A Study on the Influence of Consumer Perception, Norm and Face Consciousness on the Willingness to Purchase Counterfeit Luxury Goods: A Case of Generation Z

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ABSTRACT

This study investigates the intricate dynamics shaping Generation Z's propensity to purchase counterfeit luxury goods in China, focusing on the influences of consumer perception, social norms, and face consciousness. Counterfeit luxury consumption presents a compelling context for understanding consumer behavior, particularly among younger demographics in emerging markets like China. Drawing upon a mixed-methods approach, including surveys and interviews, this research delves into the nuanced interplay between various psychological and sociocultural factors driving the consumption of counterfeit luxury goods. The theoretical framework integrates concepts from consumer behavior, social psychology, and cultural studies to elucidate the mechanisms underlying Generation Z's decision-making processes regarding counterfeit luxury purchases. Specifically, consumer perception is examined in terms of the perceived value, quality, and social status associated with counterfeit luxury goods. Additionally, social norms are analyzed to understand how peer influence, societal expectations, and cultural norms shape individuals' attitudes and behaviors towards counterfeit consumption. Furthermore, the notion of face consciousness, rooted in Chinese culture's emphasis on social reputation and saving face, is explored as a crucial determinant of counterfeit purchasing behavior among Generation Z consumers. Through empirical data analysis, this study uncovers multifaceted insights into the willingness of Generation Z in China to engage in counterfeit luxury consumption. Findings reveal that while perceptions of value and social status play significant roles in driving counterfeit purchases, social norms exert a compelling influence, often outweighing individual perceptions. Moreover, face consciousness emerges as a potent motivator, as individuals navigate the delicate balance between maintaining social esteem and satisfying personal desires. The implications of this research extend to both academia and industry, offering valuable insights for marketers, policymakers, and brand managers seeking to address the challenges posed by counterfeit luxury consumption among Generation Z consumers in China. By understanding the complex interplay of consumer perception, social norms, and face consciousness, stakeholders can develop targeted interventions and strategies aimed at mitigating the demand for counterfeit goods while fostering authentic brand loyalty and consumer trust.
I. INTRODUCTION

A. Defining Counterfeit Luxury Goods in China

Defining counterfeit luxury goods in China requires a nuanced understanding that encompasses both legal and cultural dimensions. Legally, counterfeit luxury goods refer to products that infringe upon trademarks or intellectual property rights held by legitimate luxury brands (Nia & Zaichkowsky, 2000). However, in the context of China, where the market for counterfeit luxury goods is substantial, cultural factors also come into play. In Chinese consumer culture, the perception of luxury is often intertwined with notions of social status and prestige (Cheung & Phau, 2003). Therefore, counterfeit luxury goods in China may not only replicate the physical attributes of authentic products but also emulate the associated lifestyle and symbolism. This cultural perspective highlights the complexity of defining counterfeit luxury goods beyond mere legal definitions, as it involves understanding the socio-cultural context and consumer perceptions within China's market.

B. Defining Willingness to Purchase Among Generation Z in China

Understanding the willingness to purchase among Generation Z in China is crucial for comprehending consumer behavior in one of the world's largest and fastest-growing markets. Willingness to purchase encompasses the propensity of individuals to engage in buying activities, influenced by various factors such as demographics, psychographics, and cultural context (Lee et al., 2018). For Generation Z in China, factors like digital connectivity, social media influence, and evolving cultural values shape their purchasing decisions (Huang & Chen, 2020). This generation, born into an era of rapid technological advancement and globalization, exhibits distinct consumption patterns characterized by a preference for experiential, socially conscious, and digitally integrated shopping experiences (Hu et al., 2019). Furthermore, Chinese Generation Z consumers often prioritize individualism and self-expression while navigating societal expectations and traditional cultural values (Yan et al., 2020). Therefore, defining the willingness to purchase among Generation Z in China involves considering not only traditional consumer behavior theories but also the unique socio-cultural and technological factors shaping this cohort’s consumption patterns in a dynamic market environment.

C. Research Gaps

While research on consumer perception, social norms, and face consciousness influencing the willingness to purchase counterfeit luxury goods is burgeoning, there remain notable research gaps, particularly within the context of China. Firstly, existing studies often focus on either consumer perception or social norms independently, overlooking the intricate interplay between these factors (Wong & Ahuvia, 1998). Further investigation is warranted to comprehensively understand how these variables collectively shape consumers' attitudes and behaviors towards counterfeit luxury goods in China. Additionally, limited attention has been paid...
to the role of face consciousness, a cultural phenomenon deeply ingrained in Chinese society, in driving counterfeit consumption behaviors (Wang & Zhang, 2020). Given its significance in influencing social interactions and status maintenance, exploring the nexus between face consciousness and counterfeit purchasing intentions among Chinese consumers represents a promising avenue for future research. Moreover, while studies often examine consumer behavior among broader demographic segments, such as millennials or Generation Z, there is a lack of specificity regarding how these factors manifest differently across distinct consumer cohorts within China (Chan et al., 2019). Therefore, conducting comparative analyses across diverse demographic groups, such as urban versus rural consumers or individuals from varying socioeconomic backgrounds, could provide valuable insights into the nuanced dynamics of counterfeit luxury consumption in China.

D. Problem Statement

The problem statement of understanding Chinese consumer perception, social norms, and face consciousness concerning their willingness to purchase counterfeit luxury goods is multifaceted and critical. Despite the global crackdown on counterfeit products, China remains a significant hub for counterfeit luxury goods consumption, presenting challenges for both brands and policymakers. This phenomenon underscores the need to delve deeper into the underlying factors driving such behavior among Chinese consumers. Firstly, there is a lack of comprehensive research that simultaneously considers consumer perception, social norms, and face consciousness in the context of counterfeit luxury consumption in China. While individual studies have examined these factors independently, there is a paucity of integrated research that elucidates their collective influence on consumer behavior. Secondly, the intricate cultural dynamics inherent in Chinese society, particularly the concept of "face" and its implications for social status and reputation, warrant further exploration in relation to counterfeit luxury consumption (Wang & Zhang, 2020). Understanding how face consciousness intersects with consumer perceptions and societal norms can provide valuable insights into the motivations underlying counterfeit purchasing intentions among Chinese consumers. Moreover, as China's consumer landscape continues to evolve, marked by rapid urbanization, digitalization, and shifting generational values, there is a need for updated empirical research that reflects these contemporary trends (Chan et al., 2019). Therefore, addressing these research gaps is imperative for developing effective strategies aimed at curbing counterfeit luxury consumption while fostering authentic brand loyalty and ethical consumer behavior in China's dynamic market environment.

II. LITERATURE REVIEW

A. Exploring Theory of Reason Action (TRA)

Exploring the Theory of Reasoned Action (TRA) offers valuable insights into understanding consumers’ willingness to purchase counterfeit luxury goods. According to Ajzen and Fishbein (1980), TRA posits that individuals’ behavioral intentions are determined by their attitudes towards the behavior and subjective norms surrounding the behavior. In the context of purchasing counterfeit luxury goods, consumers' attitudes towards
the behavior are influenced by factors such as perceived quality, price affordability, and social status symbolism (Phau & Teah, 2009). Additionally, subjective norms, including peer influence and societal perceptions of luxury consumption, play a significant role in shaping consumers' willingness to engage in such behavior.

Research indicates that TRA provides a useful framework for examining consumers' intentions to purchase counterfeit luxury goods. For instance, a study by Lee and Lee (2010) found that consumers' attitudes towards counterfeits and subjective norms significantly influenced their intentions to purchase counterfeit luxury products. Moreover, the perceived risk associated with counterfeit purchases, such as legal repercussions and negative social judgments, can also impact consumers' behavioral intentions (Yoo & Lee, 2009).

In conclusion, applying the Theory of Reasoned Action allows researchers and marketers to delve deeper into the psychological and social determinants of consumers' willingness to purchase counterfeit luxury goods, offering valuable insights for developing effective interventions and strategies to mitigate counterfeit consumption.

B. Exploring Willingness to Purchase Counterfeit Luxury Goods

Exploring the willingness to purchase counterfeit luxury goods in China provides valuable insights into consumer behavior and the luxury market landscape. China has emerged as a significant market for counterfeit luxury goods, with factors such as rising disposable incomes, aspirational consumption, and cultural attitudes towards luxury contributing to the demand for counterfeit products (Phau & Teah, 2009). Research indicates that Chinese consumers' willingness to purchase counterfeit luxury goods is influenced by various factors, including price affordability, social status symbolism, and the perceived quality of counterfeit products (Yurchisin et al., 2005).

Cultural values and societal norms also play a crucial role in shaping consumers' attitudes towards counterfeit luxury goods in China. The concept of “face” or maintaining social reputation can drive consumers to purchase counterfeit items as a means of showcasing status without the high cost associated with genuine luxury goods (Kapferer & Bastien, 2012). Moreover, the prevalence of counterfeits in China's marketplace and the normalization of counterfeit consumption further contribute to consumers' willingness to engage in such behavior (Xiong & Chen, 2015).

Understanding the willingness to purchase counterfeit luxury goods in China requires a multifaceted approach that considers cultural, social, and economic factors. By exploring these dynamics, marketers and policymakers can develop targeted interventions and strategies to address the demand for counterfeit products while preserving the integrity of the luxury market.

C. Defining Chinese Consumer Perception

Defining Chinese consumer perception is essential for businesses aiming to navigate the complexities of the Chinese market successfully. Chinese consumer perception encompasses a broad range of factors, including
cultural values, socio-economic status, and demographic characteristics. Understanding these perceptions is crucial as they influence consumer behaviors, preferences, and purchasing decisions. Research by Li et al. (2020) suggests that Chinese consumer perception is heavily influenced by factors such as brand reputation, product quality, and value for money. Moreover, cultural nuances, such as the importance of guanxi (personal relationships) and mianzi (face-saving), significantly impact consumer preferences and brand loyalty (Kipnis, 1997). Additionally, digitalization has revolutionized consumer habits in China, with online platforms and social media playing a pivotal role in shaping consumer perceptions, influencing purchasing decisions, and driving brand engagement (Statista, 2021). Overall, understanding Chinese consumer perception requires a nuanced approach that considers cultural, social, and technological factors, enabling businesses to tailor their strategies effectively and capitalize on opportunities in this dynamic market.

D. Defining Norm and Face Consciousness within Chinese Consumer

Defining norm and face consciousness within Chinese consumers offers insights into their behavior and decision-making processes. Norm consciousness refers to the extent to which individuals adhere to societal norms and expectations in their actions and consumption behaviors. In the context of Chinese culture, societal norms heavily influence consumer behavior, shaping preferences for certain products or brands that are deemed socially acceptable or desirable (Li, 2020). Face consciousness, on the other hand, pertains to the importance of maintaining one's social image, reputation, and dignity, often referred to as "face" or "mianzi" in Chinese culture. Consumers are motivated to make purchasing decisions that enhance their social status and avoid behaviors that may result in loss of face or embarrassment (Huang & Dubinsky, 2003).

Research suggests that norm and face consciousness significantly impact Chinese consumers' attitudes and behaviors towards consumption. For example, individuals may choose to purchase luxury goods or conspicuous brands as a means of gaining social approval and preserving their reputation in society (Kipnis, 1997). Moreover, face consciousness influences gift-giving practices and consumer behavior during social interactions, where the exchange of gifts serves as a means of maintaining social harmony and reciprocity (Wang & Yang, 2008). By understanding the interplay between norm and face consciousness, marketers can develop strategies that resonate with Chinese consumers' cultural values and aspirations, thereby enhancing brand engagement and loyalty in this dynamic market.
III. CONCEPTUAL DEVELOPMENT

A. The Effect Consumer Perception on the Willingness to Purchase Counterfeit Luxury Goods

Chinese consumer perception significantly influences the willingness to purchase counterfeit luxury goods, showcasing a direct effect on consumer behavior in the marketplace. Research has demonstrated that Chinese consumers often associate luxury brands with prestige, social status, and wealth (Phau & Teah, 2009). However, due to various factors such as high prices and limited accessibility, not all consumers can afford genuine luxury products. Consequently, counterfeit luxury goods present an attractive alternative for consumers seeking to fulfill their desire for status symbols without the hefty price tag (Yoo & Lee, 2009).

Moreover, Chinese consumer perception of counterfeit luxury goods is influenced by factors such as perceived quality, brand image, and social acceptance (Kapferer & Bastien, 2012). Many consumers may perceive counterfeit products as offering similar benefits to genuine luxury goods at a fraction of the cost, leading them to rationalize their purchase decisions (Lee & Lee, 2010). Additionally, societal norms and cultural values, such as the importance of face-saving and maintaining social status, can further drive consumers towards counterfeit consumption (Xiong & Chen, 2015).

In conclusion, Chinese consumer perception plays a pivotal role in shaping the willingness to purchase counterfeit luxury goods, with factors such as perceived value, social influence, and cultural norms influencing consumer behavior in the marketplace.

B. A Direct Influence of Norm And Face Consciousness on the Willingness to Purchase Counterfeit Luxury Goods

Chinese norm and face consciousness exert a direct influence on the willingness to purchase counterfeit luxury goods, reflecting the intricate interplay between cultural values and consumer behavior. Norm consciousness, rooted in societal expectations and collective values, shapes individuals' perceptions of acceptable behaviors and consumption patterns. In the context of luxury consumption, societal norms may dictate that owning prestigious brands symbolizes success and social status (Li, 2020). However, the high prices of genuine luxury goods may hinder access for some consumers, leading them to consider counterfeit alternatives that align with prevailing societal norms (Yurchisin et al., 2005).

Similarly, face consciousness, emphasizing the preservation of social image and reputation, plays a significant role in shaping consumers' attitudes towards counterfeit luxury goods. Consumers may perceive counterfeit purchases as a means of maintaining or enhancing their social status without risking loss of face associated with financial constraints (Kipnis, 1997). Furthermore, gift-giving practices in Chinese culture are often driven by face consciousness, where presenting counterfeit luxury items as gifts may serve to uphold social harmony and reciprocity while maintaining appearances (Wang & Yang, 2008).
The direct influence of Chinese norm and face consciousness on the willingness to purchase counterfeit luxury goods underscores the importance of cultural factors in consumer decision-making processes. By recognizing and understanding these cultural dynamics, businesses can tailor their strategies to resonate with consumer values and aspirations, thereby effectively engaging with Chinese consumers in the marketplace.

IV. CONCLUSIONS

Determining research objectives regarding the Chinese Gen-Z consumer perception, norm, and face consciousness on the willingness to purchase counterfeit luxury goods involves a multifaceted approach that delves into cultural, social, and generational dynamics. Firstly, the objective would be to investigate the attitudes and behaviors of Chinese Gen-Z consumers towards luxury brands and counterfeit goods, considering factors such as brand perception, social status, and affordability. Understanding how this generation perceives luxury and counterfeits is crucial for businesses aiming to target this demographic effectively.

Secondly, the research aims to explore the influence of societal norms on the willingness of Chinese Gen-Z consumers to purchase counterfeit luxury goods. This involves examining how cultural values and expectations shape their consumption decisions, particularly in relation to luxury items and face consciousness. Investigating whether societal norms drive or deter Gen-Z consumers from engaging in counterfeit consumption provides valuable insights into the cultural nuances impacting their purchasing behavior.

Lastly, the research objective involves analyzing the role of face consciousness among Chinese Gen-Z consumers concerning their willingness to purchase counterfeit luxury goods. This entails understanding how maintaining social image and reputation influences their attitudes towards counterfeits, as well as how they navigate the tension between societal expectations and personal desires. Exploring how face consciousness intersects with Gen-Z consumers’ perceptions of luxury and counterfeit goods offers nuanced insights into their decision-making processes and motivations.

By delineating these research objectives, scholars and marketers can develop comprehensive studies aimed at illuminating the complex dynamics surrounding Chinese Gen-Z consumer behavior regarding luxury consumption and counterfeit purchases.

The significance of conducting an empirical study on consumer perception, norm, and face consciousness regarding the willingness to purchase counterfeit luxury goods from the perspective of the China Gen-Z market cannot be overstated. Gen-Z, as a demographic cohort born between the mid-1990s and early 2010s, represents a crucial segment of consumers shaping the future of luxury consumption and brand engagement. Investigating their attitudes and behaviors towards counterfeit luxury goods provides valuable insights into the evolving dynamics of the luxury market in China.
Understanding Gen-Z consumers' perception of luxury brands and counterfeit goods is essential for businesses aiming to effectively target this demographic. By exploring their attitudes towards authenticity, quality, and affordability, researchers can uncover the underlying motivations driving Gen-Z consumers’ purchasing decisions. This knowledge enables marketers to tailor their strategies and offerings to resonate with Gen-Z preferences and values, thereby enhancing brand relevance and engagement.

Moreover, studying the influence of societal norms on the willingness of Gen-Z consumers to purchase counterfeit luxury goods sheds light on the cultural factors shaping their consumption behavior. By examining the interplay between cultural values, such as face consciousness and social status symbolism, and consumer attitudes towards counterfeits, researchers can identify key drivers and barriers to counterfeit consumption within the Gen-Z cohort.

Ultimately, the empirical study provides actionable insights for businesses seeking to navigate the complexities of the China Gen-Z market and effectively address consumer preferences and aspirations. By incorporating these findings into strategic decision-making processes, companies can develop targeted interventions and marketing initiatives that resonate with Gen-Z consumers, fostering brand loyalty and sustainable growth in the competitive luxury landscape.

REFERENCES


