, "any commodity will be valued to the extent that it is unavailable". Therefore, a luxury product will lose its value if it loses its uniqueness or rarity. Also, according to the Rarity Principle (Dubois & Paternault, 1995), consumers' desire to own a luxury brand depends on the brand's awareness and tightly controlled diffusion. Hence, we argue that consumers will patronize the brand if it has uniqueness value and consumers will not patronize an authentic brand once it loses its uniqueness value.

H5: The uniqueness value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

2.2 The Relationships between Counterfeit Products and Perceived Luxury Fashion Brand Values

Several past studies claim that counterfeits do not affect the value of original brands (Lee, 2011; Nia & Zaichkowsky, 2000). However, the value dimensions in these studies are poorly defined. Lee (2011) simply asked consumers their opinion on how counterfeits affect the brand value of original products. Nia and Zaichkowsky (2000) vaguely defined brand devaluation by combining concepts of value, satisfaction, and status together, which obscures the devaluation construct. We argue that in order to study how counterfeits affect brand value, the dimensions of brand value must be clearly identified. In order to solve this problem, we have provided clear conceptual definitions in the previous section.

In the realm of luxury brands, the presence of counterfeit products result in the loss of exclusivity of those brands (Hieke, 2010). According to interviews done by Hieke (2010), a luxury brand can even loss their differentiation potential if too many people adopt the brand's fake product.

There are generally two types of classifications for counterfeit products: deceptive counterfeits and non-deceptive counterfeits (Nia & Zaichkowsky, 2000). Deceptive counterfeiting occurs when buyers buy counterfeit products without knowing that it is fake. On the other hand, non-deceptive counterfeiting includes situations when buyers are fully aware that they are buying counterfeit products (Bloch & Bush, 1993; Grossman & Shapiro, 1988). According to Nia and Zaichkowsky (2000), counterfeit luxury brand consumptions in many cases are non-deceptive counterfeiting. In this research, we will focus only on non-deceptive counterfeiting.

2.2.1 The Relationship Between the Counterfeit Users' Social Class and Brand Value

The effect of the social class of counterfeit users on original luxury brand value is greatly understudied. To our knowledge, only the research by Commuri (2009) and Amaral and Loken (2016) have explored how the social stance of counterfeit luxury product users affect the genuine brand. The counterfeit user's social class, as described by Henry (2005) and Amaral and Loken (2016), can be reflected by the user's occupation, education and household income.

According to the Theory of Leisure Class (Veblen, 1899), people in general try to distance themselves away from the ones in the lower social class and want to gain membership in the higher class. In doing so, people use luxury brand to prevent social rejection and to claim a desirable vertical location in the socioeconomic hierarchy (Corneo & Jeanne, 1997; Wong & Ahuvia, 1998). The shared symbolic meaning of a brand is an important impetus that encourages consumers to use the brand to communicate belongingness to a reference group (Escalas & Bettman, 2003). This view is also supported by Berger and Heath (2008), who suggested that the more a person uses products normally used by a social group and does not use products associated to other groups, the more he or she will be perceived to be a member of that social group.

The reverse is also true. When a person perceives that a brand is being adopted by a member of a dissociative group, he or she may choose to abandon the brand (Berger

& Heath, 2007; White & Dahl, 2006). Therefore, the adoption of counterfeit products, which generally looks exactly the same as the original, by a member of an out-group may cause a genuine brand user to have a less favorable attitude towards the genuine luxury brand or even abandon the brand (White & Dahl, 2006). We thus argue that counterfeit luxury product adoption by members of a lower class negatively affects luxury brand values. The emphasis that has to be made about the paragraph above is that the relationship that is being studied here is between the authentic brand users' perceive difference between their social status and the status of the counterfeit users and the brand values of the authentic luxury fashion brand. We will call this construct counterfeit users' social class and define it as the authentic brand users' perceived difference between their social status and that of the counterfeit users.

The Relationship Between Counterfeit Users' Social Class and Quality Value

A person's social status can be represented by his or her occupation, education, and household income (Amaral & Loken, 2016; Henry, 2005). Therefore, social status comparison between the authentic luxury brand users and counterfeit users arises from comparing the occupation, education, and house income of one party to that of the other. Quality value, as discussed in section 2.1.1 is the superior quality of the product of a luxury fashion brand and is mainly related to the functional value of the product.

Logical deduction would reveal that the comparisons of occupation, education and household income of one party to that of the other will not have any significant effect on the quality of luxury product. We therefore argue that the social status difference between authentic and counterfeit luxury fashion brand users will not have any significant relationship with the quality value of the original brand.

H6: Counterfeit users' social class does not have any significant relationship with the *quality value* of the original brand.

The Relationship between Counterfeit Users' Social Class and Hedonic Value

A luxury brand's hedonic value is described by Vigneron and Johnson (2004) as being strictly inner-directed and is not influenced by interpersonal comparison. On the other hand, it was described above that the counterfeit users' social class construct is based on the comparison between the social class of the authentic brand users and that of the counterfeit users. As one construct, hedonic value, is conceptually not affected by interpersonal comparison, and the other, counterfeit users' social class, directly involves interpersonal comparison, we argue that counterfeit users' social class has no significant relationship with the hedonic value of the authentic luxury fashion brand.

H7: Counterfeit users' social class does not have any significant relationship with the hedonic value of the original brand.

The Relationship Between *Counterfeit Users' Social Class* and Prestige Value

Authentic brand users perceive counterfeit users to be less affluent and have lower social class (Commuri, 2009). The belief that he will be thought of as one of the counterfeit users causes the authentic brand user to believe that wearing an authentic item will not help distance him away from people of the lower class. In fact, he believes that he will be labeled as being one of them if he wears a brand that is heavily counterfeited (Commuri, 2009). As prestige value is defined as the value obtained from being able to signal membership of an aspired group through the use of luxury brands, the adoption of counterfeit luxury brand products by members of the lower class will serve to destroy luxury brands' prestige value. This argument is supported by Amaral and Loken (2016), who reported that the genuine brand users' prestige-attitude towards luxury brands decreases when they see counterfeit luxury products being adopted by a lower-class person. Therefore, we hypothesize that the more consumers perceive that the social class of counterfeit users are lower than theirs, the lower consumers will perceive the prestige value of the luxury fashion brand.

H8: The greater consumers perceive that counterfeit users' status is lower than theirs, the lower they will perceive the prestige value from the original fashion luxury brand.

The Relationship Between Counterfeit Users' Social Class and Self-Identity Value

As already mentioned that self-identity value is sought by consumers when they buy luxury products to construct their self-concept. It can be argued that the identity of a luxury brand is partly, if not mainly, derived from the identity of the users of the brand (Dubois et al., 2001a; Sirgy, 1985). When counterfeit luxury products are adopted by members of lower class, the image of those members will spillover onto the genuine brand (Amaral & Loken, 2016).

The image discussed here does not mean social standing, but covers other images of counterfeit users considered undesirable by authentic luxury brand users. It has been reported that some consumers that are sensitive to social appearance are afraid to wear heavily counterfeited authentic brands as they fear that people will think of them as one of the counterfeit users (Commuri, 2009) and that undesired identity will be imposed on them. According to in-depth interviews by Commuri (2009), authentic brand users also associate counterfeit users not only with lower status but also with other undesirable identities such as stylishness and lifestyle. This implies that difference in social class not only affects prestige value but also affects self-identity value of the authentic brand. The reason is that the undesirable identity of the counterfeit users will be transferred to the brand as the counterfeit version is often near identical to the original, thus deteriorating the self-identity value of the original brand.

Therefore, according to the Theory of Leisure Class (Veblen, 1899), we hypothesize that the more consumers perceive that the social class of counterfeit users are lower than theirs, the lower consumers will perceive the self-identity value of the luxury fashion brand.

H9: The greater consumers perceive that counterfeit users' social class is lower than theirs, the lower they will perceive the self-identity value from the original fashion luxury brand.

The Relationship Between Counterfeit Users' Social Class and Uniqueness Value

We argue that counterfeit user's social class does not have any effect on uniqueness value because it does not decrease the rarity of the original products. By definition, uniqueness value is the value that consumers obtain from consuming rare and exclusive luxury brands. This dimension of luxury brand value is conceptually not related to the counterfeit users' social class construct in any way since the construct conceptually based on social comparison. Thus, it is logical to assume that the social class of the counterfeit product users will not affect the uniqueness value of luxury brand since social class on its own does not decrease the rarity of any product.

H10: Counterfeit users' social class will have no significant relationship with the genuine luxury fashion brand's uniqueness value.

2.2.2 The Relationship Between the Percevied Counterfeit Proliferation and Brand Value

Past studies such as those by Fournier (1998), Hellofs and Jacobson (1999) and Commuri (2009) have suggested fake products commits to the loss of exclusivity of the genuine brand. Lee (2011) also reported that consumers believe that counterfeit products damage the genuine luxury brand image because it causes the genuine products to be less rare.

Despite evidences on how counterfeit luxury products may damage the uniqueness of the original brand, past relevant studies have not tried to directly explore how perceived proliferation of counterfeit products contributes to the loss of rarity of the original luxury brand.

From our perspective, the degree of counterfeit proliferation occurs in a continuous spectrum. Counterfeit products may be perceived as being lightly proliferated to highly proliferated. In this line of logic, it is logical to argue that counterfeit products that are lightly proliferated will have minimal effect over the uniqueness or exclusivity of the genuine brand. On the other hand, the rarity of the genuine brand will be seriously damaged if its fake counterpart is heavily proliferated. Therefore, it is crucial that we include the perceived counterfeit proliferation construct in our research. We would define the perceived counterfeit proliferation construct as the consumer's perception of how much counterfeit products are proliferated as reflected by how much they are available in the market and how much they are being adopted by counterfeit users.

The concept of proliferation discussed in this research is different from the related concept of visibility. According to Drèze and Zufryden (2003), visibility is defined as the extent to which a brand, or counterfeited products in our case, is present in the consumer's environment. Also, visibility involves only the consumer's sense of seeing (Drèze & Zufryden, 2003; Sprott, Czellar & Spangenberg, 2009). On the other hand, the perceived counterfeit proliferation construct does not only encompass the sensation of visibility of the counterfeit product but covers the consumer's belief about the how widely the counterfeit products are currently being adopted by other consumers and how the adoption will be expanding in the future.

Another related yet different concept to perceived counterfeit proliferation is the concept of popularity. Popularity is a concept closely related to market share and the brand that is regarded as being 'popular' is the brand that holds the majority of the market share (Dean, 2013). 'Popularity' is therefore inherently different from 'proliferation' because proliferation is the phenomenon of the dispersion of an object regardless of the object holding the majority of the market share or not. Also, the proliferation construct discussed in this research covers the consumer's perception of future dispersion of counterfeit products and therefore represents a dynamic

phenomenon as opposed to popularity, which represents a snapshot of a phenomenon. Moreover, popularity is a construct that signals quality (Buzzell & Wiersema, 1981; Dean, 2013). However, proliferation is conceptually not related to quality. Therefore, it can be concluded that proliferation and popularity are two distinct concepts.

The Relationship Between Perceived Counterfeit Proliferation and Quality Value

Perceived counterfeit proliferation, is a construct that involves the consumers' perception of the level of how counterfeit products are being widely available or adopted by the general public. This should conceptually not be related to the quality of the product of the original brand. We therefore argue that perceived counterfeit proliferation is not related to the quality value of the original brand.

H11: The perceived counterfeit proliferation will have no significant relationship with the genuine luxury fashion brand's quality value.

The Relationship Between Perceived Counterfeit Proliferation and Hedonic Value

Hedonic value is the value that is inner-directed and does not involve interpersonal influence (Vigneron & Johnson, 2004). Inner-directed, in this context means that the satisfaction judgement is based only on the product itself and the consumer's own self. Perceived counterfeit proliferation, on the other hand, is an external influence. That is, it involves the perception of how the counterfeit product of a luxury brand is being used by many other people in the society. Therefore, we argue that perceived counterfeit proliferation is not related to the hedonic value of the original brand.

H12: The perceived counterfeit proliferation will have no significant relationship with the genuine luxury fashion brand's hedonic value.

The Relationship Between Perceived Counterfeit Proliferation and Prestige Value

Prestige value is the value related to how luxury fashion brands can be used to display social status or the position in the social hierarchy. However, the perceived

counterfeit proliferation construct, unlike the counterfeit users' social class construct, involves only the perception of how counterfeit products are being proliferated and does not involve elements of social standing. Therefore, perceived counterfeit proliferation should not serve to harm the prestige vibe of the brand. We thus argue that perceived counterfeit proliferation is not related to the prestige value of the original brand.

H13: The perceived counterfeit proliferation will have no significant relationship with the genuine luxury fashion brand's prestige value.

The Relationship Between Perceived Counterfeit Proliferation and Self-Identity Value

Self-identity value of a luxury fashion brand is the value consumers obtain from being able to construct the desired self-concept through consuming the brand. This value involves transferring the brand's symbolic meaning into the self (Vigneron & Johnson, 2004). The symbolic meaning mentioned here involves wide variety meanings, including exclusivity. As suggested by Dubois et al. (2001) that the scarcity of the brand can be transferred to the person adopting the brand. That is, using a scarced brand allows the user to have an image of being exclusive. Therefore, as perceived counterfeit proliferation conceptually impairs the brand's rarity, it shold also serve to diminish the ability of the brand to support the exlusive identity of the uers. Since, incorporating exclusivity into the self is one of the main antecedents to luxury consumption (Dubois et al., 2001a; Kapferer, 1998; Vigneron & Johnson, 2004), we argue that perceived counterfeit proliferation negatively relates to the self-identity value of a luxury brand.

H14: The perceived counterfeit proliferation will have negative relationship with the genuine luxury fashion brand's self-identity value.

The Relationship Between Perceived Counterfeit Proliferation and Uniqueness Value

As the proliferation of counterfeit causes consumers to feel that the original brand is less rare (Commuri, 2009; Lee, 2011), it is logical to conclude based on the

Commodity Theory (Brock, 1968) that the perceived proliferation of counterfeit products negatively affects the uniqueness value of the original luxury brand. Therefore, we argue that perceived proliferation of counterfeits negatively affects the uniqueness value of the authentic luxury brand.

H15: The perceived counterfeit proliferation will have negative relationship with the genuine luxury fashion brand's uniqueness value.

2.3 Consumer's Need for Status

Hypotheses outlined in sections 2.1 and 2.2 can be summarized below:

H1: The quality value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

H2: The hedonic value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

H3: The prestige value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

H4: The self-identity value of a luxury fashion brand is positively related to consumer's intention to patronize the brand.

H5: The uniqueness value of the authentic luxury fashion brand is positively related to the consumers' intention to patronize the brand.

H6: Counterfeit users' social class does not have any significant relationship with the *quality value* of the original brand.

H7: Counterfeit users' social class does not have any significant relationship with the hedonic value of the original brand.

H8: The greater consumers perceive that counterfeit users' status is lower than theirs, the lower they will perceive the prestige value from the original fashion luxury brand.

H9: The greater consumers perceive that counterfeit users' social class is lower than theirs, the lower they will perceive the self-identity value from the original fashion luxury brand.

H10: Counterfeit users' social class will have no significant relationship with the genuine luxury fashion brand's uniqueness value.

H11: The perceived counterfeit proliferation will have no significant relationship with the genuine luxury fashion brand's quality value.

H12: The perceived counterfeit proliferation will have no significant relationship with the genuine luxury fashion brand's hedonic value.

H13: The perceived counterfeit proliferation will have no significant relationship with the genuine luxury fashion brand's prestige value.

H14: The perceived counterfeit proliferation will have negative relationship with the genuine luxury fashion brand's self-identity value.

H15: The perceived counterfeit proliferation will have negative relationship with the genuine luxury fashion brand's uniqueness value.

In addition to the 15 hypotheses described, we would like to propose that need for status will have moderating effects on some of the relationships as will be further discussed below.

Han et al. (2010) segment luxury consumers based on their need for status and wealth. Low need for status (LNS) consumers are consumers with low need to dissociate themselves from the lower class or are indifferent about social class difference while high need for status (HNS) consumers are the ones with the urge to climb up the social ladder and dissociate themselves from the less affluent consumers. Consumers that are high need for status are therefore more susceptible to how they are being viewed by the general public. LNS consumers, on the other hand, are less likely to care about how the

public perceive them and only are concerned about their in-groups (Yang & Mattila, 2014).

According to the study by Han et al. (2010), wealthy LNS consumers were able to correctly rank the prices of luxury handbags from most expensive to the least expensive with or without the information of whether the brand is conspicuous or not. HNS consumers, on the other hand, incorrectly ranks all the conspicuous luxury handbags as more expensive and the less conspicuous ones as less expensive. This result suggests that wealthy LNS consumers tend to know the true value of luxury brand products regardless of how the brand is viewed by the majority while HNS consumers generally rate the value of the product based on how other people view the brand.

Another study by Yang and Mattila (2014) reveals that wealthy HNS consumers' favorability towards their favorite luxury fashion brand decreased when they are made aware that members from the lower social class starts purchasing those brands. On the other hand, wealthy LNS consumers show a significantly smaller change in favorability towards their favorite brand when they were made aware that those brands are being adopted by members of the lower class. This study made an emphasis to the point that HNS consumers are generally more susceptible to social comparisons while LNS consumers are less susceptible.

The need for status construct will be tested for its moderating effect in this research. As need for status is a construct that involves interpersonal comparison and self-image construction, it should have a moderating effect on the relationships between the exogenous variable and the luxury brand values that are related to social status and self-concept, and should have no moderating effect on values not related to social status and self-concept.

2.3.1 The Moderating Effect on the Relationship between Counterfeit Users' Social Class and Prestige Value

Since climbing up the social ladder matters to HNS consumers, the prestige value of the luxury brand will be important to them. Therefore, we argue that that the

more the genuine luxury brand users perceive that users of counterfeit products belong to a lower social class, the lower the perceived prestige value. On the other hand, LNS consumers will not care as much as they have low need for status. Thus, the hypotheses for the relationship between the perceived social class of counterfeit users and prestige value will be:

> H8a: The more HNS consumers perceive that users of counterfeit products belong to a lower social class, the lower they will perceive the prestige value from the genuine fashion luxury brand.

> H8b: The social class of the counterfeit product adopters will have no significant relationship with how LNS consumers perceive the genuine luxury fashion brand's prestige value.

2.3.2 The Moderating Effect on the Relationship between Counterfeit Users' Social Class and Self-Identity Value

As mentioned that the more consumers perceive that the social class of counterfeit users are lower than theirs, the lower consumers will perceive the self-identity value of the luxury fashion brand. According to Yang and Mattila (2014), HNS consuemrs not only normally try to signal status through luxury consumption but they also tend to portray their desired identities through consuming luxury brands as well. As HNS consumers care more about identity in public, we argue that the more they perceive that a counterfeit luxury brand product is adopted by members of the lower class, the lower they will perceive the self-identity value of the genuine brand.

> H9a: The more HNS consumers perceive that a counterfeit luxury brand product is adopted by members of the lower class, the lower they will perceive the self-identity value of the genuine brand.

On the other hand, LNS consumers have lower need for status and are less likely to care about other people perceive them. Therefore, we argue that the social class of

the counterfeit product adopters will not affect how LNS consumers perceive the genuine brand's self-identity value.

H9b: The social class of the counterfeit product adopters will have no significant relationship with how LNS consumers perceive the genuine luxury fashion brand's self-identity value.

Since need for status is a construct that involves interpersonal comparison and self-image construction, it should have no moderating effect on values not related to social status and self-concept. Therefore, we hypothesize that need for status will not exhibit a moderating effect on the relationships between counterfeit users' social class and quality, hedonic, and uniqueness values.

H16: Need for status will not exhibit a moderating effect on the relationships between counterfeit users' social class and quality, hedonic, and uniqueness values.

2.3.4 The Moderating Effect on the Relationship between Perceived Counterfeit Proliferation and Self-Identity Value

Results by Commuri (2009) suggest that respondents who are in high need for status pretty much care that they maintain their exclusive identity. As discussed earlier that the self-identity value of a luxury brand is the value derived from the ability of the user to display his or her identity through transferring the brand's identity to the self. It is argued in this research proposal that the proliferation of counterfeit products diminishes the exclusivity of the authentic brand products, therefore the user will be no longer able to display his or her desired exclusive identity through the use of the brand. We thus predict that HNS consumers will perceive less self-identity value from the brand if its counterfeit counterpart is heavily proliferated. On the other hand, as mentioned above, that LNS consumers care less about how they are perceived by the general public, they will be indifferent about the self-identity value of a luxury brand regardless of how the counterfeit counterparts are being proliferated.

H14a: The more HNS consumers perceive that a counterfeit luxury brand product is being proliferated, the lower they will perceive the self-identity value of the original brand.

H14b: The perceived counterfeit proliferation will have no significant relationship with how LNS consumers perceive the genuine luxury fashion brand's self-identity value.

As mentioned that need for status is a construct that involves interpersonal comparison and self-image construction, we hypothesize that need for status will not exhibit a moderating effect on the relationships between perceived counterfeit proliferation and quality, hedonic, and uniqueness values. Also, perceived counterfeit proliferation is a construct that is not related to social status, need for status should have any moderating effect on the relationship between perceived counterfeit proliferation and prestige value. We therefore aruge that need for status will not exhibit a moderating effect on the relationships between perceived counterfeit proliferation and prestige values.

H17: Need for status will not exhibit a moderating effect on the relationships between perceived counterfeit proliferation and quality, hedonic, prestige, and uniqueness values.

2.4 Research Framework

According to our research framework, the five luxury brand values being studied are quality value, hedonic value, prestige value, self-identity value, and uniqueness value. All the five luxury brand values are hypothesized to have a positive relationship with the consumers' intention to patronize the authentic luxury fashion brand.

Counterfeit users' social class, on the other hand, is hypothesized to have negative relationships with prestige and self-identity values of the authentic luxury fashion brands. It is also hypothesized that counterfeit users' social class will not have any significant relationships with quality, hedonic, and uniqueness values. Perceived counterfeit proliferation is hypothesized to have negative relationships with self-identity and uniqueness values while not having any significant relationships with quality, hedonic, and prestige values.

In terms of the moderating effect, it is hypothesized that consumer's need for status will have a moderating effect on the relationships between counterfeit users' social class and prestige and self-identity values and not on any other relationships between perceived counterfeit proliferation and the brand values.

Figure 5 depicts the proposed research framework and Table 2 summarizes the conceptual definition of each construct in the framework.
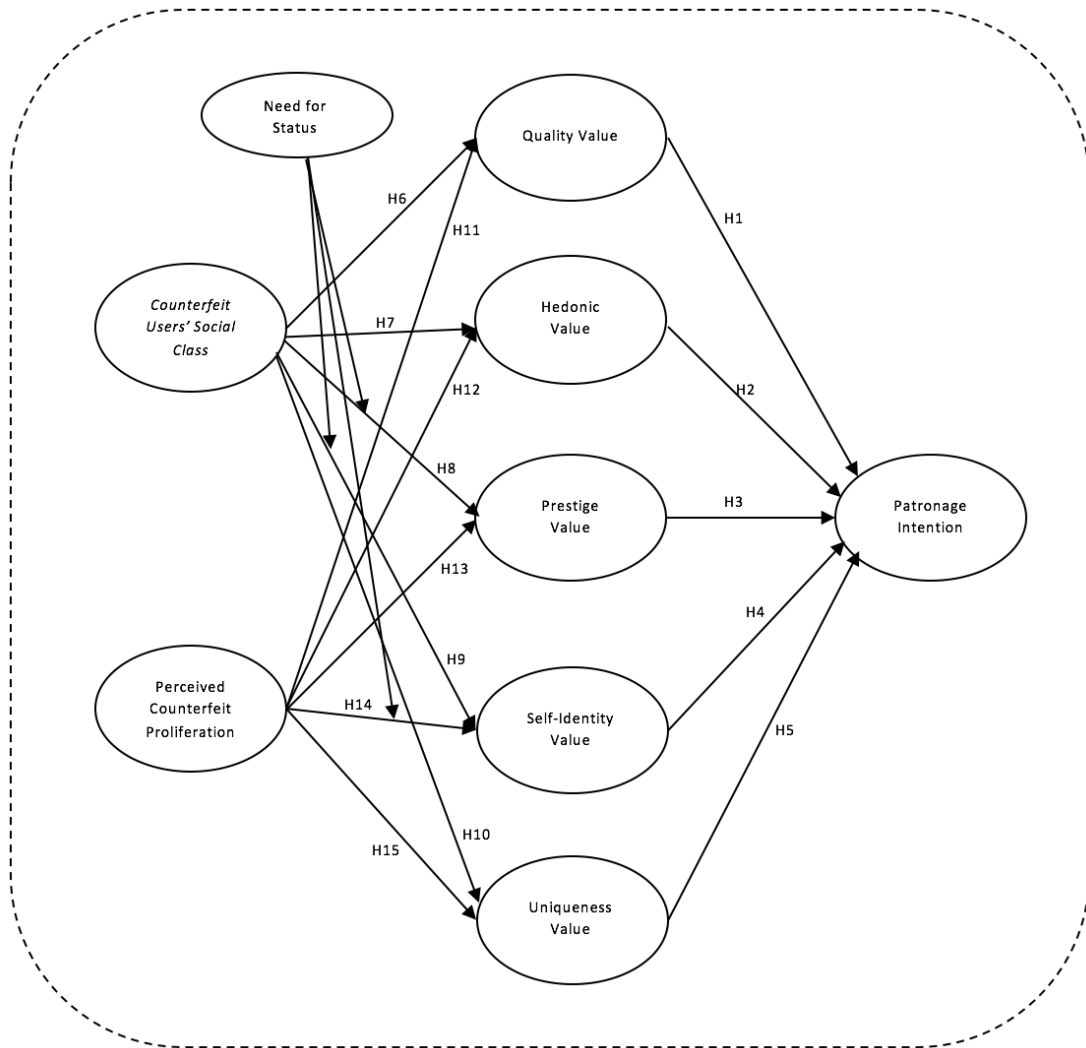
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CHULALONGKORN UNIVERSITY

Figure 5: Proposed Research Framework

Table 2: Conceptual Definitions of the Constructs in the Proposed Research Framework

Construct	Operating Definition	Sources
Counterfeit Users' Social Class (CS)	The authentic brand users' perceived difference between their social status and that of the counterfeit users.	Henry (2005); Amaral and Loken (2016)
Perceived Counterfeit Proliferation (PCP)	The consumer's perception of how much counterfeit products are proliferated as reflected by how much they are available in the market and how much they are being adopted by counterfeit users.	Romani et al. (2012); Commuri (2009)
Quality Value (QV)	The value derived from the perceived superior quality and functional performance of luxury brand products	Dubois et al. (2001); Kapferer (1997); Vigneron

		and Johnson (1999); Vigneron and Johnson (2004); Wiedmann et al. (2009)
Hedonic Value (HV)	The value derived from personal positive feelings or affective states achieved through the use of luxury brands and not derived from the portrayal of social status, self-concept, or any other interpersonal comparisons.	Dubois et al. (2001); Kapferer (1997); Vigneron and Johnson (1999); Vigneron and Johnson (2004); Wiedmann et al. (2009)
Prestige Value (PV)	The value derived from the ability of the consumers to display social status through the use of a luxury brand.	Dubois et al. (2001); Kapferer (1997); Vigneron and Johnson (1999); Vigneron and Johnson (2004); Wiedmann et al. (2009)
Self-Identity Value (SV)	The value derived from the ability that the consumers can portray their self-concept through the use a luxury brand and not derived from the portrayal of status.	Dubois et al. (2001); Kapferer (1997); Vigneron and Johnson (1999); Vigneron and Johnson (2004); Wiedmann et al. (2009)
Uniqueness Value (UV)	The value derived from the desirability of a luxury brand product achieved through its limited availability and the difficulty to which consumers in general will be able to get access to.	Dubois et al. (2001); Kapferer (1997); Vigneron and Johnson (1999); Vigneron and Johnson (2004); Wiedmann et al. (2009)
Patronage Intention (PI)	The consumer's intention to patronize the brand as reflected through future purchasing or recommendations to a close friend.	Hieke (2010); Yoo and Lee (2009)
Need for Status (NS)	The consumer's need to climb up the social ladder, which can be categorized as high need for status or low need for status.	Veblen (1899); Eastman et al. (1999); Han et al. (2010); Yang and Mattila (2014)

CHAPTER 3 METHODOLOGY

According to Punch (2013), there are two approaches to basic research: qualitative and quantitative. Depending on the research question and practicality, different research requires different approaches, or even both. Qualitative research involves the use of non-numerical data such as in-depth interviews, focus group, texts, and images and the use of subjective interpretations by the researcher. Quantitative research, on the other hand, involves the use of numerical data and heavily relies on statistical analysis. Therefore, quantitative research is a research approach that deals with marketing phenomena that can be captured through quantitative data.

As described in chapter 2, this research aims to study the relationships between counterfeiting and original luxury brand values. In doing so, we must have a clear definition of each value and also a method to objectively measure such values. According to Wiedmann et al. (2009), the different luxury brands values can be measured using a multiple item measurement scale. However, the scale items developed by Wiedmann et al. (2009) might not be totally applicable in studying the luxury brand values that are affected by counterfeits. Therefore, predetermined scales will have to be adjusted or even developed for the use in this research. In particular, the measurement scale for perceived counterfeit proliferation construct will have to be developed since it is a construct not explored by past studies. The details on how the scales will be developed and verified with be discussed in later sections.

Regarding objective measurement, it is inevitable for this research to be utilizing and comparing numerical data through measurement scales. Hence, this research will mainly adopt the quantitative research approach to develop and verify the measurement scales through the use of factor analysis. Data will be collected using the questionnaire survey method. The data will then be analyzed using structural equation

modeling. Further details on the research method will be discussed in subsequent sections in this proposal.

3.1 Population and Samples

The population for this experiment are the consumers who have witnessed counterfeit luxury fashion products being used by other consumers and the ones who know that counterfeit proliferation is becoming a problem. Consumers who possess counterfeit luxury brands will also be included in the population because ownership of counterfeit branded products do not have a significant relationship on consumers' evaluation of the genuine luxury brand (Bian & Moutinho, 2011) nor on the purchase intention of genuine luxury brands (Yoo & Lee, 2012).

The sampling frame is male and female consumers living in Bangkok, Thailand of ages 21 to 61 following the age range studied by Commuri (2009). Consumers from Bangkok are selected because Thailand has long been experiencing problem with counterfeits (Commuri, 2009; Wong & Ahuvia, 1998) and counterfeit products are available at multiple markets in Bangkok (Ehrlich, 2015). Therefore, consumers in Bangkok will have a very good idea of the luxury brand counterfeit product problem. However, some of the difficulties in data collection include collecting data from collectivists, which are highly concerned with their public image, even towards the data collector. It therefore might be challenging to obtain an honest response from the respondents.

In regard to the sample size required for PLS-SEM, a technique that will be further discussed later, it was suggested by Hair et al. (2011, p.144) that the minimum required number of samples equals to 10 times the maximum number of structural path leading to a latent construct in the model for reflective models. For this study, the minimum number of samples according to the criterion is 50. On the other hand, the

minimum sample size as suggested by Wong (2013, p.5) is 70 for a model that contains a latent variable with maximum number of 5 structural paths pointing at it.

3.2 Sampling Method

A nonprobability sampling method called judgement sampling will be used. Judgement sampling is a sampling method in which the researcher uses his or her judgement to judge the consumers that will qualify to be a respondent. As this study mainly focuses on consumers who have knowledge of luxury fashion brands, consumer without the knowledge of luxury fashion brands will be excluded from this study. The respondents' knowledge of luxury fashion brands will be verified by asking the respondents whether they know the luxury brand being studied or not and them to list up to five luxury fashion brands that they know of at the end of the questionnaire.

3.3 Research Instrument

This research adopts a questionnaire survey research technique. Since the research is conducted on Thai consumers in Bangkok, Thailand, the measurement scales were translated into Thai using a professional translator. Back-translation procedure was conducted to ensure that the translation is accurate. To make sure that the questionnaire is accurate and valid, pilot tests was conducted with a group of respondents to see whether modifications to the questionnaire will be required. Also, as Louis Vuitton will be the brand used to represent a heavily counterfeited luxury fashion brand, the measurement items were slightly modified in the manner that the brand Louis Vuitton was incorporated into the questions. The brand Louis Vuitton is selected to represent heavily counterfeited luxury fashion brand because interviews with eight consumers revealed that it is generally agreed that the brand is the one most heavily affected by counterfeiting. Please refer to Appendix A for the questionnaire.

However, it is possible that there will be some respondents who do not consider Louis Vuitton as a luxury brand. Therefore, at the end of the questionnaire, we will allow the respondents to list up to five luxury fashion brands that they know of to check

for their definition of luxury. If all the brands they listed are all superpremium, based on Rambourg's Brand Pyramid, the respondent will not be included in the study.

Scales were developed to measure the different constructs in the proposed model (i.e. counterfeit users' social class (CS), perceived counterfeit proliferation (PCP), quality value (QV), hedonic value (HV), prestige value (PV), self-identity value (SV), uniqueness value (UV), and patronage intention (PI). These scales will be developed from the existing scales used in related research. As most of the measurement scales of various constructs are not directly designed for studying counterfeit luxury brands, these measurement scales will have to be adapted and validated. The scales will be evaluated by academic experts in terms of face validity before the scales will be quantitatively validated.

The scales that were developed using existing scales as basis are quality value, hedonic value, prestige value, self-identity value, uniqueness value, and intention to patronize. As discussed in Section 2.1 that the concept of quality value, hedonic value, and prestige value are equivalent to quality value, emotional value, and social value proposed by Sweeney and Soutar (2001), the scales used in our research will be developed from the well-established ones by Sweeney and Soutar (2001). The scales for two additional values, self-identity value and uniqueness value, will be developed using the existing scales by authors such as Wiedmann et al. (2009).

To the best of our knowledge, there has not been any developed measurement scale for the perceived counterfeit proliferation construct. Therefore, the measurement scale of this construct will have to be developed. Also, no formal scales have been developed to measure the perceived difference in social class. Therefore, the measurement scale for counterfeit users' social class will also be developed.

3.3.1 Perceived Luxury Brand Value and Intention to Patronize

The measurement items for the luxury brand values are adapted from the ones developed by Sweeney and Soutar (2001) and Wiedmann et al. (2009) as indicated in Table 3.

Table 3: Luxury Brand Value Measurement Items

Luxury Brand Values	Existing Items by Sweeney & Soutar (2001)	Items Adapted for this Research
Quality Value (QV)	has consistent quality is well made has an acceptable standard of quality has poor workmanship (R) would not last a long time (R) would perform consistently	[A counterfeited luxury fashion brand] product has consistent quality. [A counterfeited luxury fashion brand] has superior quality than other fashion products in general. [A counterfeited luxury fashion brand] is well made [A counterfeited luxury fashion brand] has poor workmanship (R) [A counterfeited luxury fashion brand] would not last a long time (R) [A counterfeited luxury fashion brand] would perform consistently
Hedonic Value (HV)	is the one that I would enjoy would make me want to use it is the one that I would feel relax about using would make me feel good would give me pleasure	[A counterfeited luxury fashion brand] is the one that I would enjoy [A counterfeited luxury fashion brand] would make me want to use it [A counterfeited luxury fashion brand] is the one that I would feel relax about using

Luxury Brand Values	Existing Items by Wiedmann, et al. (2009)	Items Adapted for this Research
		[A counterfeited luxury fashion brand] would make me feel good
		[A counterfeited luxury fashion brand] would *not* give me pleasure (R)
Prestige Value (PV)	would help me to feel acceptable	[A counterfeited luxury fashion brand] would *not* help me to feel acceptable (R)
	would improve the way I am perceived	[A counterfeited luxury fashion brand] would improve the way I am perceived
	would make a good impression on other people	[A counterfeited luxury fashion brand] would make a good impression on other people
	would give its owner social approval	[A counterfeited luxury fashion brand] would *not* give its owner social approval (R)
Luxury Brand Values	**Existing Items by Wiedmann, et al. (2009)**	**Items Adapted for this Research**
Self-Identity Value (SV)	I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	The characteristics of [a heavily counterfeited luxury fashion brand] is inconsistent with my characteristics. (R)
	The luxury brands I buy must match what and who I really am.	[Heavily counterfeited luxury fashion brand] does not match who and what I really am. (R)
	My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	[Heavily counterfeited luxury fashion brand] reflects how I see myself.
		[Heavily counterfeited luxury fashion brand] reflects my self-identity.
		I can use a [heavily counterfeited luxury fashion brand] product to portray my personality.

Uniqueness Value (UV)	A luxury product cannot be sold in supermarkets.	[Heavily counterfeited luxury fashion brand] does not help me to be unique. (R)
	True luxury products cannot be mass-produced.	[Heavily counterfeited luxury fashion brand] products give the impression that it is sold everywhere. (R)
	Few people own a true luxury product.	[Heavily counterfeited luxury fashion brand] products give the impression that it is mass-produced. (R)
	People who buy luxury products try to differentiate themselves from the others.	[Luxury fashion brands that are heavily counterfeited] loses its rarity. (R)
		[Heavily counterfeited luxury fashion brand] is desirable because it is rare.
		[Heavily counterfeited luxury fashion brand] is desirable because few people own it.
		Using [heavily counterfeited luxury fashion brand] products allow the user to differentiate him/herself from the others.

The words in [brackets] will be replaced with the brand Louis Vuitton we will use as a proxy for a heavily counterfeited luxury brand in our study. Since the original measurement items by Wiedmann et al. (2009) were designed to measure the consumer's preference to different luxury brand values and not the luxury brand values themselves, the items will have to be adjusted so that they will be applicable for this research. Also, there are multiple items that are inapplicable to our research and must be omitted. Some items are also added and/or reversed to make the scale more complete and reliable (Couch & Keniston, 1960). Therefore, the measurement items were adapted and some were reversed.

The intention to patronize measurement scale was adapted from the ones used by Hieke (2010) and Yoo and Lee (2009). Some items were added to make the measurement more complete. The measurement items developed for this research can be found in Table 4.

Table 4: Patronage Intention Measurement Items

Exisintg Measurement Items by Hieke (2010) and Yoo & Lee (2009)	**Items Developed for this Research**
I am willing yo buy this brand. It is very likely that I will recommend this brand to my friends.	In my future purchases, I will buy [luxury fashion brands that is heavily counterfeited]. It's very likely that I will recommend [heavily counterfeited luxury fashion brands] to a close friend. In the future, I would mainly use [luxury fashion brands that are heavily counterfeited].

3.3.2 Counterfeit Users' Social Class

According to previous studies, the social class construct can be represented by occupation, education, and household income (Amaral & Loken, 2016; Henry, 2005). Therefore, the measurement item for counterfeit users' social class will revolving around the respondent's belief of whether counterfeit users have lower occupation, education, and household income than him or her or not. Table 5 depicts the measurement items that will be used.

Table 5: Measurement Items for Counterfeit Users' Social Class

Items Developed for this Research
I have better education than the majority of counterfeit Louis Vuitton users.
My household income is higher than that of the majority of the counterfeit luxury fashion brand users.

I have better occupation than the majority of counterfeit luxury fashion brand users.

3.3.3 Perceived Counterfeit Proliferation

In developing the measurement scale for perceived counterfeit proliferation, data from related studies will be used. Romani et al. (2012) have studied the effect of counterfeit market availability on the genuine luxury brand. Results suggest that counterfeit market availability does have an effect on consumer's attitude towards genuine luxury brand. Interviews done by Commuri (2009) has reported how genuine brand users are affected when they see counterfeit products being used by other people.

Using the related findings described above, the measurement items will be created based on the two main ideas: counterfeit market availability and perceived counterfeit adoption. The measurement items created are listed in Table 6. These items will be measured using a 7-point Likert scale ranging from 'strongly agree' to strongly disagree'.

Table 6: Measurement Items for Perceived Counterfeit Proliferation

Items Developed for this Research
Counterfeit luxury fashion brand products are widely available for purchase.
Counterfeit luxury brand products are currently widely adopted by the public.
Counterfeit luxury fashion brand products would probably increase in number in the future.
Nowadays, it is common to see people using counterfeit luxury fashion brand products.

3.3.4 Need for Status

The measurement scales by Eastman et al. (1999) for the need for status construct, which is already well established, will be used. The measurement items for the need for status construct is indicated in Table 7.

Table 7: Measurement Items for Need for Status

Items Used in this Research
I am interested in products with status.
I would buy a product because it has status.

I would pay more for a product if it had status.

The status of a product is irrelevant to me.

A product is more valuable to be if it has some snob appeal

As discussed in Chapter 2 that need for status will operate as a moderating factor in our model. Respondents were classified as high or low need for status based on their responses to the need for status scale. The mean value and the standard deviation of the need for status score was determined for all the respondents. Respondents with need for status score higher than 1 standard deviation above the mean will be regarded as high need for status consumers. On the other hand, respondents with need for status score lower than 1 standard deviation below the mean will be classified as low need for status consumers.

All the measurement items are summarized in Table 8.

Table 8: Summary of Measurement Items

Item Labels	Measurement Items	Author(s)
	Counterfeit Users' Social Class	
CS_1	I have better education than the majority of counterfeit Louis Vuitton users.	
CS_2	My household income is higher than that of the majority of the counterfeit luxury fashion brand users.	
CS_3	I have better occupation than the majority of counterfeit luxury fashion brand users.	
	Perceived Counterfeit Proliferation	
PCP_1	Counterfeit luxury fashion brand products are widely available for purchase.	
PCP_2	Counterfeit luxury brand products are currently widely adopted by the public.	
PCP_3	Nowadays, it is common to see people using counterfeit luxury fashion brand products.	
PCP_4	Counterfeit luxury fashion brand products would probably increase in number in the future.	
	Quality Value	
QV_1	[Brand X] has superior quality than other fashion products in general	Sweeney & Soutar (2001)
QV_2	[Brand X] is well made	
QV_3	[Brand X] has poor workmanship (R)	
QV_4	[Brand X] would not last a long time (R)	
QV_5	[Brand X] would perform consistently	

QV_6	[Brand X] has an acceptable standard of quality	
	Hedonic Value	
HV_1	[Brand X] is the one that I would enjoy	Sweeney &
HV_2	[Brand X] is the one that I would feel relax about using	Soutar (2001)
HV_3	[Brand X] would make me feel good	
HV_4	[Brand X] would *not* give me pleasure (R)	
HV_5	[Brand X] would make me want to use it	
	Prestige Value	
PV_1	[Brand X] would make a good impression on other people	Sweeney &
PV_2	[Brand X] would improve the way I am perceived	Soutar (2001)
PV_3	[Brand X] would give its owner social approval	
PV_4	[Brand X] would *not* help me to feel acceptable (R)	
	Self-Identity Value	
SV_1	The characteristics of [Brand X] is inconsistent with my characteristics (R)	Wiedmann, et al. (2009)
SV_2	[Brand X] does not match who and what I really am (R)	
SV_3	[Brand X] reflects how I see myself	
SV_4	[Brand X] reflects my self-identity.	
SV_5	I can use a [Brand X] product to portray my personality.	
	Uniqueness Value	
UV_1	[Brand X] is a brand that is sold everywhere (R)	Wiedmann, et al. (2009)
UV_2	[Brand X] products give the impression that it is mass-produced. (R)	
UV_3	Few people own [Brand X].	
UV_4	Using [heavily counterfeited luxury fashion brand] products allow the user to differentiate him/herself from the others.	
	Patronage Intention	
PI_1	In my future luxury fashion product purchases, I will buy [Brand X]	Hieke (2010)
PI_2	It's very likely that I will recommend [Brand X] to a close friend	and Yoo &
PI_3	In the future, I would mainly use [Brand X] for my luxury fashion products	Lee (2009)
	Need for Status	
NS_1	I am interested in products with status.	Eastman et
NS_2	I would buy a product because it has status.	al. (1999)
NS_3	I would pay more for a product if it had status.	
NS_4	The status of a product is irrelevant to me.	
NS_5	A product is more valuable to be if it has some snob appeal	

3.4 Scale Purification and Validation

Scale purification started with in-depth interviews to check whether the measurement items make sense to the respondents and to check whether there are any

other points that are overlooked. A total of 8 interviewees were interviewed as suggested by McCracken (1988) that eight respondents are enough for an in-depth interview of a research project. One academic expert reviewed the face validity of the scales.

Quantitative method was then used to purify the scales created described in the previous section. Exploratory factor analysis (EFA) was conducted using data gathered through questionnaire surveys distributed to predetermined samples. Principal component analysis (PCA) technique was used for exploratory factor analysis as PCA is widely accepted method for EFA (Tipping & Bishop, 1999; Widaman, 1993). PCA, as opposed to common factor analysis (CFA), uses the total variance of the variables to reduce the number of variables by grouping them into components (Widaman, 1993).

According to Hair et al. (2010), the suggested sample size for conducting exploratory factor analysis is at least 10 per measurement item (variable) to be analyzed and the loadings of the items onto their corresponding constructs should be well above 0.5. As described in Table 2, the total number of items newly developed for this study is 7 for the 2 constructs, which are counterfeit users' social class and perceived counterfeit proliferation. Therefore, the minimum sample size required is 70. The measurements for other constructs were not be validated because the measurement items are adopted form a validated scale.

As the scales are now purified, test for construct reliability was then conducted. Cronbach's alpha was used for this purpose. Higher Cronbach's alpha value indicates greater consistency of the entire scale, and therefore greater overall reliability of the scale. As suggested by Hair et al. (2010), the minimum value that can be accepted is 0.7. However, in exploratory research, the value can be reduced to 0.6.

In terms of validity, the constructs were tested with two types of validities, namely convergent and discriminant validity. Convergent validity examines whether the measures from constructs that are theoretically related are in fact related. On the other hand, discriminant validity examines whether the measurement scale of a

construct does not measure concepts of other theoretically distinct constructs (Hair, Black, Babin & Anderson, 2010). A construct will be said to have convergent validity if average variance extracted (AVE) value of each item in the scale is 0.5 or above (Fornell & Larcker, 1981). On the other hand, a construct will be said to have discriminant validity if the average variance extracted of that construct exceeds the square of structural path coefficient between the construct and any other constructs (*ibis*).

3.5 Data Analysis

Partial least square SEM (PLS-SEM) technique was used for data analysis. PLS-SEM has the advantage of being more robust against CB-SEM assumption violations such as not meeting minimum required sample size, normal distribution violations, and minimum number of measurement indicators (Hair, Ringle & Sarstedt, 201).

Also, PLS-SEM technique has greater predictive power (*ibis*). The algorithm of the CB-SEM is based on the fitness comparison between the theoretical structural model and the empirical result through the use of global goodness-of-fit criteria (Anderson & Gerbing, 1988). Hence, in the situations where the prior theory is strong and the objective of the research is theory testing, CB-SEM would be the appropriate analysis technique. However, when the prior theory is less developed, the predictive power of PLS-SEM is required and thus the PLS-SEM technique would be the more appropriate technique (Hair et al., 2011). As this research is rather directed towards developing theories that difference in social status and perceived counterfeit proliferation do have relationships with certain luxury brand values, PLS-SEM would serve as an appropriate analysis technique apart from the generally accepted CB-SEM.

In terms of measurement model evaluation, construct reliability will be tested using the Cronbach's alpha and the composite reliability values. The minimum accepted Cronbach's alpha and composite reliability values are both 0.7 (Hair et al., 2010; Hair, Sarstedt, Hopkins & Kuppelwieser, 2014), therefore any constructs with Cronbach's

alpha or composite reliability values below 0.7 will not pass the reliability test. Also, all indicator loadings should be higher than 0.7 in order to demonstrate indicator reliability (Hair et al., 2011).

Convergent validity of each construct will be test using the average variance extracted (AVE) value of the items in the construct. The minimum accepted value is 0.5 (Fornell & Larcker, 1981), therefore any constructs with AVE value below 0.5 will not pass the convergent validity test. Each construct will pass the discriminant validity test if the average variance extracted of that construct exceeds the square of structural path coefficient between the construct and any other constructs (ibis). Also, all indicator loadings should be higher than all their cross loadings. Therefore, a construct with AVE value below the square of structural path coefficient between the construct and any other constructs or with its indicator loadings lower than their cross loadings will not pass the discriminant validity test.

However, as there is no global measure of structural model goodness of fit, the significance of each path coefficient will be assessed using the t-values. The critical t-values for significant path coefficients are 1.65 (at 10 percent level), 1.96 (at 5 percent level), and 2.58 (at 1 percent level) (Hair et al., 2011; Wong, 2013.

Even though CB-SEM and PLS-SEM differ in statistical methodologies, PLS-SEM estimates can be good proxies for CB-SEM when the assumptions required by the CB-SEM are violated (Hair et al., 2011).

To accommodate for moderating effect testing, two PLS-SEM models will be analyzed. One is for respondents that have high need for status and another for respondents that have low need for status.

To test the hypotheses 1 to 5, all the paths from quality, hedonic, prestige, self-identity, and uniqueness value will be tested for significance and all the paths should theoretically should be significant. To test hypotheses 6 to 10, the paths from counterfeit users' social class to all the 5 luxury brand values will be tested for significance.

Theoretically, the paths from counterfeit users' social class to prestige and self-identity value should be significant for HNS consumers and not significant for LNS consumers. On the other hand, the paths from counterfeit users' social class to quality, hedonic, and unique value should not be significant for both HNS and LNS consumers. To test for hypotheses 11 to 15, the paths from perceived counterfeit proliferation to all the 5 luxury brand values will be tested for significance. Theoretically, the paths from perceived counterfeit proliferation to self-identity should be significant for HNS consumers and not significant for LNS consumers. The path from perceived counterfeit proliferation to uniqueness value should be significant for both HNS and LNS consumers, while the paths to quality, hedonic, and prestige value should not be significant for both HNS and LNS consumers.
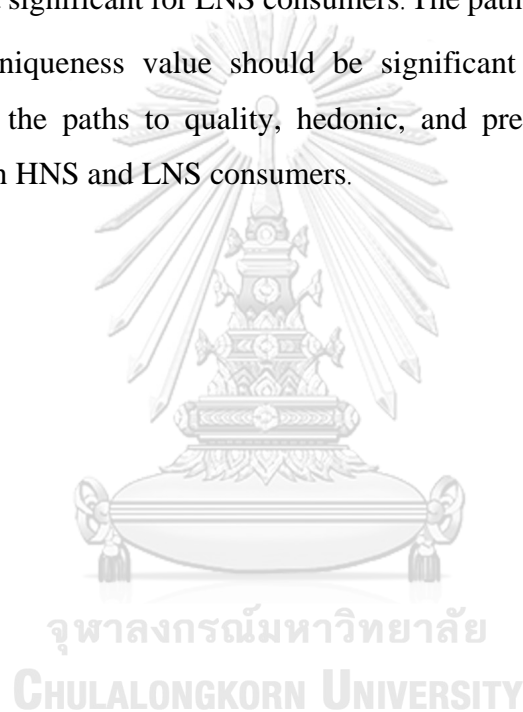
CHAPTER 4 RESULTS

As described in Chapter 3, the face validity of the measurement items created for counterfeit users' social class and perceived counterfeit proliferation constructs were validated by in-depth interviews with 8 respondents and finally validated by one academic expert. The measurement scales were then quantitatively verified using EFA technique with PCA rotation. Data from a total of 112 samples was used for the EFA intial validation. Results indicate that all the measurement items loaded sufficiently onto their corresponding constructs with all factor loadings well above 0.5. The result of the rotated component matrix is shown in Table 9 and the SPSS report of the EFA can be found in Appendix B. Once the measurement scales were quantitatively validated, the survey questionnaire collection procedure was continued.

Table 9: Results for Rotated Component Matrix

Measurement Items	Component	
	1	2
CS_1	.908	
CS_2	.909	
CS_3	.893	
PCP_1		.758
PCP_2		.871
PCP_3		.809
PCP_4		.698

Once sufficient survey questionnaires were collected, partial least square structural equation modeling (PLS-SEM) technique was used to analyze the data. PLS-SEM technique is most appropriate when the main objective of the research is exploratory or when prior theories related to the phenomenon is less developed (Hair et al., 2011; Hair et al., 2014).

A total of 428 samples were collected. Five of the questionnaire were incomplete and 6 were shown to have the majority of the answers as neither agree nor disagree and

were therefore discarded from the study. Six of the respondents reported not knowing the brand LV and were therefore also discarded from the study. To test for the moderating effect of *need for status*, the samples were split into two groups, which are HNS and LNS. As described in Chapter 3, respondents with the average need for status scores higher than 1 standard deviation above the mean were categorized as HNS, while samples with scores lower than 1 standard deviation below the mean were categorized as LNS. After categorizing the respondents into two groups, we obtained a total of 53 respondents with high need for status and 63 respondents with low need for status. Table 10 and Table 11 show the demographic information for the HNS and LNS consumers respectively.

Table 10: Demographic Information of HNS Consumers

		Count	Percentage
Gender	Male	24	45.3%
	Female	29	54.7%
Age	20 to 25 years old	9	17.0%
	26 to 35 years old	41	77.3%
	36 to 45 years old	2	3.8%
	46 to 55 years old	1	1.9%
	55 to 60 years old	0	0%
Education	Less than bachelor degree	2	3.8%
	Bachelor degree	8	15.1%
	Higher than bachelor degree	43	31.1%
Income	Less than 30,000 baht	8	15.1%
	30,000-59,999 baht	25	47.2%
	60,000-89,999 baht	9	17.0%
	90,000-119,999 baht	7	13.2%
	120,000 baht or above	4	3.8%
Total sample size		53	100%

Table 11: Demographic Information of LNS Consumers

		Count	Percentage
Gender	Male	23	36.5%
	Female	40	63.5%
Age	20 to 25 years old	5	7.9%
	26 to 35 years old	34	54%
	36 to 45 years old	11	17.5%
	46 to 55 years old	9	14.3%
	55 to 60 years old	4	6.3%
Education	Less than bachelor degree	1	1.6%

	Bachelor degree	29	46.0%
	Higher than bachelor degree	33	52.4%
Income	Less than 30,000 baht	8	12.7%
	30,000-59,999 baht	38	60.3%
	60,000-89,999 baht	7	11.1%
	90,000-119,999 baht	7	11.1%
	120,000 baht or above	3	4.8%
Total sample size		63	100%

Once samples were categorized as either HNS or LNS, data analysis was conducted. The final usable number of samples is 116 samples, which are divided into 53 samples for the HNS group and 63 samples for the LNS group. Hair et al. (2011, p.144) suggested that the minimum required number of samples equals to 10 times the maximum number of structural path leading to a latent construct in the model for reflective models. For this study, the minimum number of samples according to the criterion is 50. The sample size for both HNS and LNS groups exceeds the minimum required number of samples for the PLS-SEM analyses suggested by both authors.

The analysis involves two stages. First, the measurement model was assessed and second, the structural model was assessed. After the initial assessment of the measurement model, it was discovered that the indicators PCP_4, QV_1, QV_4, HV_2, HV_3, PV_1, SV_3, SV_5, and UV_4 loadings well below 0.7 for the HNS group and were therefore dropped from the analysis to improve indicator reliability as suggested by Hair et al. (2011) and Wong (2013) that all indicators should demonstrate loadings above 0.7. Likewise, PCP_4, QV_1, QV_3, QV_4, HV_2, HV_3, PV_4, SV_3, SV_5, and UV_4 have loadings well below 0.7 for the LNS group and were therefore dropped from the analysis to improve indicator reliability.

4.1 Measurement Model Assessment

After dropping out the items as indicated above, all the measurement models for the HNS group show Cronbach's alpha values between 0.716 (SV) and 0.909 (CS) and

composite reliability values between 0.827 (SV) and 0.941 (CS). This shows that all the constructs passed the construct reliability test. For the HNS group, all indicator loadings are above 0.7 except that of PCP_3 and QV_1. Nevertheless, this problem is shown to be not serious since both the Cronbach's alpha and composite reliability values are satisfactory.

All the constructs for the HNS group also demonstrate satisfactory convergent and discriminant validity. The AVE values range from 0.547 (QV) to 0.843 (CS), demonstrating good convergent validity. The square root of the AVE values of each construct are well above the correlations with other constructs. Also, cross loading analysis shows that all the loadings of the items onto their corresponding constructs are well above all cross loadings. Therefore, the results demonstrate that all the constructs have good discriminant validity. All the numerical results of the measurement model for the HNS consumers are summarized in Tables 12, 13 and 14.

Table 12: Assessment of measurement model (HNS)

		Outer Loadings	Cronbach's alpha	Composite reliability	AVE
Counterfeit	CS_1	0.922	0.909	0.941	0.843
Users' Status	CS_2	0.914			
(CS)	CS_3	0.919			
Perceived	PCP_1	0.933	0.884	0.890	0.734
Counterfeit	PCP_2	0.940			
Proliferation (PCP)	PCP_3	0.669			
Quality Value	QV_1	0.613	0.722	0.827	0.547
(QV)	QV_2	0.745			
	QV_5	0.815			
	QV_6	0.769			
Hedonic	HV_1	0.787	0.764	0.864	0.681
Value (HV)	HV_4	0.748			

	HV_5	0.928			
Prestige Value (PV)	PV_2	0.820	0.793	0.879	0.707
	PV_3	0.812			
	PV_4	0.890			
Self-Identity Value (SV)	SV_1	0.793	0.716	0.838	0.633
	SV_2	0.825			
	SV_4	0.767			
Uniqueness Value (UV)	UV_1	0.846	0.796	0.874	0.700
	UV_2	0.729			
	UV_3	0.923			
Patronage Intention (PI)	PI_1	0.883	0.849	0.909	0.768
	PI_2	0.899			
	PI_3	0.846			

Table 13: Construct correlation matrix (HNS)

	Means	SD	CS	HV	PCP	PI	PV	QV	SV	UV
CS	4.852	1.415	**0.918**							
HV	4.307	1.228	0.109	**0.825**						
PCP	5.855	1.201	0.045	-0.295	**0.857**					
PI	3.876	1.333	0.115	0.753	-0.297	**0.876**				
PV	4.633	1.202	0.095	0.589	-0.102	0.565	**0.841**			
QV	5.287	0.964	0.025	0.425	-0.159	0.453	0.595	**0.739**		
SV	3.477	1.241	0.145	0.697	-0.238	0.738	0.474	0.074	**0.795**	
UV	3.117	1.317	0.100	0.363	-0.167	0.335	0.194	0.389	0.189	**0.836**

Note: The main diagonal values are square root AVEs

Table 14: Cross-loadings analysis (HNS)

	CS	PCP	HV	PI	PV	QV	SV	UV
CS_1	**0.922**	-0.010	0.112	0.185	0.115	0.051	0.137	0.095

CS_2	**0.914**	0.061	0.124	0.051	0.117	0.054	0.127	0.088
CS_3	**0.919**	0.100	0.034	0.061	-0.016	-0.086	0.138	0.092
PCP_1	0.152	**0.933**	-0.274	-0.277	-0.114	-0.097	-0.275	-0.166
PCP_2	-0.056	**0.940**	-0.292	-0.293	-0.111	-0.215	-0.180	-0.155
PCP_3	-0.069	**0.669**	-0.080	-0.085	0.217	0.010	-0.073	-0.041
HV_1	0.197	-0.238	**0.787**	0.523	0.331	0.190	0.564	0.163
HV_4	0.031	-0.216	**0.748**	0.462	0.572	0.408	0.486	0.339
HV_5	0.054	-0.272	**0.928**	0.809	0.561	0.442	0.657	0.383
PI_1	0.189	-0.232	0.717	**0.883**	0.494	0.392	0.713	0.283
PI_2	0.108	-0.264	0.591	**0.899**	0.485	0.319	0.710	0.196
PI_3	-0.008	-0.290	0.669	**0.846**	0.507	0.487	0.506	0.410
PV_2	0.160	-0.065	0.302	0.403	**0.820**	0.558	0.263	0.087
PV_3	0.053	-0.132	0.645	0.504	**0.812**	0.489	0.439	0.264
PV_4	0.041	-0.056	0.505	0.507	**0.890**	0.465	0.474	0.123
QV_1	0.047	-0.179	0.468	0.270	0.363	**0.613**	0.026	0.331
QV_2	0.060	-0.034	0.325	0.299	0.573	**0.745**	-0.017	0.133
QV_5	-0.039	-0.148	0.186	0.360	0.460	**0.815**	0.101	0.274
QV_6	0.021	-0.102	0.312	0.392	0.389	**0.769**	0.086	0.384
SV_1	0.020	-0.174	0.540	0.429	0.305	-0.101	**0.793**	0.181
SV_2	0.009	-0.183	0.553	0.648	0.299	0.065	**0.825**	0.087
SV_4	0.277	-0.204	0.564	0.631	0.497	0.157	**0.767**	0.190
UV_1	0.116	-0.109	0.419	0.264	0.286	0.446	0.178	**0.846**
UV_2	-0.109	-0.058	0.145	0.198	0.099	0.371	0.020	**0.729**
UV_3	0.140	-0.202	0.300	0.341	0.106	0.240	0.208	**0.923**

The measurement models for the LNS group show Cronbach's alpha values between 0.730 (SV) and 0.925 (PI) and composite reliability values between 0.843 (UV) and 0.924 (PI). All indicator loadings are also all above 0.07 except for that of UV_3. However, this problem is shown to be not serious since both the Cronbach's alpha and composite reliability values are satisfactory.

The AVE values of the constructs range from 0.645 (UV) to 0.870 (PI) showing good level of convergent validity. The square root of AVE values of each construct are also well above the correlations with all other constructs. Also, the indicator loadings to their corresponding constructs are also well above all cross loadings. These results demonstrate that the constructs have good discriminant validity. All the numerical

results of the measurement model for the LNS consumers are summarized in Tables 15, 16 and 17.

Table 15: Assessment of measurement model (LNS)

		Outer Loadings	Cronbach's alpha	Composite reliability	AVE
Counterfeit Users' Status (CS)	CS_1	0.849	0.867	0.915	0.782
	CS_2	0.914			
	CS_3	0.889			
Perceived Counterfeit Proliferation (PCP)	PCP_1	0.960	0.884	0.924	0.803
	PCP_2	0.932			
	PCP_3	0.787			
Quality Value (QV)	QV_2	0.785	0.741	0.853	0.659
	QV_5	0.853			
	QV_6	0.797			
Hedonic Value (HV)	HV_1	0.879	0.828	0.896	0.741
	HV_4	0.831			
	HV_5	0.873			
Prestige Value (PV)	PV_1	0.780	0.783	0.871	0.693
	PV_2	0.881			
	PV_3	0.834			
Self-Identity Value (SV)	SV_1	0.818	0.730	0.849	0.654
	SV_2	0.888			
	SV_4	0.710			
Uniqueness Value (UV)	UV_1	0.806	0.739	0.843	0.645
	UV_2	0.923			
	UV_3	0.660			
Patronage	PI_1	0.958	0.925	0.952	0.870

Intention (PI)	PI_2	0.919
	PI_3	0.921

Table 16: Construct correlation matrix (LNS)

	Means	SD	CS	HV	PCP	PI	PV	QV	SV	UV
CS	3.267	1.386	**0.884**							
HV	3.321	1.329	0.127	**0.861**						
PCP	5.440	1.048	0.129	0.004	**0.896**					
PI	2.798	1.452	0.233	0.755	0.042	**0.933**				
PV	3.571	1.250	0.176	0.395	-0.196	0.401	**0.833**			
QV	5.041	0.902	0.290	0.284	0.273	0.307	0.205	**0.812**		
SV	2.727	1.117	0.225	0.721	0.010	0.725	0.310	0.178	**0.808**	
UV	3.807	1.295	-0.239	-0.197	-0.258	-0.285	-0.154	-0.309	-0.239	**0.803**

Note: The main diagonal values are square root AVEs

Table 17: Cross-loadings analysis (LNS)

	CS	PCP	HV	PI	PV	QV	SV	UV
CS_1	**0.849**	0.063	0.096	0.143	0.030	0.115	0.170	-0.125
CS_2	**0.914**	0.056	0.168	0.259	0.209	0.270	0.257	-0.249
CS_3	**0.889**	0.211	0.058	0.183	0.165	0.325	0.153	-0.219
PCP_1	0.140	**0.960**	0.065	0.124	-0.160	0.355	0.058	-0.317
PCP_2	0.073	**0.932**	-0.039	-0.038	-0.216	0.189	-0.005	-0.198
PCP_3	0.142	**0.787**	-0.079	-0.049	-0.169	0.089	-0.091	-0.101
HV_1	0.087	-0.050	**0.879**	0.595	0.474	0.247	0.563	-0.274
HV_4	0.104	-0.026	**0.831**	0.558	0.212	0.263	0.605	-0.293
HV_5	0.131	0.068	**0.873**	0.762	0.332	0.230	0.680	0.001
PI_1	0.225	0.008	0.746	**0.958**	0.363	0.244	0.680	-0.332
PI_2	0.237	0.103	0.671	**0.919**	0.406	0.421	0.628	-0.347
PI_3	0.188	0.007	0.693	**0.921**	0.353	0.195	0.721	-0.117
PV_1	0.079	-0.007	0.335	0.317	**0.780**	0.286	0.221	-0.172
PV_2	0.154	-0.152	0.313	0.367	**0.881**	0.168	0.349	-0.163
PV_3	0.185	-0.277	0.345	0.318	**0.834**	0.102	0.202	-0.070

QV_2	0.276	0.267	0.179	0.126	0.123	**0.785**	0.085	-0.226
QV_5	0.262	0.294	0.228	0.193	0.043	**0.853**	0.139	-0.236
QV_6	0.175	0.109	0.279	0.413	0.327	**0.797**	0.204	-0.288
SV_1	0.186	0.071	0.604	0.548	0.198	0.166	**0.818**	-0.166
SV_2	0.130	-0.025	0.674	0.685	0.271	0.205	**0.888**	-0.241
SV_5	0.245	-0.015	0.457	0.510	0.283	0.048	**0.710**	-0.164
UV_1	-0.188	-0.213	0.071	-0.058	-0.149	-0.191	0.021	**0.806**
UV_2	-0.337	-0.266	-0.234	-0.288	-0.146	-0.266	-0.322	**0.923**
UV_3	0.104	-0.102	-0.270	-0.324	-0.068	-0.313	-0.167	**0.660**

4.2 Structural Model Assessment

Figures 6 and 7 display the resulting path coefficients and corresponding significance value for HNS and LNS consumers respectively while Tables 18 and 19 summarize the numerical results for the path coefficients and corresponding standard errors, t-values, and R^2 values for HNS and LNS consumers respectively. With respect to the relationships among the five luxury brand values and patronage intention (PI) for the HNS consumers, QV, HV, and SV all have significant relationships with PI with beta coefficients of 0.326 ($p < 0.01$), 0.237 ($p < 0.05$), and 0.564 ($p < 0.01$) respectively. Similarly, the relationships between HV and SV and patronage intention are significant for the LNS consumers with beta coefficients of 0.419 ($p < 0.01$) and 0.360 ($p < 0.01$) respectively. The relationship between QV and PI is not significant for the LNS group. Therefore, hypothesis 1 is partially supported, hypothesis 2 is supported, and hypothesis 4 is supported. On the other hand, PV and UV showed no significant relationships with PI for both HNS and LNS consumers. This means that hypotheses 3 and 5 are not supported. Based on the path coefficients, the brand values being most important towards PI are SV, QV and HV respectively for the HNS consumers and HV and SV respectively for the LNS consumers.
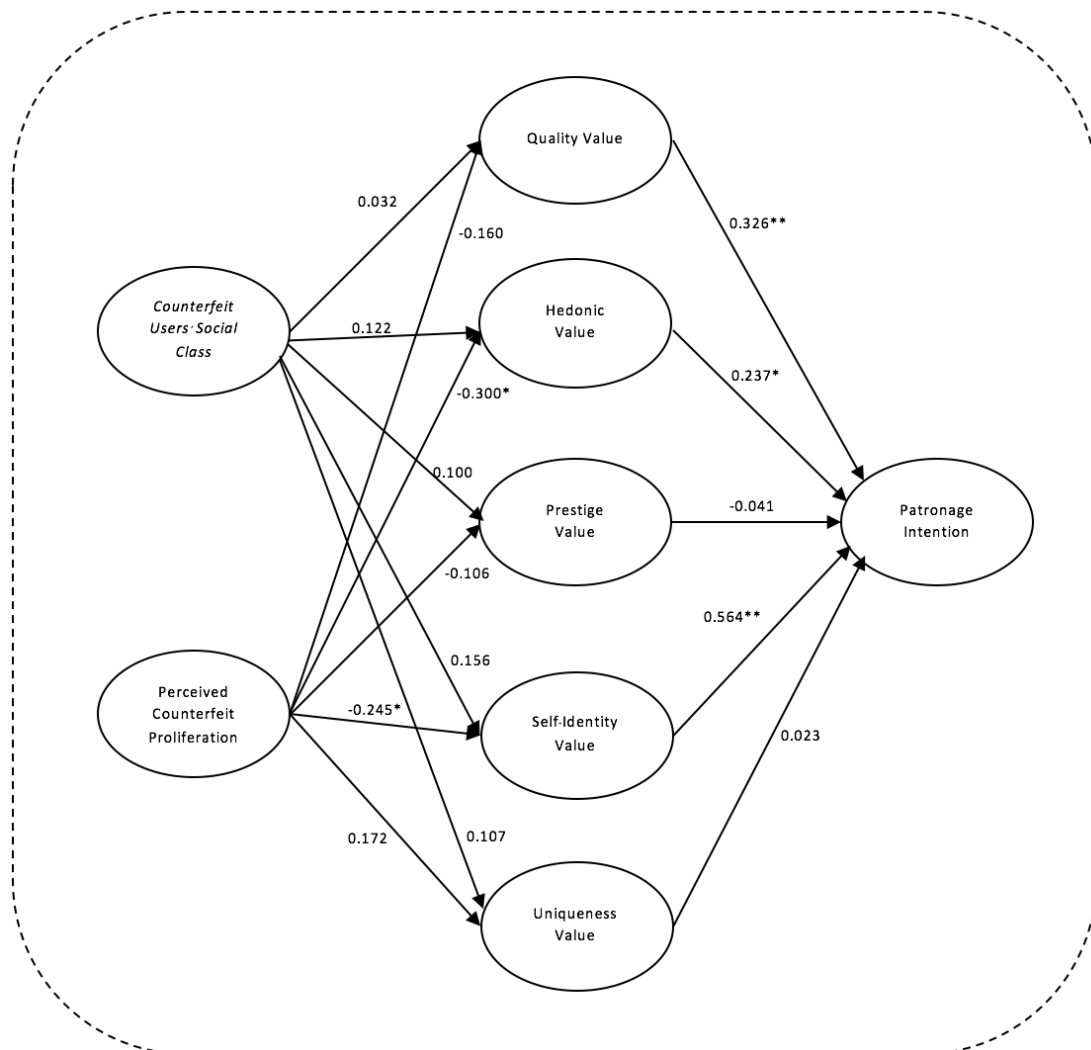
Remark: ** indicates 0.01 significance level
          * indicates 0.05 significance level

Figure 6: Resulting Path Coefficients for HNS Consumers

Table 18: Path Coefficients of the Structural Model for the HNS Consumers

Path	Beta Coefficients	Standard Errors	t-values	R² Values	Hypotheses Testing
QV → PI	0.326**	0.077	4.234	0.727	H1: Supported
HV → PI	0.237*	0.110	2.162		H2: Supported
PV → PI	-0.041	0.092	0.475		H3: Not Supported
SV → PI	0.564**	0.093	6.300		H4: Supported
UV → PI	0.023	0.064	0.312		H5: Not Supported
CS → QV	0.032	0.151	0.212	0.026	H6: Supported
CS → HV	0.123	0.108	1.131	0.102	H7: Supported
CS → PV	0.100	0.137	0.730	0.020	H8a: Not Supported
CS → SV	0.156	0.108	1.448	0.081	H9a: Not Supported
CS → UV	0.108	0.126	0.856	0.039	H10: Supported

PCP → QV	-0.160	0.110	1.457	0.026	H11: Supported
PCP → HV	-0.300*	0.119	2.515	0.102	H12: Not Supported
PCP → PV	-0.106	0.152	0.701	0.020	H13: Supported
PCP → SV	-0.245*	0.123	1.987	0.081	H14a: Supported
PCP → UV	-0.172	0.109	1.582	0.039	H15: Not Supported

Note: The R^2 values for each luxury brand value result from the path from both CS and PCP

**   indicated 0.01 significance level

*   indicates 0.05 significance level

Remark: ** indicates 0.01 significance level
             * indicates 0.05 significance level

Figure 7: Resulting Path Coefficients for LNS Consumers

Table 19: Path Coefficients of the Structural Model for the LNS Group

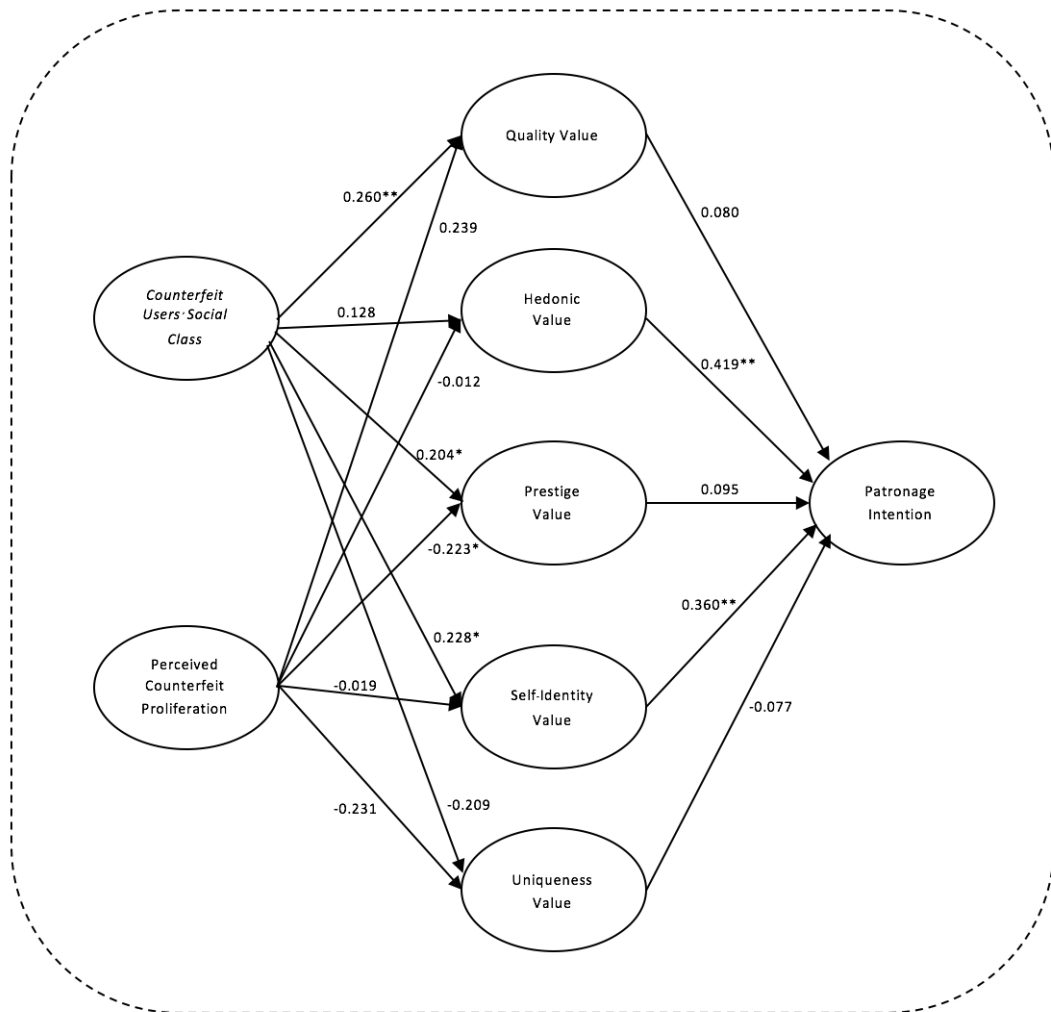| Path	Beta Coefficients	Standard Errors	t-values	R² Values	Hypotheses Testing
QV → PI	0.080	0.069	1.155	0.662	H1: Not Supported
HV → PI	0.419**	0.103	4.090		H2: Supported
PV → PI	0.095	0.071	1.328		H3: Not Supported
SV → PI	0.360**	0.092	3.902		H4: Supported
UV → PI	-0.077	0.077	0.997		H5: Not Supported
CS → QV	0.260**	0.085	3.056	0.141	H6: Not Supported
CS → HV	0.128	0.099	1.290	0.016	H7: Supported
CS → PV	0.204*	0.100	2.037	0.080	H8b: Not Supported
CS → SV	0.228*	0.099	2.297	0.051	H9b: Not Supported
CS → UV	-0.209	0.127	1.644	0.109	H10: Supported
PCP → QV	0.239	0.139	1.718	0.141	H11: Supported
PCP → HV	-0.012	0.109	0.112	0.016	H12: Supported
PCP → PV	-0.223*	0.113	1.977	0.080	H13: Not Supported
PCP → SV	-0.019	0.131	0.148	0.051	H14b: Supported
PCP → UV	-0.231	0.120	1.923	0.109	H15: Not Supported

Note: The R² values for each luxury brand value result from the path from both CS and PCP

**   indicates 0.01 significance level

*   indicates 0.05 significance level

Regarding the moderating effect of need for status, results above demonstrates that HNS and LNS consumers show different patterns of path significance. For the HNS consumers, the paths from counterfeit users' social class to all the luxury brand values are not significant. This causes hypotheses 6, 7 and 10 to be supported while hypotheses 8a and 9a are not supported.

In the case for HNS consumers, the paths from perceived counterfeit proliferation to the five luxury brand values do not exactly follow our hypotheses. The paths from perceived counterfeit proliferation to quality value and prestige value are not significant, as what was hypothesized causing hypotheses 11 and 13 to be supported. However, the path from perceived counterfeit proliferation to hedonic value is significant at 0.05 significance level. This causes hypotheses 12 to not be supported. On the other hand, the path from perceived counterfeit proliferation to uniqueness value is not significant, casing hypothesis 15 to not be supported. Lastly, the path from perceived counterfeit proliferation to self-identity value is significant at 0.5 significance level, causing hypothesis 14a to be supported.

In the case for LNS consumers, counterfeit users' social class shows to have significant paths to quality, prestige and self-identity value with significance levels of 0.01, 0.05, and 0.05 respectively. This causes hypotheses 6, 8b, and 9b to not be supported. On the other hand, the paths from counterfeit users' social class to hedonic and uniqueness values are not significant, causing hypotheses 7 and 10 to be supported.

As for perceived counterfeit proliferation, the paths from the construct to quality, hedonic, self-identity and uniqueness values are not significant, causing hypotheses 11 and 12 to be supported while hypothesis 14b is not. Moreover, the paths to prestige value is significant at 0.05 significance level and the path to uniqueness value is not significant, causing hypotheses 13 and 15 to not be supported.

Regarding the moderating effect of need for status, it can be seen from the results that the construct is shown to have moderating effects on the paths from counterfeit users' social class and quality value while no moderating effect on the paths to and hedonic and uniqueness values, therefore hypothesis 16 can be partially supported. Also, need for status is also shown to have moderating effects on the paths from perceived counterfeit proliferation to hedonic and prestige value but not on the path to quality value, therefore, hypothesis 17 is partially be supported.

Lastly, if the mean values of the five luxury brand values were compared between the HNS and LNS group, it would be seen that the mean values of all the brand values are higher for the HNS group except for that of uniqueness value. Also, the mean values for counterfeit users' social class, perceived counterfeit proliferation, and patronage intention are all higher for the HNS group when compared to that of LNS group. Therefore, our results show evidences that HNS consumers generally value LV more than the LNS consumers and that they show greater intention to patronize the brand. HNS consumers also perceive to a greater extent that their social status is higher than that of the counterfeit users and that counterfeits are being heavily proliferated.

CHAPTER 5 DISCUSSIONS

5.1 The Relationships Between Luxury Brand Values and Patronage Intention

5.1.1 The Relationships between Quality Value, Hedonic Value, and Self-Identity Value and Patronage Intention

The results outlined above suggest that both HNS and LNS consumers base their patronage decision on the similar luxury brand values, which are hedonic value and self-identity value. However, HNS consumers also base their patronage intention on quality value of the luxury products while LNS consumers do not. Moreover, the self-identity value, which is the ability of the product to portray the owner's self-identity, is more important to HNS consumers when deciding to patronize a luxury fashion brand when compared to LNS consumers. In fact, it is the most important value for the HNS consumers. This is as expected because compared to LNS consumers, HNS consumers give more emphasis on portraying their identity and climbing up the social ladder (Han et al., 2010; Yang & Mattila, 2014). Therefore, HNS consumers should conceptually give more importance to displaying their desired self-concept through the use of luxury fashion brands (Yang & Mattila, 2014).

A study by Han et al. (2010) very well supports the result discussed above regarding how self-identity value is more emphasized by HNS consumers in comparison to those with LNS. The authors found that HNS consumers generally desire products that are able to clearly signal who they are and dissociate themselves from the dissociated groups. LNS consumers, on the other hand, are less prone to use luxury fashion brands as means of dissociating themselves from dissociate groups because social status comparison is irrelevant to them (Han et al., 2010). Vigneron and Johnson (2004) also clearly mentioned that self-identity value is the value that allows luxury brand users to signal group membership. Therefore, it is logical to see HNS consumers giving more importance to self-identity value than LNS consumers.

The fact that the path from quality value to patronage intention is not significant for the LNS consumers is also interesting. The concept of quality value provided by Kapferer (1998) covers the beauty and craftsmanship of the product. Therefore, the definition of quality used in this research does not only reflect the functional benefit, but also the design of the product. As HNS consumers care about how they are perceived by other people (Han et al., 2010), they tend to want to show other people they the things that they possess are fashionable and are of higher quality. On the other hand, LNS consumers do not really care how they are perceived by the public (Han et al., 2010) and would not care as much on the aesthetic aspect of the product. This, in essence, would lead to the fact that they care less about the design aspect of luxury products.

5.1.2 The Relationship Between Prestige Value and Patronage Intention

Though there is no significant relationship between prestige value and patronage intention, it is too early to conclude that luxury fashion brands are not used to gain social approval. According to Canterbery (1998), Veblen has clearly explained that the choice of conspicuous consumption is not always consciously aware. By analyzing Canterbery's work, Trigg (2001) commented that since the days of Veblen, status is no longer conspicuously displayed, but is portrayed in a subtler way.

This subtle way of status portrayal is done through how consumers signal status through education, culture and knowledge (Shipman, 2004), and group membership as how Dittmar (1992) has explained that material possessions are used to reflect the user's identity in terms of gender and social-material status (O'Shaughnessy & O'Shaughnessy, 2002). Also, according Truong, Simmons, McColl, and Kitchen (2008), it is no longer accurate to consider status and conspicuousness, or prestige value in the case of our research, as a single entity, unlike what was postulated by Vigneron and Johnson (2004). To conclude the points mentioned above, status portrayal in the modern society is more expressed through self-identity rather than through conspicuousness alone.

In support to the point mentioned by above, we have tried to reanalyze the structural model of the luxury brand values by conducting a second order analysis on the data of 192 samples. It was indirectly suggested by Vigneron and Johnson (2004) that all the five luxury brand values are arranged in the first order manner. However, our analysis has raised questions on this assumption because results have shown that the luxury brand values do exhibit second order relationships. It was found that despite having no direct relationship with patronage intention, prestige value has direct relationship with self-identity value. This supports the assertion that the need for prestige value still exists but is not explicitly displayed through conspicuous consumption and is rather indirectly displayed through the portrayal of self-identity.

Moreover, prestige value and self-identity value also have direct relationships with hedonic value. This highly suggests that the relationships among the five luxury brand values and patronage intention are in a second order manner. Therefore, it is possible that the relationships among the five luxury brand values may not be independent as what was suggest by Vigneron and Johnson (2004) as there may be relationships among the brand values that represents the complexity of the phenomena. The results of the structural analysis can be found in Figure 8 and the full SmartPLS results can be found in Appendix C.

Hence, from the discussion above, it can be seen that status portrayal through conspicuous consumption is starting to become less prominent in modern consumption and that status is now being displayed more through displaying the identity of the self. This is likely the reason why the results show no significant relationship between prestige value and patronage intention while the relationship between self-identity value and patronage intention is significant.
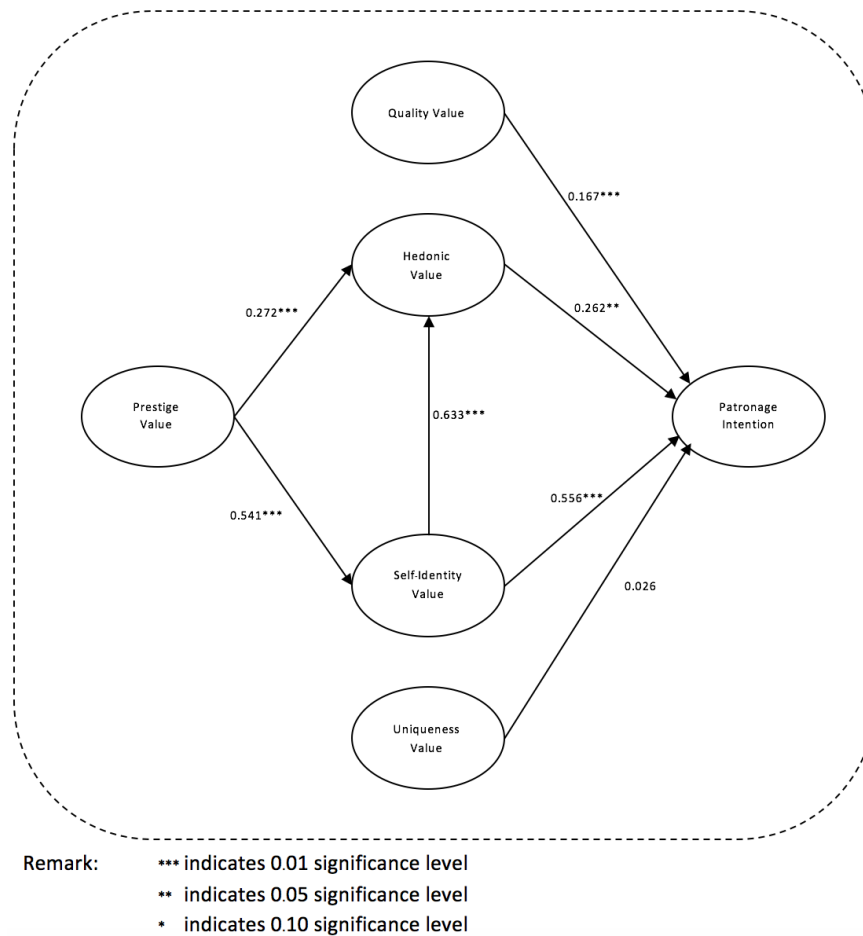
Figure 8: Luxury Brand Value Structural Analysis

5.1.3 The Relationship Between Uniqueness Value and Patronage Intention

Uniqueness value is another value that shows no significant relationship with patronage intention. Though this is not what was expected, literature has shown that the result is nevertheless not impossible. According to Phau and Prendergast (2000) the popularity of a luxury brand increases the Singaporean consumers' desire to own the brand. This implies that the rarity principle is not applicable in the Asian context.

The implication of our results is however somewhat different from that of Phau and Prendergast (2000). In our case, since the uniqueness value yields no significant relationship with patronage intention, popularity of luxury brand does not help to

increase the consumers' desire to own the brand. In fact, the rarity of a luxury product neither helps nor decrease the consumers' desire to own the product.

Though our results and the results obtained by Phau and Prendergast (2000) might be slightly different, one conclusion that we can draw is that the loss of rarity of a luxury brand does not have a negative impact on the consumers' intention to patronize the brand. Asian countries have been regarded as being collectivistic (Hofstede & Bond, 1988; Wong & Ahuvia, 1998) and Asian consumers constantly experience pressures to live to the expectations of the society (Yau, 1988). Therefore, due to the root of culture, Asian consumers tend to avoid consumptions that deviates from the social norm, including consuming goods that are socially agreed upon as signifying status.

Before any further discussion on the results is to be carried out, it is important to keep in mind the premises that HNS consumers are status conscious and LNS consumers are not (Han et al., 2010). Also, high counterfeit users' social class scores mean that the respondents believe that their status is high, or at least not low. This is because counterfeit users are generally view as belonging to lower social class (Commuri, 2009; Gentry, Putrevu & Shultz, 2006). Therefore, perceiving that oneself's social status is higher than that of the counterfeit users can at least equate to the perception that one's own status is not low. This leads to the fact that the higher HNS consumers perceive that counterfeit users belong to a lower class, the more they feel that counterfeit users are out-group members (Yang & Mattila, 2014). LNS conumers who do not really care about status difference are also care less about group belongingness.

5.2 The Relationships Between Counterfeit Users' Social Class and the Five Luxury Brand Values

5.2.1 The Relationships Between Counterfeit Users' Social Class and Hedonic Value and Uniqueness Value

The relationships between counterfeit users' social class and hedonic and uniqueness values are as hypothesized. As described in section 2.2.1 that hedonic value is inner directed (Vigneron & Johnson, 2004), meaning that it is a value to is independent of any interpersonal factor such as status comparison. Counterfeit users' social class, on the other hand, is a construct highly related to status comparison. Thus, the construct and hedonic value should theoretically not be related. Our result has shown that this theory is actually manifested empirically.

The case of uniqueness value is similar to that of hedonic value. Uniqueness value is the value achieved from the possession of products with limited availability. This should conceptually not be related to status comparison encompassed by the construct counterfeit users' social class. Therefore, it is not unexpected to see a non-significant relationship between counterfeit users' social class and uniqueness value.

5.2.2 The Relationships Between Counterfeit Users' Social Class and Quality Value

The relationship between counterfeit users' social class and quality value is not as hypothesized. Conceptually, counterfeit users' social class should not be related to quality value. This is because quality value is the value consumers obtain the functional benefit of the luxury product. Hence, quality value should not be related to status comparison. Nevertheless, our result shows that there is a significant positive relationship between counterfeit users' social class and quality value for LNS consumers.

Han et al. (2010) suggested that wealthy LNS consumers are consumers that can tell the true value of luxury products. This is perhaps that reason why there is a positive relationship between counterfeit users' social class and quality value. Counterfeit users' social class is a construct that can indirectly represent the status of the consumers. Even though the construct measure how much the respondents perceive that they belong to a higher social status than the counterfeit users. This indirectly indicates that status of the

respondents. Therefore, the higher the counterfeit users social class score, the higher the social status of the respondents. Or at least, their perceived status. The positive relationship between counterfeit users' social class can possibly represent the fact of how higher status LNS appreciate the true quality value of a luxury brand. Therefore, the higher the status, the more they appreciate the quality of the brand.

5.2.3 The Relationships Between Counterfeit Users' Social Class and Prestige Value

Unexpectedly, there is a significant positive relationship between counterfeit users' social class and prestige value for the case of LNS consumers. The operating definition of prestige value used in this research is the ability of an authentic luxury brand to create positive impression for the user.

The positive relationship between counterfeit users' social class and prestige value means that the higher the status of the LNS consumers, the more they feel that the brand Louis Vuitton would be able to help its owners to be positively viewed by the others. Since LNS consumers do not care about climbing up to social ladder nor about how other people would outcompete them in terms of social status (Han et al., 2010), they would gladly embrace the belief that the use of luxury brand would help the users to be better accepted by the society.

Consumers belonging to the higher social class often have more economic resource (Drentea, 2000; Oakes & Rossi, 2003) and education opportunities (Snibbe & Markus, 2005) and would therefore display more altruistic behavior (Wang, 2013). Therefore, it can be seen that the more a LNS consumer perceive that they belong to a higher social class, to more he or she would readily support the belief that anybody can be viewed in a more positive way by the others by using the Louis Vuitton brand due to higher altruism.

It is interesting to note that even though there is a positive relationship between counterfeit users' social class and prestige value for the LNS consumers, there is no significant relationship between the prestige value and patronage intention. The

measurement of prestige value in this research measures the perception of the respondents to how they feel that the brand would help its user be positively perceived by the others. The user of the authentic brands described in the questionnaire is any user and not the respondents themselves. Therefore, it is likely that the LNS respondents would view that greater awareness of the brand across multiple social groups would allow the brand to signify prestige of its users to greater amount of audience while not specifically implying that they are the user themselves. The result has suggested that though LNS consumers feel that the adoption of counterfeit products by members of the lower class has led the brand to greater ability for the brand to induce positive impression for its users, prestige value is not what LNS consumers base their purchasing decision on.

The result is different for HNS consumers. In contrast to what was hypothesized, there is no significant relationship between counterfeit users' social class and prestige value for HNS respondents. This means that the HNS consumers perceive that the social class of counterfeit users does not have any effect on the ability of the authentic luxury fashion brand to induce positive impressions to its users. Conceptually, when HNS consumers feel that their social status is higher than that of the counterfeit users, they should feel that the prestige value of the original brand is decrease. This is because counterfeits luxury products look very much like the original brands and there is possibility that consumers wearing authentic products would be mistakenly viewed as wearing counterfeits. However, the insignificant relationship suggests that this might not be the case.

According to Commuri (2009), consumers in Thailand can tell apart authentic and counterfeit luxury products. When consumers can tell apart genuine and counterfeit, the connection between the counterfeit users and the original brand is severed. Therefore, even though counterfeit luxury products and authentic products are similar, the consumers' ability to tell apart fake and authentic products has caused the prestige

value to remain unaffected by the difference in social status of the counterfeit and authentic product users.

5.2.4 The Relationships Between Counterfeit Users' Social Class and Self-Identity Value

Another interesting result is the significant relationship between counterfeit users' social class has a positive relationship with self-identity value for LNS consumers. The higher they perceive that their social status is, the more they feel that they can use Louis Vuitton to portray their self-identity. This can probably be explained by the fact that Louis Vuitton is generally considered to have a brand personality of a wealthy and elegant person (Heine, 2009). Therefore, it is not unexpected for people who have higher social status to perceive that the brand Louis Vuitton can represent their self-identity. Also, the non-wealthy LNS consumers are indifferent about identity signaling to begin with (Han et al., 2010). Therefore, it is logical that LNS consumers with higher social status to perceive more self-identity value from the brand Louis Vuitton when compared to the LNS consumers having lower social status.

On the other hand, our results suggest that this might not be the case for HNS consumers because there is no significant relationship between counterfeit users' social class and self-identity value for HNS consumers. This implies that perceiving that him or herself belongs to a higher social class does not increase nor decrease an HNS consumer's belief about how an authentic brand is able to portray his or her self-identity. This is probably due to the fact that HNS consumers, regardless of social status, all are interested in high-class identity signaling (Han et al., 2010). The relationship between counterfeit users' social class and self-identity value is therefore insignificant.

5.3 The Relationships Between Perceived Counterfeit Proliferation and Luxury Brand Values

5.3.1 The Relationships Between Perceived Counterfeit Proliferation and Quality Value and Self-Identity Value

As hypothesized, perceived counterfeit proliferation does not have a significant relationship with quality value. This is because quality is based on the functional benefit of the luxury product and has nothing to do with the proliferation of counterfeits. In another word, the proliferation of counterfeits should not have any effect on the functional quality of luxury products. This theoretical concept is what was empirically found in our research.

However, what is expected is that there is not significant relationship between perceived counterfeit proliferation and uniqueness value for both HNS and LNS consumers. This is probably due to the fact that consumers can tell apart the authentic and fake products (Commuri, 2009). The loss of exclusivity of a product perhaps can only occur if it is the authentic product that is widely available. In our case, it is the non-deceptive counterfeit that is widely available, not the authentic product. And since consumers can tell apart the authentic and the fake, both versions are treated as separate entities. Therefore, the limited availability of the original is not destroyed by the proliferation of the counterfeits.

5.3.2 The Relationships Between Perceived Counterfeit Proliferation and Hedonic Value

The negative relationship between perceived counterfeit proliferation and hedonic value for HNS consumers is not what was hypothesized. Conceptually, hedonic value should be inner directed (Vigneron & Johnson, 2004) and should not be related to perceived counterfeit proliferation, which is a construct that is rather interpersonal. Nevertheless, this result suggests that the more HNS consumers perceive that the counterfeit version of the luxury brand being proliferated, the more they are dissatisfied in using the product.

This finding is consistent with the findings of Amaral and Loken (2016). The authors found that authentic brand users show less favorability towards their favorite luxury brand once they are made aware that the counterfeit version of the brand is being used by other users. The main consumption motive of HNS consumers is to prove that

they associate with their aspirational groups and that they are not part of the dissociate groups (Han et al., 2010). Being able to have to motivation satisfied is what partly gives HNS consumers hedonism. However, when counterfeits are heavily proliferated in the public, it is possible that consumers wearing authentic products to be misunderstood as wearing counterfeits. Even though consumers in general tend to be able to tell apart the authentic products and the fakes, in the eyes of HNS consumers, there is still certain amount of risk that they will be mistaken as wearing fake products (Commuri, 2009). Therefore, this might have led HNS consumers to not feel as proud when wearing the luxury brand, leading to the degradation of hedonic value.

However, the relationship is not significant for LNS consumers. This is possibly due to the fact that LNS consumers do not base their satisfaction on how they are being viewed by the others (Han et al., 2010). It is the inner pleasure from using the products that gives them hedonism and they fear not of how other people would think of them. Therefore, perceived counterfeit proliferation does not have any significant relationship with hedonic value for the LNS consumers.

5.3.3 The Relationships Between Perceived Counterfeit Proliferation and Prestige Value and Self-Identity Value

Another unexpected result is the significant negative relationship between perceived counterfeit proliferation and prestige value for LNS consumers. It was suggested by Amaral and Loken (2016) that the image of counterfeit users can spillover onto the authentic brand. This is possibly the reason to the negative relationship. The implication of this result is that the higher it is perceived that counterfeits are being proliferation, the less prestigious the brand in the eyes of the LNS consumers. Counterfeit users are generally view as belonging to lower social class (Commuri, 2009; Gentry et al., 2006). It is hence possible that these images of counterfeit users are spilled over onto the authentic brands.

Despite the negative relationship between perceived counterfeit proliferation and prestige value, it is interesting that there is no significant relationship between

perceived counterfeit proliferation and self-identity value for the LNS consumers. This shows that even though LNS consumers feel that counterfeit proliferation degrades the authentic brand's prestige, it does not degrade the brand's ability to portray their desired self-concept.

The results show an opposite pattern for the HNS consumers. For the HNS consumers, there is a significant negative relationship between perceived counterfeit proliferation and self-identity value and no significant relationship between perceived counterfeit proliferation and prestige value. Therefore, in the eyes of HNS consumers, the counterfeit proliferation does not destroy the brand's prestige value, but it destroys the ability of the brand to portray their self-identity. This is also possibly due to the image spillover (Amaral & Loken, 2016) as discussed above.
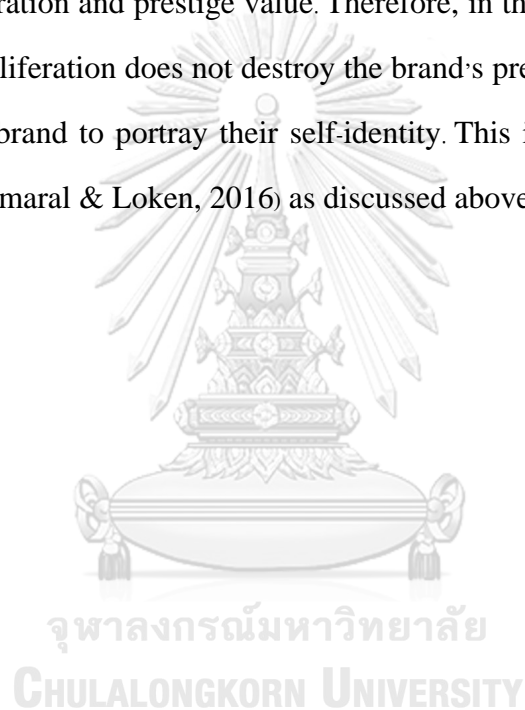
CHAPTER 6 CONCLUSION

6.1 Summary

This research aims to study the effects of counterfeits on the authentic luxury fashion brands. In particular, this research explores the relationships between counterfeit users' social class and perceived counterfeit proliferation and the five luxury brand values along with how these luxury brand values relate to patronage intention.

Literature reviews have shown that three main gaps prevail in literature of counterfeit luxury brands. First, there is a mixed result regarding the effects on counterfeits. Past studies such as those by Nia and Zaichkowsky (2000) and Hieke (2010) have shown that counterfeits do not affect the original luxury brands. On the other hand, the work by authors such as Romani et al. (2012) and Gabrielli et al. (2012) have suggested that counterfeits even benefit the authentic brands. Nevertheless, Commuri (2009) and Amaral and Loken (2016) have demonstrated that counterfeits actually have negative effects toward the original luxury brands.

The second gap is that past studies did not explore the interaction effects of consumers' need for status with the relationships between counterfeit product consumption and luxury fashion brand values. It could be argued that people who are in need for status are more likely to abandon a luxury brand when people from a lower class start adopting the brand's counterfeit product. It is therefore not only important to study the relationships between difference in social status on luxury brand values but also important to explore how consumers' need for status will interact with this relationship.

The third gap is that past studies that explored the effects of counterfeits on original luxury brand values did not clearly define the dimensions of the value being studied. Counterfeits could affect one value dimensions while not affect another. Hence,

it is important to clearly specify which dimensions of the brand value are being investigated.

To address the gaps in the literature, this research aims to study the relationships between the social class of the counterfeit luxury fashion brand users, perceived proliferation of counterfeit luxury fashion products, and the brand values of the original luxury fashion brand and how these relationships will be different for consumers with high need for status and low need for status. Moreover, this research also studies the relationships between the original luxury fashion brand values and the consumers' intention to patronize the original brand.

In order to address the gaps mentioned, 117 samples were collected, which can be divided into 54 samples with high need for status and 63 samples with low need for status. PLS-SEM technique was used to analyze the data. Results reveal that hedonic value and self-identity value have significant relationships with patronage intention for both high need for status and low need for status consumers while quality value has significant relationship with patronage intention for only high need for status consumers. On the other hand, prestige value and uniqueness value show no significant relationship with patronage intention. Therefore, hypotheses 2, and 4 are supported while hypotheses 1 is partially supported. On the other hand, hypotheses 3 and 5 are not supported.

Counterfeit users' social class is shown to have no significant relationships with any brand values for high need for status consumers. These results cause hypotheses 6, 7 and 10 to be supported while hypotheses 8a and 9a to not be supported. On the other hand, counterfeit users' social class is shown to have significant positive relationship with quality value, prestige value, and self-identity value and no significant relationship with other brand values for low need for status consumers causing hypotheses 6, 8b, and 9b to not be supported while hypotheses 7 and 10 to be supported. For the high need for status consumers,

Perceived counterfeit proliferation is shown to have significant negative relationship with hedonic and self-identity values for high need for status consumers while not having any significant relationship with any other luxury brand values. This causes hypotheses 11, 13 and 14a to be supported while hypotheses 12 and 15 to not be supported. On the other hand, perceived counterfeit proliferation is shown to have significant negative relationship with prestige value for low need for status consumers while not having any significant relationship with any other luxury brand values. This causes hypotheses 11, 12, 14b to be supported while hypothesis 13 and 15 to not be supported.

It was also found that need for status moderates the relationships between counterfeit users' social class and brand values other than prestige and self-identity values. Therefore, hypothesis 16 is not supported. Also, need for status moderates the relationships between perceived counterfeit proliferation and brand values other than self-identity value. Therefore, hypothesis 17 is also not supported.

From our results, it can be concluded that need for status actually exhibits moderating effects on the relationships between counterfeit users' social class, perceived counterfeit proliferation, and luxury brand values.

6.2 Theoretical Contributions

6.2.1 The study of All Five Luxury Brand Value Dimensions

The first theoretical contribution is that this research is one of the first to study how counterfeit products affect all the five luxury brand value dimensions. Past studies, such as those by Gabrielli (2012), that explored the effects of counterfeits on the original luxury brand equity using the customer-based brand equity model.

Even though the customer-based brand equity (CBBE) model is closely related to the five luxury brand values, it is not equivalent to the five luxury brand value dimensions discussed in this research. One of the constructs that are not captured by the

CBBE model is self-identity value. Self-identity value studied in the research reflects the ability of the luxury brand to portray the users' desired self-identity. However, non of the constructs in the CBBE model captures this aspect of luxury brands. Even though the imagery construct of the CBBE model contains the measurement item "LV products give to you a certain personality", the item does not clearly specify that such personality is the personality that the users want to portray or not. Moreover, this is the only item among the other two that is related to how luxury products give out a certain personality. Prestige value is also not captured in the CBBE model. One of the important aspects of luxury brands is that they carry prestige in themselves (Vigneron & Johnson, 2004; Wiedmann et al., 2009). Therefore, prestige value should not be neglected when studying luxury brands. In conclusion, one of the main theoretical contributions made by this research is to holistically study how counterfeits affect the five dimensions of luxury brand value.

6.2.2 The Quantitative Measurement of Perceived Counterfeit Proliferation Construct

Secondly, this research introduces the quantitative measurement of the construct perceived counterfeit proliferation. Commuri (2009) conducted a qualitative research on how consumers react to the awareness of the availability of counterfeits. Similarly, Romani et al. (2012) studied how willingness to purchase would be affected when the consumers are aware of the availability of counterfeits. Nevertheless, both research mentioned above did not quantitatively measure the degree to which consumers perceive that counterfeits are being proliferation. From the perspective of this research, counterfeit proliferation can vary in degree. This variation would in turn affect brand values in different degrees. Thus, the introduction of the quantitative measurement of perceived counterfeit proliferation would serve as a foundation for future research related to the study of counterfeits.

6.2.3 The Introduction of Counterfeit Users, Social Class Construct

Third, this research introduces a new variable called counterfeit users, social class, which reflects the perceived degree to which the respondents feel that their social status is higher than that of the counterfeit users. Very limited number of past studies has considered how the perceived difference in social status between the consumers and that of the counterfeit users would affect luxury brand value. As luxury brand consumption is highly associated with status portrayal (Bagwell & Bernheim, 1996; Corneo & Jeanne, 1997), the perceived difference in status between the consumers and that of the counterfeit users should play an important role dictating how luxury brand values are being perceived by the consumers. This research has demonstrated that this is actually the case.

6.2.4 The Introduction of Need for Status as a Moderator

Fourth, this research demonstrates that need for status moderates the relationships among counterfeit users, social class, perceived counterfeit proliferation, and luxury brand values. To our knowledge, none of the past studies on the effects of counterfeits on the original luxury brands have taken into account the consumers, need for status. Therefore, this finding lays a good foundation for future research in the field of luxury brand counterfeiting. Any future research related to the effects of counterfeits on the original luxury brand should take into consideration the moderating effect of consumers, need for status in order to get reliable results.

Our research suggests that the difference in the social status of the authentic and counterfeit luxury brand users positively affects quality prestige, and self-identity values for low need for status consumers. On the other hand, the difference in social status of the authentic and counterfeit luxury brand users tend to have no effect on the brand values for high need for status consumers. Regarding perceived counterfeit proliferation, it was found that the variable negatively affects prestige value for low

need for status and negatively affect hedonic and self-identity values for high need for status consumers.

Our results clearly show that need for status is a very important moderator and future research should consider the difference in consumers' need for status when studying counterfeit luxury brands. Moreover, we have also demonstrated that counterfeit proliferation does have negative effects on luxury brands values

6.2.5 The Study of How the Five Luxury Brand Value Dimensions Relate to Patronage Intention.

Finally, this research tested assertions made by previous literatures that luxury brand values positively contribute to the consumer's intention of patronize the brand. Our research suggests that the only three luxury brand values that positively contribute to patronage intention are quality, hedonic, and self-identity values for high need for status consumers. On the other hand, only hedonic and self-identity values contribute to patronage intention for low need for status consumers. The other luxury brand values do not affect consumers' patronage intention.

All in all, this research provides some evidences of whether counterfeit luxury fashion brand products actually harm the authentic brand or not. In particular, we demonstrated that the proliferation of counterfeits negatively affects the luxury brand values of the original brands, especially for the high for status consumers. The perceived status difference between the authentic and counterfeit brand users also generally positively affects the luxury brand values of the original luxury brands for the low need for status consumers.

The originality of this research is that it is one of the first to systematically study how perceived counterfeit proliferation and counterfeit users' social class affect the five dimensions of luxury brand value of the authentic luxury brands. Also, our study is one of the first to uncover how consumer's need for status moderate the relationships between counterfeiting and luxury brand values.

6.3 Managerial Contributions

Managerially, this research provides important insights for brand managers on how they should manage their brands. The research results demonstrate that consumers of luxury brands can be segmented according to their need for status. In particular, high need for status customers have greater intention to patronize luxury fashion brands compared to low need for status customers. Therefore, it is suggestable that luxury brand managers try to target this group of customers.

However, our research has demonstrated that counterfeit proliferation negatively affects hedonic and self-identity values of the original luxury brands, which are two of the three luxury brand values that directly contribute to patronage intention for high need for status consumers. Since high need for status consumers are the main target for luxury brands, counterfeit proliferation poses threats to brands in terms of revenue generation. Being aware of this insight, brand managers should find countermeasures against counterfeit products. One of the possible ways is to make the original products more difficult to copy.

In battling with counterfeit luxury products, brand managers might also have to work with policy makers. The main problem associated with counterfeit luxury product is not on how closely the fake resembles the original, but is on the proliferation of the fake. As brand managers might not be able to solve the problem of counterfeit proliferation alone, policy makers should enforce anti-counterfeiting policies and be more serious about solving counterfeiting problems.

In terms of increasing sales, brand managers should design marketing communication programs that appeal to customers who have high need for status. One of the possible directions of the marketing communication program is to deliver the message to high need for status consumers in the way that allows them to perceive that the brand is able to help them portray status through consuming the brand.

More specifically, our results show that self-identity value is the most important value that contributes to the patronage intention for high need for status customers. This means that the most important thing that high need for status customers look for from luxury brands is the ability of the brand to convey their desired self-image. As the customers of interest have high need for status, it can be inferred that the image that they want to portray is the image of people with high social status. Therefore, brand managers should design marketing communication programs that make the customers see that they would be able to portray their high social status self-identity. This could take the form of a brand ambassador that commands respect and can represent a person of high social status. Another possibility is to design advertisements showing how the brand is used in events that people with higher social status gather.

Quality value is the value that is the secondly important for high need for status customers in terms of patronage intention. Product quality is something brand managers should never forget to pay attention to. Workmanship and performance reliability are what every customer expects from a luxury fashion brand. Not being able to keep up with quality standard may serve to damage the brand value. It is also important for brand managers to make sure that the sensory pleasures that the customers obtain from the brand is outstanding. This also includes the in-store experience which, if enhanced, would increase satisfaction. The reason behind this that hedonic value is the third most important brand value that contributes to patronage intention.

On the other hand, even though low need for status customers have lower intention to patronize luxury brands, brand managers can still try to increase their patronage intention. Luxury brand managers should pay most intention on creating hedonic value for this group of customers. This can be done through designing marketing communication programs that communicates how the product would give the customers enjoyment while being used. Good product design that leads to superior ergonomics can also contribute to the increase of hedonic value.

The second brand value that is most important to low need for status customers is self-identity value. The challenge is that this group of customers are the ones with low need for status, therefore the self-image that they want to portray might not be as simple as social status. Hence, the challenge lies on the sales person who attends to this group of customers in figuring out what kind of images the customers wish to portray and choose the right product accordingly.

From the discussions above, one of the most important questions is how to accurate tell apart high need for status customers from low need for status customers. In terms of designing marketing communication programs, this issue might be less important. This is because it was already suggested above that brand managers should first target high need for status customers. Therefore, marketing communication programs should be designed to create appeal for the aforementioned group of customers. However, this issue is of great importance when dealing with in-store customers.

The challenge, again, lies with the in-store sales team. As customers of different need for status put different importance of different brand values, it is important for the sales person to communicate the right message to the right group of customers. It is thus important for the sales person to be able to segment the customers that they are attending based on the customers' need for status.

It is, of course, inappropriate to directly ask the customers whether they value social status or not since the customers might not feel comfortable in answering or some might even get offended by the question. Therefore, it is suggested that the sales person uses indirect questions such as the occasions to which customers is planning to use the brand. Should most of the occasions reflect social events and should the keywords from the customer tend to be related to status portrayal, it is likely that the customer is of high need for status. In this case, the sales person should present the brand in the way that it is able to help the customer portray his or her self-identity. On the other hand, should the occasions and keywords not reflect status consumption, the message that the

sales person should deliver to the customer is how the brand would be enjoyable while being used.

6.4 Limitations and Future Research

Despite the contributions, this research does have some limitations. First, this research is conducted in Thailand, where culture is inherently different from that of the western countries. Culture is another factor that could possibly affect consumers' emphasis on the different dimensions of brand value when consuming luxury products. It is highly possible that results will be different if this research is conducted in western countries.

It is possible that Thai consumers are inherently horizontal collectivists (Hofstede & Bond, 1988; Sivadas, Bruvold & Nelson, 2008). The insignificant relationship between uniqueness value and patronage intention can mean that Thai consumers do not put much emphasis on being autonomous and consider themselves as part of the collective. This is unlike in the vertical individualistic countries such as the U.S. (Sivadas, Bruvold & Nelson, 2008), where people would emphasize more on conspicuous consumptions (Chao & Schor, 1998; Eastman, Fredenberger, Campbell, & Calvert, 1997). Nevertheless, as culture is beyond the scope of this study, it is a good idea for future research to explore the moderating effect of culture on the impact of counterfeit proliferation on luxury brand values and brand patronage intention.

It was also discussed in Chapter 5 that the effect of prestige value on patronage intention is not nonexistent, but the effect is rather manifested indirectly through self-identity value. To be more precise, there is a possibility that the relationships among the five luxury brand values and patronage intention is in a second order structure. Results from this research suggest that there is a direct relationship from prestige value to self-identity and hedonic value and from self-identity value to hedonic value. Therefore, future research should verify the structural model of the relationships among the five

luxury brand values and use this verified model to further study the effects of counterfeits on the brand values.

Lastly, to control for the difference in brand values inherent in different luxury fashion brands, this research only focused on the brand Louis Vuitton. It would be interesting to see if their results would be the same if the research was conducted on luxury brands such as Hermes. From our in-depth interviews with the respondents, though Hermes is not the luxury brand that is mostly counterfeited in Thailand, it is one of the known victims of counterfeiting. According to Rambourg's brand pyramid (Willett, 2015), Hermes is positioned at a higher tier compared to Louis Vuitton. Therefore, future research should try to conduct studies on other more prestigious luxury fashion brands to test the generalizability of the results.
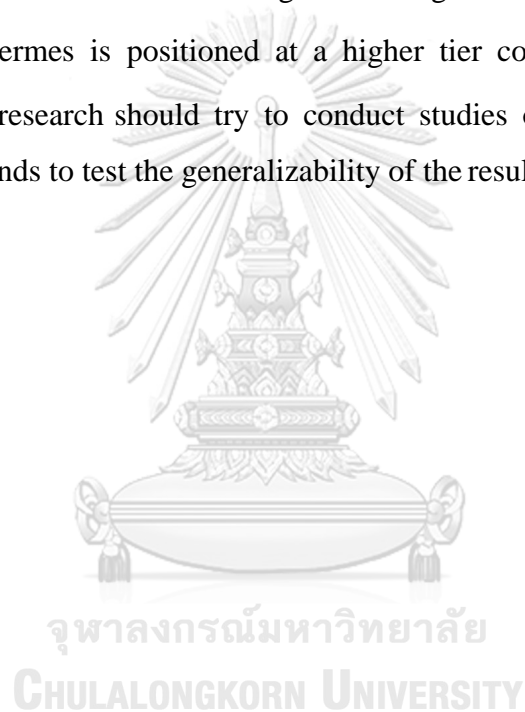
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APPENDIX A: THE QUESTIONNAIRE

<u>แบบสอบถามสำหรับ Louis Vuitton ที่มีปัญหาการถูกลอกเลียนแบบ</u>
<u>สำหรับกรณีของ Louis Vuitton</u>

<u>ส่วนที่ 1</u>: ข้อมูลส่วนบุคคลทั่วไป

คำชี้แจง โปรดทำเครื่องหมาย ✔ ลงใน ❑ หรือเติมข้อความลงในช่องว่างตรงตามความเป็นจริงมากที่สุด

1. เพศ

   ❑ ชาย   ❑ หญิง

2. อายุ............ปี

3. สถานภาพสมรส

   ❑ โสด   ❑ สมรส   ❑ หม้าย / หย่า / แยกกันอยู่

4. ระดับการศึกษาสูงสุด หรือกำลังศึกษาอยู่

   ❑ ต่ำกว่าปริญญาตรี

   ❑ ปริญญาตรี

   ❑ ปริญญาโท

   ❑ ปริญญาเอก

   ❑ อื่น ๆ โปรดระบุ................................

5. รายได้ต่อเดือน

   ❑ ต่ำกว่า 30,000 บาท

   ❑ 30,000 บาท – 59,999 บาท

   ❑ 60,000 บาท – 89,999 บาท

   ❑ 90,000 บาท – 119,999 บาท

   ❑ 120,000 บาท – 149,999 บาท

   ❑ 150,000 บาท – 179,999 บาท

   ❑ 180,000 บาท – 219,999 บาท

   ❑ 220,000 บาท ขึ้นไป

6. คุณรู้จักแบรนด์หลุยส์วิตตอง (Louis Vuitton) หรือไม่

   ❑ รู้จัก   ❑ ไม่รู้จัก

7. คุณเป็นเจ้าของผลิตภัณฑ์หลุยส์วิตตองของ<u>แท้</u>หรือไม่

   ❑ เป็น   ❑ ไม่เป็น

8. คุณเป็นเจ้าของผลิตภัณฑ์หลุยส์วิตตองของ<u>ปลอม</u>หรือไม่

   ❑ เป็น   ❑ ไม่เป็น

<u>ส่วนที่ 2</u> (ข้อ 9-15): ความเห็นต่อผลิตภัณฑ์หลุยส์วิตตองของ<u>ปลอม</u>และผู้ใช้ผลิตภัณฑ์นั้น

คำแนะนำ – กรุณาใส่เครื่องหมาย ✔ ในช่องที่สะท้อนความเห็นที่แท้จริงของคุณมากที่สุด (กรุณาตอบทุกข้อ)

คำถาม	ไม่เห็นด้วยอย่างมาก (1)	ไม่เห็นด้วย (2)	ไม่เห็นด้วยเล็กน้อย (3)	ไม่ใช่ทั้งเห็นด้วยหรือไม่เห็นด้วย (4)	เห็นด้วยเล็กน้อย (5)	เห็นด้วย (6)	เห็นด้วยอย่างมาก (7)
9. ฉันมีการศึกษาที่ดีกว่าผู้ใช้หลุยส์วิตตอง**ปลอม**ส่วนใหญ่							
10. รายได้ครัวเรือนของฉันสูงกว่าผู้ใช้หลุยส์วิตตอง**ปลอม**ส่วนใหญ่							
11. ฉันมีหน้าที่การงานที่ดีกว่าผู้ใช้หลุยส์วิตตอง**ปลอม**ส่วนใหญ่							
12. ผลิตภัณฑ์หลุยส์วิตตอง**ปลอม**มีขายอย่างแพร่หลาย							
13. ปัจจุบันผลิตภัณฑ์หลุยส์วิตตอง**ปลอม**มีการใช้อย่างแพร่หลายโดยทั่วไป							
14. ปัจจุบัน เป็นเรื่องธรรมดาที่จะเห็นผู้คนใช้ผลิตภัณฑ์หลุยส์วิตตอง**ปลอม**							
15. ผลิตภัณฑ์หลุยส์วิตตอง**ปลอม**มีแนวโน้มจะเพิ่มจำนวนขึ้นในอนาคต							

<u>**ส่วนที่ 3**</u> (<u>ข้อ 16-43</u>): ความเห็นต่อหลุยส์วิตตองของ<u>แท้</u>ที่มีการปลอมเป็นจำนวนมาก

คำแนะนำ – กรุณาใส่เครื่องหมาย ✔ ในช่องที่สะท้อนความเห็นที่แท้จริงของคุณมากที่สุด (กรุณาตอบทุกข้อ)

คำถาม	ไม่เห็นด้วยอย่างมาก (1)	ไม่เห็นด้วย (2)	ไม่เห็นด้วยเล็กน้อย (3)	ไม่ใช่ทั้งเห็นด้วยหรือไม่เห็นด้วย (4)	เห็นด้วยเล็กน้อย (5)	เห็นด้วย (6)	เห็นด้วยอย่างมาก (7)
16. Character ของแบรนด์หลุยส์วิตตองไม่ตรงกับ Character ของฉัน							

17. ผลิตภัณฑ์หลุยส์วิตตองมีคุณภาพเหนือกว่าผลิตภัณฑ์แฟชั่นอื่นโดยทั่วไป							
18. แบรนด์หลุยส์วิตตองไม่เข้ากับตัวตนและสิ่งที่ฉันเป็นจริงๆ							
19. ผลิตภัณฑ์หลุยส์วิตตองทำขึ้นมาอย่างปราณีต							
20. แบรนด์หลุยส์วิตตองช่วยสร้างความประทับใจที่ดีต่อผู้อื่น							
21. การใช้แบรนด์หลุยส์วิตตองช่วยพัฒนามุมมองของผู้อื่นที่มีต่อฉัน							
22. หลุยส์วิตตองเป็นแบรนด์ที่หาซื้อได้โดยทั่วไป							
23. หลุยส์วิตตองเป็นแบรนด์ที่ฉันรู้สึกดีที่จะใช้							
24. หลุยส์วิตตองทำให้เจ้าของเป็นที่เชิดชูในสังคม							
25. หลุยส์วิตตองเป็นแบรนด์ที่ถูกผลิตออกมาเป็นจำนวนมาก							
26. แบรนด์หลุยส์วิตตองเป็นแบรนด์ที่ฉันรู้สึกผ่อนคลายเมื่อใช้							
27. ผลิตภัณฑ์หลุยส์วิตตองเป็นงานฝีมือที่แย่							
28. แบรนด์หลุยส์วิตตองสะท้อนมุมมองที่ฉันมองตัวเอง							
29. มีคนจำนวนไม่มากที่ใช้หลุยส์วิตตอง							
30. หลุยส์วิตตองทำให้ฉันรู้สึกดี							
31. ผลิตภัณฑ์หลุยส์วิตตองไม่มีความทนทาน							
32. ผลิตภัณฑ์หลุยส์วิตตองมีคุณภาพการใช้งานสม่ำเสมอ							
33. หลุยส์วิตตองไม่ได้ให้ความพึงพอใจต่อฉัน							

34. การใช้หลุยส์วิตตองไม่ได้ช่วยให้ฉันรู้สึกได้รับการยอมรับ							
35. แบรนด์หลุยส์วิตตองสะท้อนความเป็นตัวตนของฉัน							
36. หลุยส์วิตตองช่วยให้ผู้ใช้มีความแตกต่างจากผู้อื่น							
37. ฉันสามารถใช้ผลิตภัณฑ์หลุยส์วิตตองเพื่อแสดงถึงบุคลิกลักษณะของฉัน							
38. หลุยส์วิตตองคือแบรนด์ที่ฉันอยากใช้							
39. ผลิตภัณฑ์หลุยส์วิตตองมีคุณภาพดีสม่ำเสมอ							
40. ในการซื้อสินค้าแฟชั่นในอนาคต ฉันจะซื้อผลิตภัณฑ์หลุยส์วิตตอง							
41. เป็นไปได้มากที่ฉันจะแนะนำแบรนด์หลุยส์วิตตองให้กับเพื่อนสนิท							
42. ในอนาคต ฉันจะใช้ผลิตภัณฑ์หลุยส์วิตตองเป็นหลักในสินค้าแฟชั่นของฉัน							
43. หลุยส์วิตตอง**ของแท้**ถูกใช้โดยผู้คนมากจนเกินไป							

<u>ส่วนที่ 4</u> (ข้อ 44-62): ความเห็นทั่วไป

คำแนะนำ – กรุณาใส่เครื่องหมาย ✓ ในช่องที่สะท้อนความเห็นที่แท้จริงของคุณมากที่สุด (กรุณาตอบทุกข้อ)

คำถาม	ไม่เห็นด้วยอย่างมาก (1)	ไม่เห็นด้วย (2)	ไม่เห็นด้วยเล็กน้อย (3)	ไม่ใช่ทั้งเห็นด้วยหรือไม่เห็นด้วย (4)	เห็นด้วยเล็กน้อย (5)	เห็นด้วย (6)	เห็นด้วยอย่างมาก (7)
44. ฉันสนใจในผลิตภัณฑ์ที่แสดงถึงฐานะ							
45. ฉันจะซื้อผลิตภัณฑ์เพราะผลิตภัณฑ์แสดงถึงฐานะ							

46. ฉันยอมจ่ายเงินมากกว่าสำหรับผลิตภัณฑ์ที่แสดงถึงฐานะ						
47. ผลิตภัณฑ์ที่แสดงถึงฐานะไม่จำเป็นสำหรับฉัน						
48. ผลิตภัณฑ์นั้นจะมีค่ามากขึ้นสำหรับฉัน ถ้าผลิตภัณฑ์นั้นเป็นที่ต้องการของคนมีฐานะ						
49. ความสุขของฉันขึ้นกับความสุขของผู้คนที่อยู่รอบข้างฉันอย่างมาก						
50. ฉันจะทำสิ่งใดก็ตามที่จะทำให้ครอบครัวของฉันพึงพอใจ แม้ว่าฉันจะไม่ชอบที่จะทำสิ่งนั้น						
51. ฉันมักจะเสียสละความสนใจส่วนตัวของฉันเพื่อประโยชน์สำหรับกลุ่มของฉัน						
52. ฉันชอบทำงานในสถานการณ์ที่มีการแข่งขันกับผู้อื่น						
53. ถ้าผู้ร่วมงานได้รับรางวัล ฉันจะรู้สึกภูมิใจ						
54. ความเป็นอยู่ที่ดีของผู้ร่วมงานของฉันเป็นสิ่งสำคัญต่อฉัน						
55. ฉันชอบที่จะมีเอกลักษณ์เป็นของตัวเองและแตกต่างจากผู้อื่นในหลายหลายด้าน						
56. ฉันรู้สึกดีเมื่อได้ทำบางสิ่งบางอย่างร่วมกับผู้อื่น						
57. ลูกควรจะรู้สึกภูมิใจเวลาที่พ่อแม่ของพวกเขาได้รับรางวัลอันทรงเกียรติ						

58. ฉันเป็นคนที่มีเอกลักษณ์						
59. การแข่งขันคือกฎแห่งธรรมชาติ						
60. ฉันยอมเสียสละ ไม่ทำกิจกรรมที่ฉันชอบมาก หากครอบครัวของฉันไม่อนุญาต						
61. เมื่อปราศจากการแข่งขัน มันเป็นไปไม่ได้เลยที่จะมีสังคมที่ดี						
62. ฉันมักจะ "ทำสิ่งต่างๆ ด้วยตนเอง"						

ส่วนที่ 5: กรุณาระบุชื่อแบรนด์แฟชั่นหรูหรา (Luxury Fashion Brand) 5 แบรนด์ที่คุณนึกถึง

1.   2.   3.   4.   5.

APPENDIX B: EXPLORATORY FACTOR ANALYSIS RESULTS

Component Matrix[a]

	Component	
	1	2
Comp_Edu	.728	-.545
Comp_Hous_Inc	.732	-.541
Comp_Occ	.726	-.523
Coun_Prol_1	.592	
Coun_Prol_2	.702	.551
Coun_Prol_3	.561	.586
Coun_Prol_4		.713

Extraction Method: Principal Component
Analysis.[a]

a. 2 components extracted.

Rotated Component Matrix[a]

	Component	
	1	2
Comp_Edu	.908	
Comp_Hous_Inc	.909	
Comp_Occ	.893	
Coun_Prol_1		.758
Coun_Prol_2		.871
Coun_Prol_3		.809
Coun_Prol_4		.698

Extraction Method: Principal Component
Analysis.

 Rotation Method: Varimax with Kaiser
Normalization.[a]

a. Rotation converged in 3 iterations.

APPENDIX C: SmartPLS RAW REPORT FOR LUXURY BRAND

VALUE STRUCTURAL ANALYSIS

LV Index Values	
HV	3.7502
PI	3.2047
PV	4.2119
QV	5.3804
SV	3.0876
UV	3.1672

Overview

	AVE	Composite Reliability	R Square	Cronbach's Alpha	Communality	Redundancy
HV	0.6897	0.8988	0.6607	0.8497	0.6897	0.1794
PI	0.8102	0.9275	0.686	0.883	0.8102	0.2572
PV	0.6442	0.8782	0	0.8154	0.6442	0
QV	0.5853	0.8494	0	0.7711	0.5853	0
SV	0.6193	0.8901	0.2925	0.8457	0.6193	0.1778
UV	0.659	0.8496	0	0.7999	0.659	0

Cross Loadings

	HV	PI	PV	QV	SV	UV
HV_1	0.8615	0.6846	0.5027	0.2611	0.6894	-0.214
HV_2	0.8286	0.5693	0.5622	0.2617	0.5598	-0.2198
HV_3	0.8489	0.6185	0.5898	0.2331	0.692	-0.1619
HV_4	0.7809	0.5755	0.3793	0.2252	0.6415	-0.11
PI_1	0.7446	0.9204	0.4888	0.3372	0.761	-0.1353
PI_2	0.6211	0.8927	0.4516	0.3237	0.6614	-0.1374
PI_3	0.6213	0.8869	0.4915	0.2767	0.6952	-0.0245
PV_1	0.4121	0.3881	0.7474	0.3947	0.3096	0.0555
PV_2	0.4968	0.4373	0.8758	0.2749	0.4459	-0.1269
PV_3	0.5122	0.3997	0.8325	0.3203	0.4316	-0.0252
PV_4	0.5279	0.4654	0.7472	0.1517	0.5124	-0.0558
QV_2	0.2575	0.2319	0.3499	0.7298	0.1713	0.1103
QV_3	0.1616	0.1788	0.2252	0.7517	0.0611	0.1478
QV_4	0.2125	0.2598	0.2206	0.7815	0.1318	-0.0105
QV_6	0.2515	0.3438	0.2591	0.7955	0.1685	-0.0092
SV_1	0.5465	0.5249	0.2703	0.1324	0.7124	-0.0864
SV_2	0.6246	0.6154	0.339	0.1678	0.7884	-0.1095

SV_3	0.6287	0.5483	0.4809	0.0731	0.7541	-0.1475
SV_4	0.6457	0.6874	0.4811	0.1284	0.8557	-0.2403
SV_5	0.6207	0.6984	0.5207	0.2138	0.8165	-0.0557
UV_1	-0.1845	-0.0946	-0.0961	0.0051	-0.1563	0.8845
UV_2	-0.1942	-0.1022	-0.0036	0.0978	-0.1355	0.9015
UV_3	-0.0591	0.0025	0.0471	0.069	0.0258	0.618

Latent Variables Correlations

	HV	PI	PV	QV	SV	UV
HV	1	0	0	0	0	0
PI	0.7393	1	0	0	0	0
PV	0.614	0.5305	1	0	0	0
QV	0.2951	0.3479	0.3433	1	0	0
SV	0.7801	0.7864	0.5408	0.1831	1	0
UV	-0.2132	-0.1113	-0.0549	0.0591	-0.1646	1

Outer Loadings

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
HV_1 <- HV	0.8615	0.8601	0.0333	0.0333	25.8709
HV_2 <- HV	0.8286	0.8277	0.0418	0.0418	19.815
HV_3 <- HV	0.8489	0.8479	0.0321	0.0321	26.4256
HV_4 <- HV	0.7809	0.7793	0.0527	0.0527	14.8117
PI_1 <- PI	0.9204	0.9207	0.0164	0.0164	55.961
PI_2 <- PI	0.8927	0.8914	0.0341	0.0341	26.1925
PI_3 <- PI	0.8869	0.8859	0.0239	0.0239	37.1299
PV_1 <- PV	0.7474	0.7407	0.0722	0.0722	10.3543
PV_2 <- PV	0.8758	0.8743	0.0319	0.0319	27.4202
PV_3 <- PV	0.8325	0.8303	0.0404	0.0404	20.6299
PV_4 <- PV	0.7472	0.7474	0.0561	0.0561	13.3164
QV_2 <- QV	0.7298	0.7133	0.0897	0.0897	8.1354
QV_3 <- QV	0.7517	0.7231	0.1177	0.1177	6.385
QV_4 <- QV	0.7815	0.7653	0.096	0.096	8.1415
QV_6 <- QV	0.7955	0.7981	0.0679	0.0679	11.7244
SV_1 <- SV	0.7124	0.7086	0.0741	0.0741	9.6159
SV_2 <- SV	0.7884	0.7873	0.0462	0.0462	17.0596
SV_3 <- SV	0.7541	0.7523	0.0506	0.0506	14.9085
SV_4 <- SV	0.8557	0.8542	0.0344	0.0344	24.8822
SV_5 <- SV	0.8165	0.8165	0.0383	0.0383	21.3348
UV_1 <- UV	0.8845	0.7165	0.288	0.288	3.0715
UV_2 <- UV	0.9015	0.7369	0.2791	0.2791	3.2306

UV_3 <- UV	0.618	0.6382	0.3155	0.3155	1.9586

Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
HV -> PI	0.262	0.2561	0.1135	0.1135	2.3076
PV -> HV	0.2716	0.2711	0.0835	0.0835	3.2517
PV -> SV	0.5408	0.5506	0.0731	0.0731	7.3976
QV -> PI	0.1673	0.1758	0.0579	0.0579	2.8914
SV -> HV	0.6332	0.6365	0.0689	0.0689	9.1869
SV -> PI	0.5557	0.5509	0.1087	0.1087	5.114
UV -> PI	0.0261	0.0075	0.0632	0.0632	0.4136

VITA

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