ATTITUDE OF INDIAN CONSUMERS TOWARDS PURCHASE OF COUNTERFEIT HOME APPLIANCES –WITH EMPHASIS ON THEIR UNDRESTANDING OF NEGATIVE EFFECT OF IPR INFRINGEMENTS ON ECONOMY

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Abstract:

India is a one of the key markets of counterfeit products in South Asia which has negatively affected its economy since many years.The trade of counterfeit and pirated products hamper the development of knowledge and innovation as it can greatly reduce the economic benefits for the original creator of products. Widespread and rampant piracy and weak intellectual property rights (IPR) dilutes the development of local industry and also endangers the huge investments made in research and development work of organizations. This can lead to loss of competitiveadvantage as the competitiveness of firms is driven by the firm's ability to innovate and create new productschurned from its knowledge capital. Counterfeiting and piracy can exist in the market from within or due to imports from a foreign market but flourishing or controlling of it can be understood majorly by understanding the attitude of Indian consumers towards purchase of counterfeit and pirated products. The studies so far particularly considering IPR infringements have been skewed towards Pharmaceuticals, Entertainment and Information Technology. This paper attempts to investigate and understand the Indian consumers' awareness of IPR infringements and their attitudes and intention towards purchase of Home Appliances based on psychographic and demographic factors.

Keywords: IPR, Counterfeit, Piracy, Home Appliances, Consumer, Attitudes, India

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INTRODUCTION:

Modern India is a global market for business and has attracted every major company across the globe. In such a scenario Marketing has played a big role in product innovation, branding and media communications. Intellectual Property covering Trademarks, Patents, Copyrights, and Designs includes the trade secrets responsible for business success. Infringement of this extremely valuable property is rampant in India and the significance of IPR is neglected as an important part of marketing function. In India, the term intellectual property right (IPR) gets the highlight only when a criminal action of infringement happens, the reputation or goodwill of the business is at stake and the time gets high for a legal action involving IPR laws, not otherwise. Indian businesses who have taken IPR to a certain serious manner in marketing operations are from the Pharmaceutical, Information technology and Entertainment sectors only. Product innovation, excellence in service deliverables, price leadership, creation of great brands, being international, having major market share, generating high profits, being successful in the stock market index, successful management of competition, etc. and the list goes a long way to mention the factors that would bring competitive advantage and business success for one's business. Success in business needs careful management of brands and product portfolio which are the entities to determine the competitive edge of one's business in the market. These essentially depend upon how detailed attention has been paid to legal protection of brands. Such protection is important since brands include visible features that are vulnerable to imitation, and can be protected only through legal means. Yet intellectual property rights (IPR) are seldom discussed from brand management perspective in particular. This research attempts to highlight the importance of IPR in creation of competitive advantage for consumer durable business in India not just as a legal function but as an integral marketing strategy which is the key to create excellent brands and subsequently marketing success in business.

Despite the increasing interest of discussion in both academia and industry about strategies in brand management for marketing excellence, legal protection mechanisms of the brands, about intellectual property rights (IPR) are seldom discussed in detail. However, the researcher argues that IPR including trademarks, patents, copyrights, design rights, are very important aspects to consider in such discussions, more so with realization to tackle unfair competition. In a highly competitive business environment of India with many local players and growing number of multinational companies entering India, the space for one's own niche and positioning one's brand as distinct and superior is a concern most supreme for sustainability and future growth. In such a situation infringements of intellectual property becomes a big threat. I strongly believe from my academic and practical industry working background knowledge that Intellectual property is a major component for marketing excellence in the present generation of Indian business more so since the advent of this new century, however I believe that IPR has not been

considered with due seriousness in most sectors. One reason behind this could be that IPR matters are not understood by all and are often seen as an external legal issue something that is only be reacted to in case of infringements, rather than being an internal and strategically controllable factor. One more drawback could be that although some amount of serious research work has happened in the recent years concerning the protection and benefits of brand (Alessandri, 2007) the existing studies are mostly limited, concerning mainly individual product brands rather than corporate brands considering the entire organization. Also to note that most of these studies are restricted to protection provided by trademark registrations only (Alessandri and Alessandri; 2004) including studies on trade name dilution, unauthorized use of trademarks, trademark infringements, etc. (Burgunder; 1997, Howard et al. 2000), and also trademark protection concerning the Internet involving domain name registrations of organizations or brands. However, managing corporate brands successfully requires approaching IPR differently, and it can also be influenced by rights like Patent, Copyrights, Designs, over and above just Trademarks. While discussing marketing excellence or competitive advantage of a company, the first obvious factor comes to mind is the superior product and the brand that the company has. The competitive advantage and superiority of the product offering in term of its precision engineering, innovation, technical edge or quality edge gets its due share of competitive advantage in the market along with the brand name associated which creates an equity in the market for that product and the company in total. This superiority is an example of competitive advantage that a company enjoys in the market which also ensures higher market share and higher revenues.

Until recently, the Indian home appliance industry had a clear demarcation of organized players and disorganized local players. However, there has been a significant shift in the strategies adopted by both major national players and their smaller local counterparts since 2010. Previously, the smaller players focused mainly on niche appliances, such as irons, mixers, grinders, electric cookers, food processors, personal care appliances and fans and were present mainly in the lower price bracket. The major players focused mainly on larger appliances, such as washing machines, refrigerators, air conditioners, built-in hobs and microwaves. All this is changing and a paradigm shift in the way both major and smaller appliance companies operate in the Indian market has been observed. The major players, such as Crompton Greaves, Bajaj Electricals, Usha International,Havells, Anchor Panasonic, Kenstar, Philips Electronics, TTK Prestige,Glen Appliances and Inalsa Appliances entered niche appliance categories in order to attain stronger volumes. The smaller local players, on the other hand, were aiming to increase their reach and penetration. They expanded aggressively in regions where they were yet to have a presence in order to increase their penetration. In addition, smaller local companies entered a number of appliance categories in which they were not present, by directly importing these products from China, Thailand and South Korea and selling them in the Indian market.

Major national players, such as Crompton Greaves, Bajaj Electricals, Usha, Havells and TTK Prestige, which already have a pan India presence, began expanding into niche appliance categories in order to achieve stronger volumes. These companies aim to be one-stop players for all consumers' home appliance requirements. Although most companies are in home and appliance manufacturing, they are not present in all categories. They aim to expand into niche categories, such as citrus pressers, mixers, grinders and electric cookers, to become one-stop providers of all kitchen requirements. They are also entering non-kitchen appliances including

irons and these products are available in the stores along with kitchen appliances. Local regional players occupy second or third position in niche categories in some regions. Now smaller local players are beginning to expand their reach into different regions with the aim of slowly but steadily attaining a pan India presence. Furthermore, these companies, which were present only in certain niche categories, are expanding into a number of new categories, such as induction cookers, hobs, blenders, food processors and sandwich makers. There is also a growing awareness about the importance of branding and marketing among regional players and they are now also investing in brand building activities. In this bargain, it has been observed that rampant infringement of product design and trademarks are happening nationally and this is affecting the business revenues, market share and brand equity thereby losing the competitive edge eventually. It is also observed from the market that not just the un-organized companies but also the bigger organized players are infringing the intellectual properties.

Counterfeiting can happen in primarily four ways:

(1) Within India, Company A impersonates / duplicates the products of Company B and sells it in the local market. (Organized market)

(2) Within India, an unknown company impersonates / duplicates the products of Company B and sells it in the local market. (Gray market)

(3) CompanyA imports products into India from Company X of different country which duplicates well known international products.

(4) Company X from a foreign country is an outsourced manufacturer for both Company A and B of India and it dilutes oneproduct design for several companies, thereby releasing counterfeits in the market

However, the truth behind this phenomenon stands on the basic fact that a demand for counterfeit and pirated products exist in the market as consumers purchase and consume them. Hence, it becomes important to understand the Indian consumer behavior with respect to their knowledge of counterfeits, IPR infringements, negative effects of infringements and willingness to buy infringed products. This paper attempts to understand this with respect to Home appliances in India from a research conducted among consumers from the three states of Gujarat, Maharashtra and Goa of Western India, which represents the modern cosmopolitan population of the country and which also represents some typical consumer markets segmented on the parameters of price sensitivity, quality sensitivity and lifestyle sensitivity in India.

DEFINITION OF IMPORTANT TERMS:

Intellectual Property Rights (IPR) are the legal rights governing the use of creations of the human mind. It consists of a bundle of rights in relation to a certain material object created by the intellectual capabilities of the creator who only has the right to recreate it. IPR would include Trademarks, Copyrights, Patents, and Industrial Designs only for the scope of this research.

Trademark is a visual symbol or sign in the form of a word or a label. It is used for the identification of goods or services supplied by others. The sign may consist of one or more distinctive words, letters, numbers, drawings, pictures, emblems, colours or the form of other special presentation of packages for the product.

Copyright is the exclusive right to copy and recreate a work by the original author of the work in which copyright exists, such as literary, dramatic, musical, artistic, cinematograph and sound recordings.

Patent is a right granted to a person / company who has invented a new and useful article or an improvement of an existing article or a new process of making an article. It consists of an exclusive right to manufacture new article invented or manufacture an article according to the invented process. The owner of a Patent can sell it or license it to anyone. Patent system encourages new development in the industry.

Design is primarily for appearance of the shapes and which is registered as Industrial Design. Design means only the features of shape, configuration, pattern, ornaments or composition of lines or colours applied to any article whether in two or three dimensional or both, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device and does not include any trademark or property mark or any artistic work.

Within the scope of this research, the term "counterfeiting" is used in its broadest sense and it encompasses any manufacturing of a product which so closely imitates the appearance of the product of another to mislead a consumer that it is the product of another. Hence, it may include trademark infringing goods, as well as copyright infringements. The concept also includes copying of packaging, labelling and any other significant features of the product.

Counterfeiting is ultimately an infringement of the legal rights of an owner of intellectual property.

The Agreement on Trade-related Aspects on Intellectual Property Rights (the TRIPs Agreement)defines counterfeiting and piracy as:

(a) "counterfeit trademark goods" shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation;

(b) "pirated copyright goods" shall mean any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

Technically "counterfeiting" only refers to specific cases of trademark infringement, but in practice, the term would mean making of a product whichso closely imitates the appearance of the product of another as to mislead a consumer that it is theproduct of another.

Attitude is a pre-disposition or tendency to respond positively or negatively towards a certain idea, object, person or situation. Attitude influences an individual's choice of action and responses to challenges, incentives and rewards.

Home Appliancesin the scope of this research includes the products like electric fans, electric irons, mixer-grinders, juicers, food-processors, water filters/ purifiers, induction heaters, electric rice cookers, electric kettles, room heaters, room coolers, etc.

UNDERSTANDING CONSUMER BEHAVIOR AND ATTITUDE:

Consumer needs are driven by two basic motivations; i.e. functional/utilitarian as well as symbolic/expressive (Mittal, 1988; Bhat & Reddy, 1998).This helps to understand that counterfeit goods, similar to their original counterparts, can be divided into two types. The symbolic serves to enhance user's self-image or augment their social identification and the other goods that bring utilitarian benefits to its user, solving some specific or practical need of consumption. Demographics such as age, education and income are considered as control variables as they are believed to have significant effects on the consumers' responses on views and actual purchases of counterfeit products.

Both Psychographics and Demographics of consumers help in determining their consumption behavior in a market place. Demographics will include the factors like Age, Gender, Education, and Occupation. Psychographics typically include personality, values, opinions, attitudes, interests and lifestyles. Since Attitude is a central factor for the scope of this research, it becomes important to explore more on the understanding the attitudes of Indian consumers towards purchase of counterfeit home appliances.

To understand Indian Consumers' attitude towards purchase of counterfeit products, it is important to note that Attitude is a learned pre-disposition, to behave in a consistently favorable/unfavorable manner towards a given object. As alearned predisposition, attitude might influence a consumer toward, or push a consumer away, from aparticular behavior (Schiffman and Kanuk, 2004). This means, if a consumer has a favorable attitude toward counterfeits, it will influence / encourage the consumer to purchase counterfeitproducts.

To understand the attitude it also therefore becomes important to understand the personality types of consumers, since one's personality majorly determines how one reacts to a given situation in a given environment. Among the factors that influence personality are (1) Value consciousness, (2) Personal gratification, and (3) Novelty seeking.

A value consciousness consumer is a person who will look for a product that theywill only pay at a lower price subject to some quality constraints (Ang*et al.,* 2001; Lichtenstein *et al*., 1993). In economics, when price goes down, demand rises. Counterfeit productsprovide great cost saving to consumers; although some compromise in quality, the perceived value is surely high (Dodge *et al*., 1996). When a counterfeit has a distinct price advantage over the original product, consumers will choose the fake products (Bloch *et al.,* 1993). Therefore it can bepredicted that a person who has more value consciousness will have positive attitudes towardscounterfeits.

Personal gratification concerns the need for a sense of accomplishment, social recognition, and to enjoy the finer things in life (Ang*et al*., 2001 and Wang *et al.,* 2005). Consumers with low

personalgratification will value the counterfeit version of products more than the genuine product. Personalgratification is not important for a person who values counterfeit products. Thus it can be predicted that aperson who has less personal gratification will have more favorable attitudes towards counterfeit products.Also complimentary to this factor is the personal attribute of Integrity. Integrity represents Individual`s fundamental thinking about ethics and trustworthiness. Integrity impacts on person`s decision in direction to supporting or participating in unethical practices. The consumer who has obedience to law and ethics will not be possess the favorable attitude towards counterfeits and also will have less willingness to purchase a counterfeit product. However, purchase of a counterfeit product doesnot count as an illegal action.

Novelty seeking refers to the human interest in looking for variety / options (Hawkins *et al*.,1980). It may arise out of consumers' dissatisfaction with product attributes, or with thebrand they frequently repurchase, particularly for products with low purchase risk. Thus a novelty seeker is more likely to purchase counterfeit productsas these are low cost means of satisfying curiosity and need of experimentation towardscertain things.

Apart from the above personality based factors, there are also social factors which influence consumers to behave in a particular manner as far purchasing a product is concerned. Social influences have a major influence on consumer's decision making (Schiffman and Kanuk, 2004). Consumers' attitudes can be influenced by social pressure depending on their susceptibility level. Consumer susceptibility is "the need to identify with or enhance one's image in the opinion of significant others through the acquisition and used of product and brands, the willingness to obey the rules to the expectations of others regarding purchase decision, and the tendency to learn about products by observing others or seeking information from others" (Bearden *et al*., 1989). There are two form of susceptibility; informative and normative susceptibility (Bearden *et al*., 1998). Informative susceptibility is consumer susceptibility to social influence, it concerns purchase decisions based on the expert opinions or others (Wang *et al*., 2005). Information susceptibility usually occurs when consumers are not knowledgeable about the product (Ang*et al*., 2001). Normative susceptibility concerns purchase decisions based on the expectation of what would impress others (Ang*et al.,* 2001). It differs from informative susceptibility in the sense that normative susceptibility is expected to have a negative outcome on attitude towards counterfeit product. Buying counterfeit products may create a negative image among friends, thus people with high normative susceptibility will have a negative attitude towards counterfeits.

RESEARCH OBJECTIVE:

The singular objective of this research is to determine the specific issues that influences the actual purchases of the counterfeit home appliances products

RESEARCH METHODOLOGY

The methodology described here is for understanding how the research study was carried out to obtain in depth information about the variables and their significance in the counterfeit home appliances purchase behavior of consumers in India

Based on the above objective the research methodology proposed for this study were:

- Exploratory research: To get insights into the core of the issue and understand how purchase behavior of consumers happen for counterfeit home appliance products.

- Descriptive research: To understand and examine the relationship between the variables like psychographic and demographic attributes, knowledge of IPR, in attitudes of consumers regarding purchase of home appliance products in India.

SAMPLING:

This research was conducted among 500 consumers across age and genders from the three states of Gujarat, Maharashtra and Goa of Western India, which represents the modern cosmopolitan population of the country and which also represents some typical consumer markets segmented on the parameters of price sensitivity, quality sensitivity and lifestyle sensitivity in India. Consumers were interviewed physically, on telephone, on email and social media chats, using a structured questionnaire schedule, between January-July 2015.

The study was done using Purposive and Snowball sampling where some known people were interviewed and other respondents gathered through their fellow references.

HYPOTHESES FORMING:

Buying counterfeit goods can be considered a risky venture given the possibility that consumers may lose money eventually for servicing and / or repairs if their counterfeit purchase is faulty or unreliable for a long usage. Also one may presume to be at social risk of being ridiculed for having purchased a fake / pirated / counterfeit appliance in a strata of the society where it be thriving on possession of premium branded products only. Hence, based on this thought, the following Hypotheses can be made:

Ha_1: The risk in buying counterfeit home appliances is negatively associated with the purchase of symboliccounterfeit products.
Ha_0: The risk in buying counterfeit home appliances is negatively associated with the purchase of functionalcounterfeit products.

Every market has some retail outlets stocking and selling spurious goods which may be counterfeits or pirated. The same is practical in the Home appliances market of India. In such a scenario consumers favoring counterfeits frequent these outlets and purchase from there. Based on this observation, following hypotheses can be made:

Hb_1: The trust in stores that sell counterfeit home appliances is negatively associated with purchases ofsymbolic counterfeit products.
Hb_0: The trust in stores that sell counterfeit home appliances is negatively associated with purchases offunctional counterfeit products.

Counterfeit goods are much cheaper than the original ones and are also believed to be of inferior quality compared to the original ones. In this case, large cost savings seem useless if the counterfeit appliances that are purchased do not last long or meet acceptable quality standards. The more consumers think that counterfeit goods do not give value for money, the more they may avoid buying them. Based on this thought, following hypotheses can be made:

Hc_1: The value for money of using counterfeit home appliances is negatively associated with purchase ofsymbolic counterfeit goods.
Hc_0: The value for money of using counterfeit home appliances is negatively associated with purchase offunctional counterfeit products.

Success of counterfeit trade depends majorly on the ethical views of consumers themselves. The presence of counterfeit goods negatively affects the demand and reputation of the original brand. The more consumers perceive that injustice is done by purchasing counterfeit goods; the less likely they would purchase the duplicates. Based on this thought, it can be hypothecated that:

Hd_1: The fairness to the original producers is negatively associated with buying symbolic counterfeithome appliances.
Hd_0: The fairness to the original producers is negatively associated with buying functional counterfeithome appliances.

Moral grounds also play a substantial role among consumers attitude towards counterfeit purchase. For consumers who have a strong sense of morality rooted in them, they would abstain from buying counterfeit goods. Hence, it can be thought that:

He_1: The morality of buying counterfeit home appliances is negatively associated with purchase of symboliccounterfeit products.
He_0: The morality of buying counterfeit home appliances is negatively associated with purchase of functionalcounterfeit products.

THEORETICAL FRAMEWORK:

The five issues described above that would affect choosing a counterfeit product: risk in buying counterfeit goods, trust in stores that sell counterfeit goods, value for money, fairness to the original producers and the morality of buying counterfeit goods, comprise of the independent variables which affects the actual purchase of Counterfeit product as the dependent variable.The moderating variable here is the Consumer demographics comprising of Age, gender, Education and occupation and would also include knowledge and awareness of IPR among Indian consumers. Theframework can be diagrammatically represented as below:

Issues prevailing on counterfeit consumption

- risks in buying
- trust in stores
- value for money
- fairness to original producers
- morality in buying

Consumer Psychographics

Consumer Demographics

Purchase of Counterfeit product
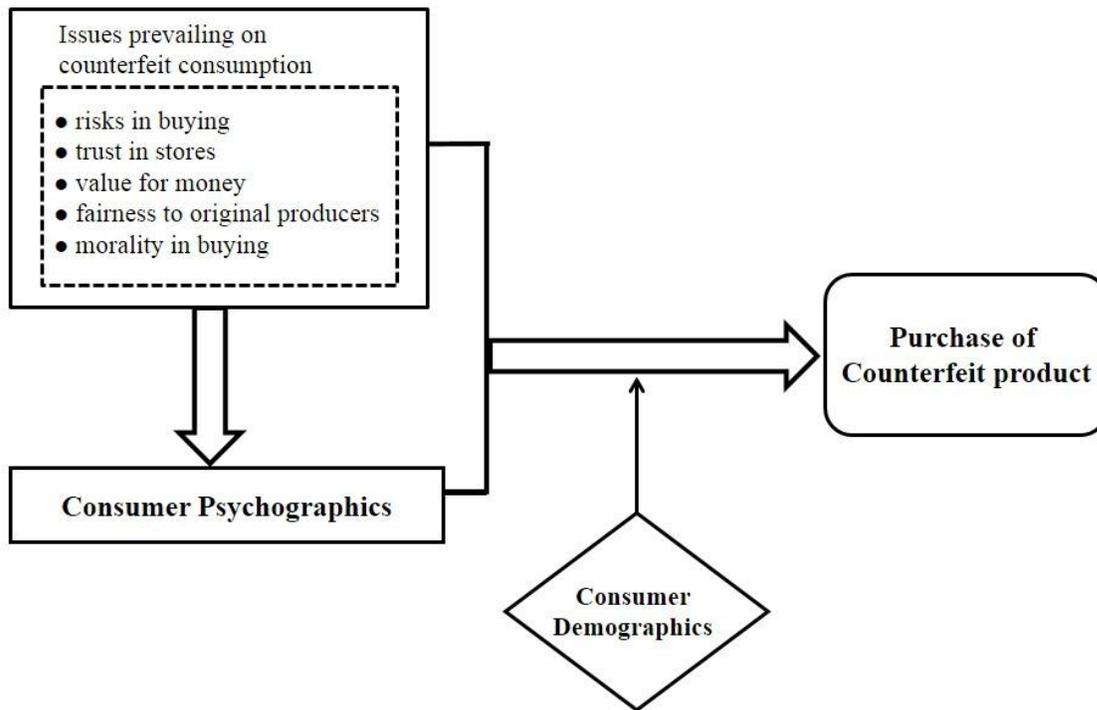
RESEARCH RESULTS:

The sample consisted of an almost equal representation of males (51%) and females (49%). The majorityof respondents belonged to the age group of 31 to 40 year olds and were highly educated. The details of the samples quantified as per demographic attributes is shown in exhibit 1

Evaluation of the goodness of measure:
A principal component factor analysis with VARIMAX rotation was run to validate the 13 measurementitems of the independent variables. Only loadings of 0.50 or higher on one factor and 0.35 or lower on the other were considered. Opposed to the five proposed factors, all items were loaded onto four factors instead whereby the total variance explained was 65.9%. The KMO measure of sampling adequacy was 0.768, indicating sufficient inter-correlations while the Bartlett's Test of Sphericity was found significant (Chi square=906.74, $p<0.01$). Two items were excluded from the study. Item V5Affordabilityfactor was loaded into a component of a different factor, while item V13Okay factor was dropped due to significant cross-loadings. The four factors finalizedfor this study include fairness to the original producers (Factor 1), implicit impressions of counterfeitgoods (Factor 2), morality of buying counterfeit goods (Factor 3) and risk in buying counterfeitgoods (Factor 4). Subsequently, the internal consistency of the items was verified by conducting thereliability analysis. The reliability coefficients for all the four factors met the minimum requiredlevel of 0.70 suggested by Nunnally (1978); fairness to the

original producers (a=0.814), implicitimpressions of counterfeit goods (a=0.69), morality of buying counterfeit goods (a=0.899) and riskin buying counterfeit goods (a=0.701). The values obtained from both factor and reliability analysesfor the items on views towards counterfeit goods are presented in exhibit 2

The research framework was revised in respect to the changes made after performing the factor analysis as seen in exhibit 2. The initial variables of trust in stores that sell counterfeit goods and value for money were combined and renamed as implicit impressions of counterfeit home appliances. Counterfeit products do convey some unspoken messages, they are frequently regarded as cheap, unreliable and inferior quality. Being found in possession of counterfeit goods, one faces the likelihood of beingconsidered as a show-off person or a person of dubious class. Given the many negativeimpressions surrounding the use of counterfeit appliances, it is expected that this will affect their purchasedecisions of counterfeits.
Hence,
Hd_1: The implicit impressions are negatively associated with the purchase of counterfeit symbolicappliances.
Hd_0: The implicit impressions are negatively associated with the purchase of counterfeit functionalappliances.

Apart from the above modification, all other variables proposed in the framework remain unchanged.

Descriptive Analysis
Mean scores were computed for the variables examined in this research. The variable, fairnessregistered the highest value with a mean of 4.059 while morality recorded the lowest mean (2.083).
The results are summarized in exhibit 3.

Pearson Correlation Analysis
Pearson correlation analysis was run to assess if multi-collinearity exists between all variables.Strong multi-collinear effects were found to exist if the values of any pair of 2 predictor variablesregistered values above 0.70. Looking at the results in the exhibit 4, it can be observed that the contentionfor severe presence of multi-collinearity is unfounded. All independent variables weresignificantlybut not highly correlated, except for the pair of morality-risk, thereby verifying that the constructsare comparatively distinct from each other. Predictive validity was also established between all independent variables with the exclusion of fairness and two dependent variables of symbolic and functional counterfeit appliances, indicating that consumers' views are linked to the purchases of counterfeit products.

Multiple Regression Analysis
To tests the hypotheses of the study, the consumers' views on counterfeit appliances were regressed onthe two dimensions of actual purchases of counterfeit goods, namely symbolic and functional home appliances.

Age, education and income were believed to differ in their respective dimensions with regards totheir views and actual purchase of counterfeit home appliances. These variables have

asignificant effect on both the independent and dependent variables, thus resulting in the control of these variables. Exhibit 5 presents a summary of the regression results. Control variables comprisingof age, education and income were entered in the first equation, accounting for as much as 23.1%of variance in the purchases of symbolic counterfeit home appliances.

With regards to the symbolic products, the age bracket of 31-40 registered a higher value thanrespondents of 51 years plus, with no significant differences for the rest of the agegroupings. In addition, respondents who received at least a tertiary level of education charted asomewhat more conservative and lower value in the purchase of symbolic products as opposed totheir counterparts. Contrary to general supposition,the middle and lower income groups were actually discovered to purchase less of symbolic counterfeit appliances compared to those earningINR 71000 plus.In the second stage, all the control variables and the 4 variables on issues were entered into theequation, yielding a combination of 29.5% of the variation in the actual purchases of symboliccounterfeit goods. It can also be observed that risk ($b = -0.147$, $p<0.1$) and implicit impressions ($b =-0.171$, $p<0.05$) were negatively related to the purchases of symbolic counterfeit home appliances, with anaddition of 6.4 % to the control variables explanatory power. Therefore, Ha_1 and Hd_1 weresupported.In terms of functional products, there was no evidence to substantiate the difference in purchasingpatterns between age groupings. Interestingly however, it can be observed that those with at least a bachelor's degree exhibited a more favorable disposition towards functional products while thoseearning larger incomes (i.e. $>$ INR 100000) were the ones who displayed a propensity to purchase morefunctional counterfeit products in comparison to the middle income groups of INR 51000 to INR 70000 andINR 71000 to INR 90000. All in all, the control variables could only explain a rather low percentage ofthe variance found in purchases of functional products ($R^2 =0.094$).Similar to symbolic products, risk ($b = -0.191$, $p<0.05$) and implicit impressions ($b = -0.155$, $p<0.1$)was significantly related to functional counterfeit products. While morality did not prove significantfor symbolic products, it was the reverse for functional products ($b = -0.155$, $p<0.05$). The inclusionof all control variables and the model variables resulted in a change in the R^2 value of 9.6%.Therefore Ha_0, Hc_0 and Hd_0 are accepted.One noteworthy observation was derived from the R^2 change from both the symbolic and functionalequations. Demographic variables exhibited a greater explanatory power than the model variableson the purchases of symbolic counterfeit appliances. On the other hand, model variables portrayed a slightlyhigher influence on the purchases of functional counterfeit appliances as opposed to symbolic ones. The results of Multiple regression have been tabulated in exhibit 5.

CONCLUSION AND RECOMMENDATIONS:

The results have shown that purchase of symbolic counterfeits is influenced by consumer views on issues like the risk in buying and alsothe implicit impressions underlying the purchase of those products. In the consumers' mind, symbolic appliances are products that are used to boost ones' self-image by conveying messages like affluence and status. Hence, it is notsurprising that the implicit impressions portrayed through using counterfeits play a role in consumers purchase decision of symbolic counterfeit home appliances.As for functional counterfeit appliances, the issues of morality, risk and implicit impressions were found to be significantly related in determining the purchase decision of these products.

It is interesting to note that for both types of products, the issue of fairness to the originators does notseem raise any concern among those who buy counterfeit appliances. Instead of thinking that injustice is done tothe original makers, consumers on the other hand feel that injustice is done on their part as the genuine products are priced higher which makes them unaffordable for mass public. Consumers do not really believe that buying counterfeits can affect the reputation and demand of the genuine products or deprive the original makers of their well deserving profits.

Counterfeit goods remain one of the problems that cannot be just wiped out overnight. Products counterfeited at one time were limited to high-priced, high-tech, highly visible branded and intensive R&D products. But today nearly every consumer and industrial product is subject to counterfeiting. The existence of a counterfeit goods market damages consumersas well as home and host countries, the owners of the intellectual property both large and small, and their associated wholesalers and retailers. Without respect to the intellectual property rights and regard to the injustice done to the original producers, we lose the basis of a responsible and sensitive consumer-society.

Certain recommendations for policy makers to manage the problems of counterfeiting in India are as enumerated below:

1) The Government has to take huge initiatives in popularizing the concepts of IPR in professional education and in particularly the field of business management.
2) At certain levels of businesses, IPR implementation has to be made a cultural adaptation. This can be mandated by policy makers.
3) Anti-counterfeiting technologies to be increasingly promoted and put in to use to protect and authenticate products.
4) There are a large number of national and international anti-counterfeiting organizations, some of which specialize in particular product areas. Their services can be used in the country which can primarily happen with necessary IPR education.
5) The originators in the country should be given all possible administrative and legal authorities dealing with pirating and counterfeiting.
6) Properly regulated licensing may offer opportunities that deflect potential counterfeiters. Offering a licensing opportunity to a potential counterfeiter lowers the chances to counterfeiting, as long as the contract is properly designed and enforced.
7) Government needs to run social campaigns for the common man, educating about negative impact of counterfeits and piracy on the country's economy, local market economy and also for individual producers of genuine products.
8) Regulations need to be made on banning counterfeit home appliances with safety reasons for consumers as the prime objective since quality is greatly compromised in a counterfeit / pirated product.

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APPENDIX:

All exhibits appended below with research results supporting the text discussed above

Exhibit: 1. Demographic profile of 500 respondents who participated in this research

Demographics	Categories	Frequency	Sample Size
Gender	Male	255	51%
	Female	245	49%
Age	21-30	86	17.20%
	31-40	148	29.60%
	41-50	112	22.40%
	51-60	91	18.20%
	61-70	63	12.60%
Education level	Upto HighSchool	52	10.40%
	Diploma	64	12.80%
	Graduate	236	47.20%
	Post Graduate	148	29.60%

	Private Service	102	20.40%
	Govt. Service	74	14.80%
Occupation	Business	103	20.60%
	Retired	30	6%
	Housewife	83	16.60%
	Student	108	21.60%
	INR 40000 - 50000	104	20.80%
	INR 51000 - 70000	93	18.60%
Monthly family income	INR 71000 - 90000	128	25.60%
	INR 91000 - 100000	96	19.20%
	INR 100000 PLUS	79	15.80%

Exhibit: 2. Factor analysis of psychographic factors towards Counterfeit appliances purchase

Item Code	Views on Counterfeit home appliances	Factors			
		1	2	3	4
V1 Risk factor	It is illegal to buy counterfeit goods	0.145	0.086	-0.01	0.831
V2 Risk factor	It is quite risky to buy counterfeit goods	0.212	0.224	-0.093	0.725
V3 Trust factor	I do not trust stores that sell counterfeit goods	0.051	0.592	0.129	0.535
V4 Trust factor	Stores that sell counterfeit goods usually do not project a good image.	0.048	0.658	0.266	0.358

V5 Affordability factor	Counterfeit goods are more affordable	0.081	-0.025	0.589	-0.074
V6 Quality factor	Counterfeit goods are of inferior quality	0.18	0.75	0.003	0.125
V7 Value factor	Counterfeit goods do not give value for money	0.266	0.762	0.158	-0.053
V8 Fairness factor	Counterfeit goods are not fair to the original manufacturers and producers because it robs them of their profits	0.859	0.155	0.096	0.167
V9 Fairness factor	Counterfeit goods affect the reputation of the genuine brand	0.813	0.249	0.14	0.097
V10 Fairness factor	Counterfeit goods affect the demand for the original goods	0.766	0.102	-0.023	0.179
V11 Morality factor	People who buy counterfeit goods have no morals	0.168	0.242	0.841	0.085
V12 Morality factor	Only unethical people buy counterfeit goods	0.12	0.257	0.818	-0.014
V13 Okay factor	It is okay to purchase counterfeit goods	0.331	0.446	0.483	-0.712
	Percentage of Variance (65.9%)	17.839	17	16.213	14.851
	Eigen Value	4.372	1.776	1.346	1.073
	Chronbach Alpha	0.814	0.69	0.899	0.701

Exhibit: 3. Descriptive Analysis

Attitudes	Mean	Std. Deviation
Risk in buying counterfeit goods	3.616	1
Fairness to the original producers	4.059	0.858
Morality of buying counterfeit goods	2.083	0.976
Implicit impressions of counterfeit goods	3.252	0.879
Symbolic counterfeit goods	1.045	1.052
Functional counterfeit goods	2.551	1.505

Exhibit: 4. Inter-Correlations among views on counterfeit appliances and actual purchases

	Risk	Fairness	Morality	Implicit	Symbolic	Functional
Risk	1					
Fairness	0.36	1				
Morality	0.105	0.269	1			
Implicit	0.37	0.41	0.401	1		
Symbolic	-0.165	-0.057	-0.166	-0.188	1	
Functional	-0.173	-0.094	-0.235	-0.257	0.266	1

Exhibit: 5. Results of Multiple Regression

	Symbolic product		Functional product	
	Std. Beta (Model 1)	Std. Beta (Model 2)	Std. Beta (Model 1)	Std. Beta (Model 2)
Model variables				
Risk variable		-0.147		-0.191
Fairness variable		0.046		0.072
Morality variable	-0.074		-0.155	
Implicit impressions	-0.171		-0.155	
R^2	0.231	0.295	0.094	0.189
Adjusted R^2	0.187	0.236	0.047	0.127
R^2 Change	0.231	0.064	0.094	0.096
F Change	5.328	3.553	1.994	5.012