

# Consumer Attitudes and Behavior Toward Counterfeit Purchases

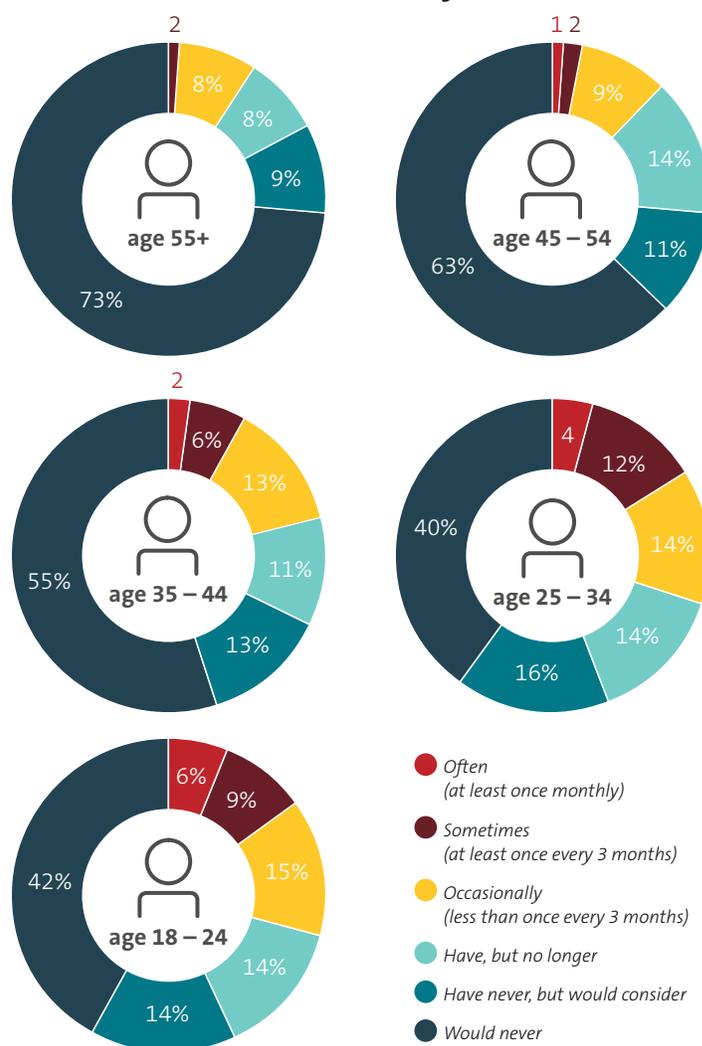


Counterfeiting is a large and growing problem. What does that mean for consumers, who may be both victims and perpetrators of the problem? Underwriters Laboratories' virtual symposium on consumer attitudes toward counterfeit purchases, held as part of World Anti-Counterfeiting Week activities, offered research and practitioner perspectives on the issue.

Dennis Collopy of the University of Hertfordshire reviewed the enforcement data landscape in recent years, including a new physical goods tracker survey that may help build a unique, long-term dataset of consumer attitudes toward counterfeits. The tracker survey uses both quantitative and qualitative approaches to gauge attitudes toward counterfeits and how different audiences would respond to messages on them. The ultimate goal of this research is to build a multitiered approach to measuring counterfeiting more frequently and provide more timely information for action.

Collopy presented findings from the AudienceNet survey conducted with the U.K. Intellectual Property Office (UKIPO). These findings confirmed several trends of previous research and provided new insights on others. He noted most persons have never bought counterfeit goods, primarily because of moral concerns and perceived lower quality. Those who do buy counterfeit goods are more prevalent among younger age groups (see Figure 1), with most of those who buy counterfeits citing lower prices as a reason for doing so. Such consumers are willing to pay up to half the price of a legitimate good for a counterfeit one.

**Figure 1:** Frequency of counterfeit purchases by age in AudienceNet/UKIPO survey





The COVID-19 pandemic has posed its own problems, Collopy noted. Consumers preoccupied with their health and well-being are becoming easier prey to counterfeiters, and shifts in supply chains lead to new vulnerabilities to counterfeiting. In particular, Collopy noted, many consumers who had been reluctant or less likely to shop online are doing so, and sometimes without the knowledge or savvy to do so safely.

Renee Garrahan of the International Trademark Association (INTA) offered insights on counterfeit consumption among younger consumers, who are bigger buyers of counterfeit than older consumers. INTA surveyed Generation Z or “Gen Z” consumers, between the ages of 18 to 23 years old, in ten nations on their attitudes toward counterfeit products and why they might purchase them.

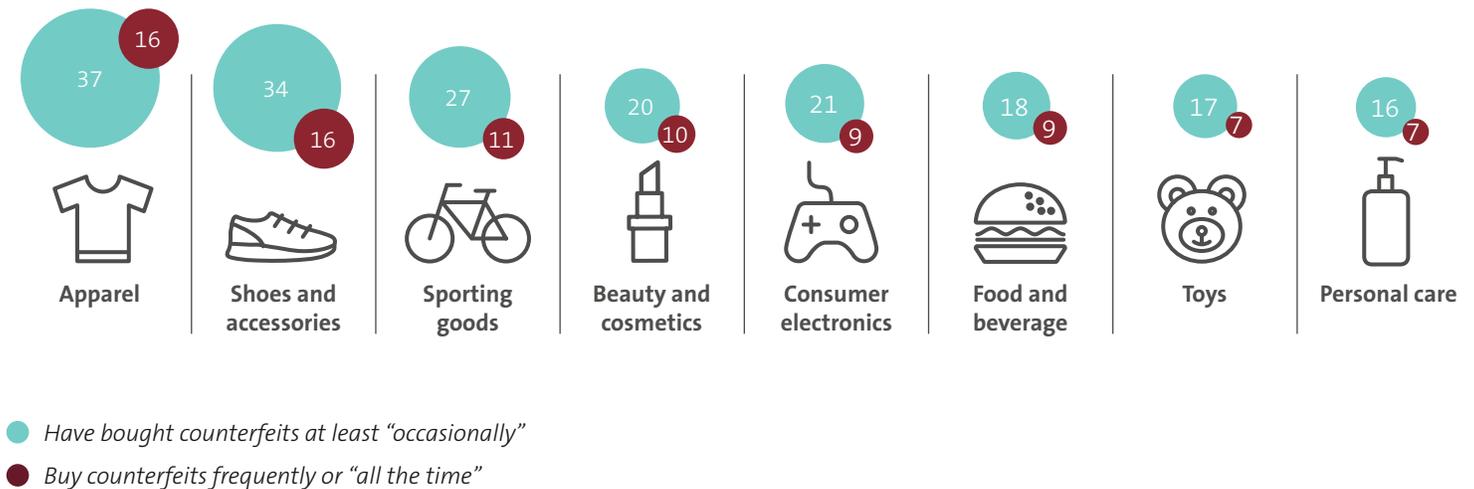
Young consumers report that moral concerns influence them against counterfeits, but income concerns lead them toward counterfeits. Altogether, 79% of young consumers reported buying fake products in the past year, particularly counterfeit apparel and counterfeit shoes and accessories (see Figure 2).

Young consumers said they expect to buy fewer counterfeit products in the future as their income increases. They also tend to avoid counterfeit products:

1. That they perceive as dangerous or bad for their health.
2. Whose proceeds support organized crime.
3. That are bad for the environment.

Panelists joining the webinar noted that the effectiveness of anti-counterfeiting messages could vary by product and audience. Rich Kaeser of Johnson & Johnson said that messages of guilt could be effective in pharmaceuticals and personal care products because “people don’t want to go online and buy counterfeit cancer drugs or counterfeit sunscreen.”

**Figure 2:**  
**Gen Z awareness and purchase of counterfeit products by category** – all values in %





Product harm is also a message that resonates with policymakers. Michael Hanson of the Retail Industry Leaders Association (RILA) told the symposium, “As we go to Capitol Hill to inform lawmakers, I think the one message that really resonates with them is the potential for counterfeit goods to harm their constituents.” Hanson added that lawmakers also respond to messages on how counterfeiting supports other crimes and may help spread anti-counterfeiting messages in their home districts.

Judy Jeevarajan of UL, however, noted, “People really don’t have a public safety message on counterfeit [batteries] because the top-tier manufacturers don’t think it’s worth spending the money. They think that the best brand speaks for itself, and so they don’t spend any money to go and talk about a counterfeit versus their own original products.” As a result, Jeevarajan said, consumers may opt for the cheapest battery without thinking of the safety consequences of a counterfeit one.

At the same time, Kasie Brill of the U.S. Chamber of Commerce said, “some companies are approaching consumers directly about counterfeit products.” Some companies, she said, are “actually informing consumers on the spot [on] what products look like, are they real or fake, and talking with consumers, even patients, in chat rooms and really getting to the consumer where they are rather than making it kind of a broad marketing strategy.”

Consumers may also be able to rely on their own intuition in identifying counterfeits. Citing a top 10 tip list the Chamber issues every year on counterfeits and holiday shopping, Brill noted that consumers should “trust [their] instincts. If it’s too good to be true, it probably is.”

“Social media and... other apps have been a culprit for these fraudulent schemes and crimes, but they’re also a great tool for education.”

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