Chapter 8

Drivers of Counterfeit Products and Purchase Intentions: The Parallel Mediating Roles of Positive Attitude and Perceived Value

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8.1 Introduction

This chapter provides an analysis of the fourth objective of the research, which is to examine the role of positive attitude and perceived value as mediators in the relationship between buying motives of counterfeit products and customers' purchase intentions in Kerala. The parallel mediating roles of positive attitude and perceived value in between the customer motives and purchase intention has been explored and the IBM SPSS AMOS Graphics 21 software package was employed to build up the mediation model.

Hence, the direct effect of customer motives on purchase intentions, favourable attitude and perceived value, the direct effect of perceived value and positive attitude on purchase intentions, and the mediating roles of perceived value and attitude in the relationship between customers motives or drivers and purchase intention are explored in the chapter. Since, the study highlights the mediating effect of two variables in the same relationship, it has been treated as the parallel mediation model analysis. To evaluate the significance of the mediation or indirect effects in the model, a bootstrapping approach was used.

8.2 Mediation Analysis: An Overview

A mediation model is a statistical model that uses a mediator variable, which is a third hypothetical variable. The purpose of this model is to identify and explain

the mechanism or process that is responsible for the observed correlation between an independent variable and the dependent variable. A mediation model suggests that the independent variable has an impact on the mediator variable, which in turn affects the dependent variable. The role of the mediator variable is to shed light on the nature of the interaction between the independent and dependent variables. Mediation investigations aim to gain a deeper understanding of an existing connection by examining how one variable affects another variable through the involvement of a mediator variable.

This study examines the driving factors that lead to counterfeit buying which includes the sub-variables of cognitive drivers, affective drivers and social drivers. The independent variable is the driving factors towards counterfeit products, while the dependent variable is the purchase intention. Additionally, the mediating variables are the positive attitude and perceived value.

The analysis of the parallel mediation model has been used since the study emphasises the mediating effects of two variables in the same relationship. The bootstrapping method was employed to evaluate the model and determine if there was any evidence of a mediation effect, which is also referred to as an indirect impact.

8.3 Objective of the Chapter

Objective IV: *To examine the mediating effect of positive attitude and perceived value on the association between drivers of purchasing counterfeits and purchase intentions.*

The IBM SPSS AMOS Graphics 21 software was utilised to create the mediation model. The bootstrapping method was employed to determine whether or not the mediation function or the indirect impact was significant. The study makes use of bootstrapping techniques, particularly 5000 bootstrap samples for the determination of the indirect impact of customer attitude and perceived value in the relation between customer motives or the constructs of cognitive drivers, affective drivers and social drivers; and purchase intentions regarding the counterfeit merchandise in the context of Kerala.

8.4 Hypotheses Formulation for the Mediation Model

The drivers of counterfeit products consist of cognitive, affective and social drivers which have four sub-variables in each category. The variables under the cognitive drivers are price consciousness, value consciousness, price-quality inference and the perceived risk which were proved to have significant effect on perceived value, customers' attitude and purchase intentions (Phau & Teah, 2009).

Risk averseness, integrity, personal gratification and novelty-seeking nature of the customers fall under the category of affective drivers and have been shown to have a considerable impact on perceived value, customers' attitudes, and purchase intentions (Babamiri et al., 2020; De Matos et al., 2007). The social drivers that have been found to have a significant influence on perceived value, customers' attitudes, and purchase intentions include information and normative susceptibility, status consumption and social influence (Bagozzi et al., 2002; Baron & Kenny, 1986; Ting et al., 2016).

The literature essentially held that people are much more likely to consider purchasing counterfeit goods if they have a favourable perception and positive attitudes towards them and vice versa (Ang et al., 2001; De Matos et al., 2007; Huang et al., 2004; F. Wang et al., 2005). A positive relationship between perceived value and propensity to acquire counterfeit goods was shown by Dodds et al. (1991). One of the key predictors of a consumer's intent to purchase counterfeit goods, according to Hien and Trang (2015), is their attitude towards them. This finding is explained by the fact that consumers with positive attitudes towards counterfeit goods have stronger intent to purchase them.

Attitude is thought to mediate consumer mindsets regarding counterfeit items and purchase intention. Bentler and Speckart (1979) investigated the mediation effects by studying models of the link between attitude and conduct. According to De Matos et al. (2007), attitude acts as an intermediary between the many components that impact purchase intent. Thurasamy et al. (2003) found that the attitude towards counterfeit goods served as a partial mediating factor in the relationship between personality characteristics and the willingness to purchase counterfeit goods.

Therefore, the following mediation model hypotheses statements were formulated to assess the mediating roles of customer attitude and value perception in the association between the customer driving forces regarding counterfeits and their intent to purchase the same.

Table 8.1

Hypotheses Statements for the Mediation Model

SI. No.	Hypotheses Statements for the Mediation Model
MEH.1	*Drivers of counterfeit products have a positive and direct effect on purchase intentions.*
MEH.2	*Drivers of counterfeit products have a positive and direct effect on positive attitude*
MEH.3	*Drivers of counterfeit products have a positive and direct effect on perceived value*
MEH.4	*Positive attitude has a positive and direct effect on purchase intention*
MEH.5	*Perceived value has a positive and direct effect on purchase intention*
MEH.6	*Positive attitude mediates the relationship between drivers of counterfeit product and purchase intention*
MEH.7	*Perceived value mediates the relationship between drivers of counterfeit product and purchase intention*

MEH 1 to 7 denotes mediation hypotheses

8.5 Parallel Mediation Model

Parallel mediation proposes two or more variables such as M1., M2., etc. to mediate the link between two prominent constructs. The mediator variable's function is to reveal the nature of the interaction between the independent and dependent variables. Mediation studies seek to get a better understanding of an existing relationship by investigating how one variable impacts another variable by means of the participation of a mediator variable.

The figure below exhibits the parallel mediation analysis that examines the indirect relationship between the drivers of counterfeit buying and purchase intention via positive attitude and perceived value. The direct effect as well as the

indirect impact are plotted in the model below which connects the driving forces, perceived value, attitude and purchase intention of the customers towards the counterfeit products.

Figure 8.1

Parallel Mediation Analysis Examining the Indirect Relationship Between the Drivers of Counterfeit Buying and Purchase Intention via Positive Attitude and Perceived Value
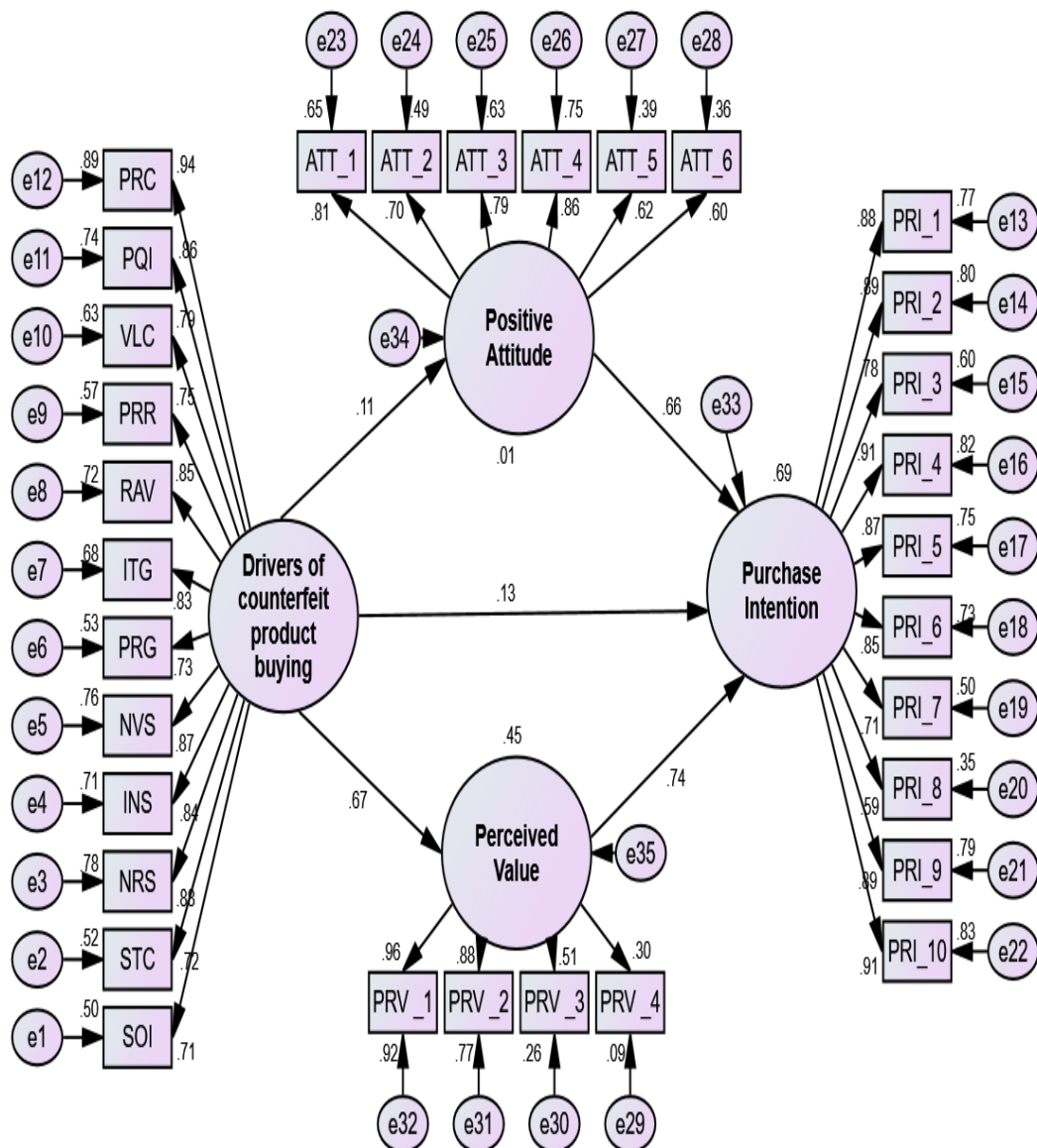
Source: Primary Data

Table 8.2
Fit Indices for Testing the Mediation Model

ATTRIBUTES	CMIN/DF	P-VALUE	GFI	AGFI	CFI	RMSEA
Study Model	3.107	0.000	0.984	0.965	0.991	0.034
Recommended Value	Acceptable fit [1-5]	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08
Literature Support	Hair et al. (1998)	Barrett (2007)	Hair et al. (2006)	Hair et al. (2006)	Hu and Bentler (1999)	Hair et al. (2006)

Source: Primary Data

In the table above, the CFA model fit scores measure how well the model fits the data. The ratio of the Chi-square measure to the number of degrees of freedom should be less than 5. The answer is 3.107, which is a long way below the most that can be given. RMSEA is 0.034, which is much less than the suggested value of 0.08. All of the GFI, AGFI, and CFI numbers are higher than 0.9, which would mean that they are all close fits. So, the mediation is a good fit.

Table 8.3
Values for the Mediation Model of Direct Effects Path

Construct	Path	Construct	Estimate	S.E	C. R	P-Value	Result
Purchase Intentions	←	Drivers of counterfeit product buying	0.13	0.035	2.46	0.022*	**Significant**
Positive attitude	←	Drivers of counterfeit product buying	0.11	0.039	1.86	0.053[NS]	**Not Significant**
Purchase Intentions	←	Positive attitude	0.66	0.032	9.34	<0.001**	**Significant**
Perceived value	←	Drivers of counterfeit product buying	0.67	0.29	9.67	<0.001**	**Significant**
Purchase Intentions	←	Perceived value	0.74	0.35	11.67	<0.001**	**Significant**

Source: Extracted from the Model   ** denotes significant at 1% level
* denotes significant at 5% level   [NS] denotes Not Significant

The provided figure and table illustrate the positive and direct relation between the purchase motivations for counterfeit products and the intention to purchase, as well as the positive associations between positive attitudes, perceived value, and purchase intention. The results suggest that the purchasing motivations for counterfeit products have a significant and positive effect on the intention to make a purchase. This is supported by a path coefficient of 0.13, which is statistically significant at 5% level with a p-value of 0.022. In the structural equation modelling technique, path coefficients are standardized versions of regression model weights that may be used to investigate the potential causal relationship between data from statistical analyses.

Furthermore, the purchasing motivations associated with counterfeit products exhibit a noteworthy and constructive effect on individuals' positive attitudes. This is evidenced by a path coefficient of 0.11, with a statistically not significant p-value of 0.053. Moreover, it can be observed that a positive attitude would exert a substantial and favourable effect on the intention to make purchases. This is evidenced by a path coefficient of 0.66, which is statistically significant at the $p < 0.001$ level.

The driving factors of counterfeit products have been found to have a significant positive effect on perceived value, as indicated by a beta value of 0.67 and a p-value of 0.001. The variable of perceived value demonstrates a significant positive impact on purchase intentions, as indicated by a beta coefficient of 0.74 ($p < 0.001$). The standardised regression coefficients are associated with the paths and indicate the magnitude of change in the dependent variable resulting from a one standard deviation unit change in the independent variable.

Table 8.4

Summary of Mediation Model Hypotheses Testing (Direct Effects)

Construct	Path	Construct	Hypotheses	Result
Purchase Intentions	←	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on purchase intentions.	**Supported**

Positive attitude	←	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on positive attitude	**Not Supported**
Perceived value	←	Drivers of counterfeit product buying	Drivers of counterfeit products have a positive and direct effect on perceived value	**Supported**
Purchase Intentions	←	Positive attitude	Positive attitude has a positive and direct effect on purchase intention	**Supported**
Purchase Intentions	←	Perceived value	Perceived value has a positive and direct effect on purchase intention	**Supported**

Source: Extracted from the Model

The summary of the mediation model makes it very clear that drivers of counterfeit consumption are significantly related to the purchase intentions and perceived value but not with the customer attitude. The effect of drivers on customer attitude seems to be insignificant due to the presence of any of the sub-variables inside the driving forces of either cognitive, affective or social. It may occur due to the effect of any of the sub-variables' non-significance on the attitude formation of the customers towards counterfeits. Further, the constructs of customer attitude and perceived value proved to have a significant positive effect on the dependent variable of purchase intentions regarding the counterfeit products.

Table 8.5

Bootstrapping for Mediation Model Testing (Direct and Indirect Effects Routes)

Independent Construct	Mediation Construct	Dependent Construct	Direct Effect	Indirect Effect (Mediation Effect)	Result of Hypothesis Testing
Purchase Intentions	Positive attitude	Drivers of counterfeit product buying	0.13**	0.07^{NS}	*Not Supported (No mediation)*
Purchase Intentions	Perceived value	Drivers of counterfeit product buying		0.50**	*Supported (Partial Mediation)*

** represents a significant level of 1%   NS indicates not significant
Indirect effect values were obtained using a bootstrapping method and 5,000 samples from the bootstrap.

The given table provides evident support for a direct and positive association between the influential factors that drive the purchase of counterfeit products and the intention of buying such goods. Moreover, the table additionally illustrates the presence of an indirect influence, referred to as a mediating effect, of driving factors on the intention to make a purchase. The effect of this phenomenon is contingent upon the consumers' perception of value in relation to counterfeit products. This suggests that customers would be motivated to obtain counterfeit products because they would believe that these products offer good value for money and are worthy of being purchased. As a direct consequence of this, buyers need to have a greater propensity to buy products of this kind.

Conversely, it can be claimed that a positive attitude does not serve as a mediating factor in the association between driving factors and the intention to make purchases. This suggests that the motivations for buying counterfeit products are not primarily driven by customers' positive perceptions of such products. This implies that customers exhibit lack of favourable attitude towards counterfeit products, even though their willingness to procure such items in order to satisfy their requirements. Additionally, this finding suggests that consumers possess an understanding that counterfeit goods are unlawful and fail to adhere to societal conventions. This is the reason why they possess an unfavourable outlook and viewpoint regarding counterfeit products.

However, despite the lack of legal compliance and social approval, consumers are still inclined to purchase these products due to its affordability and better quality within its category. This pertains to the underlying mechanism that exists in the relationship between the purchasing motives of counterfeit products, favourable attitudes towards counterfeit products, and intentions to make a purchase.

The research employs bootstrapping methods, specifically utilising 5000 bootstrap samples, and the IBM-SPSS-AMOS Graphics - 21 software package to investigate the mediating effects of a particular pathway. In this particular instance, one could posit that mediation exerts partial effect on perceived value, given that the direct effects, namely the factors that influence counterfeit product and purchase intention, continue to maintain their significance.

Table 8.6
Result Summary of Parallel Mediation Effect

Construct	Mediator	Construct	Hypotheses	Result
Purchase Intentions	Positive Attitude	Drivers of counterfeit product buying	Positive attitude mediates the relationship between drivers of counterfeit products and purchase intention	**Not Supported**
Purchase Intentions	Perceived Value	Drivers of counterfeit product buying	Perceived value mediates the relationship between drivers of counterfeit products and purchase intention	**Supported**

Source: Extracted from the Model

8.6 Discussion of Parallel Mediation Model

In this instance, the idea of partial mediation encompasses both a significant association between the independent variable (drivers of counterfeit products) and the dependent variable (purchase intention), as well as an indirect connection between the mediator (perceived value) and the dependent variable (purchase intention). The observed direct effect and mediation effects exhibit significant values. According to the findings, the mediation effect of perceived value, which is an independent component, are influenced by purchasing drivers of counterfeit products, and it would ultimately lead to the purchase intention of counterfeit products.

The study also reveals that the driving factors behind counterfeit purchases do not create a positive attitude towards these products. Certain studies showed an absence of mediation effect of attitude as well (Harun et al., 2020). Customer attitudes regarding counterfeit goods failed to operate as a mediator in the interaction between the driving forces and purchase intention. Therefore, because of the positive attitude, no purchases have been made for counterfeit products due to their illegal nature and lack of acceptance within social norms.

There is a positive mediation of the dimensions of perceived value between the driving forces and the desire to purchase counterfeit versions of the authentic brands (Wiedmann et al., 2012). If customers obtain advantages that are on par with

the price they paid, they will be satisfied and want to buy the things again. In the absence of a mediation role of attitude, perceived value clearly mediates the relation between customer motives and intention to buy counterfeits. It means, the customers buy the product not because of their positive attitude, but solely because of their better perception of its value. The results of the mediation analysis indicate that customers in Kerala are unlikely to purchase more counterfeit products unless they perceive these products to offer a certain level of value in relation to the money they are spending.

8.7 Conclusion

This chapter specifically addresses the fourth objective, which is to analyse the role of positive attitude and perceived value as mediators in the relationship between the driving forces behind purchasing counterfeit products and purchase intention. Both the direct effect and the indirect effect of the mediator, perceived value, have been found to be significant. This suggests that the mediation effect is only partially observed in this particular case. Furthermore, it was also found that the positive attitude of the customer towards counterfeit products does not act as a mediator in the relationship between purchase motives and purchase intentions. Bootstrapping methods and the IBM-SPSS-AMOS Graphics-21 software package to validate the significance of the mediation effect. These tools allowed us to explore different routes in the evaluation. To evaluate the mediation effect in the model, a bootstrapping process with a total of 5000 samples was employed. In this scenario, one can contend that mediation has a limited influence on perceived value since the direct effects, notably the components that drive counterfeit goods and purchase intention, remain significant.