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# Examining Chinese Consumers' Knowledge, Face-Saving, Materialistic, and Ethical Values with Attitudes of Counterfeit Goods

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Additional information is available at the end of the chapter

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## Abstract

Although there is increasing research on Chinese consumers' apparel purchasing behavior, there is limited information examining the relationships between Chinese consumers' knowledge of counterfeit goods, face-saving, materialistic, and ethical values with their attitudes toward counterfeit fashion goods sold in China's marketplaces. Understanding the behavior of Chinese consumers is significant given that China is the world's largest apparel producer and exporter and maintains the greatest consumer marketplace today. China also has the world's largest counterfeit market. In the Chinese marketplace, a majority of goods are counterfeited, including fashion products. This has become a serious and costly issue among fashion brands as they endeavor to protect their intellectual property rights. A total of 1192 participants (736 female and 456 male) residing in China participated in this study. Among the findings, significant relationships between Chinese consumers' knowledge of counterfeits, face-saving, materialistic, and ethical values and their attitudes toward counterfeits existed. The results of this study provide a reference for other scholars exploring the three tiers of sustainability. Previous research has shown evidence that the production of counterfeit goods is linked to terrorism, poor working conditions, and the health and safety of consumers—all issues pertaining to social individual responsibility and social corporate responsibility.

**Keywords:** China, Chinese consumers, counterfeits, ethical responsibility, social individual responsibility, social corporate responsibility, sustainability

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## 1. Introduction

China has the largest apparel marketplace in the world with more than 1 billion consumers. A survey by the Hong Kong Trade Development Council [1] showed that more than

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70% of Chinese consumers have a habit of shopping for apparel items at least once a month. Chinese consumers' per capita consumption and spending of textile and apparel goods exceeded more than 600 USD monthly in 2015 [1]. Given the rapid growth of the apparel marketplace in China, the total sale of fashion goods increased from 126 billion USD in 2011 to 169 billion USD in 2015 [2]. The potential of the Chinese apparel market has attracted foreign apparel brands from France, Germany, Italy, Japan, the United States, Britain, and South Korea, among others. Fast fashion apparel firms such as H&M, ZARA, and Uniqlo have also enjoyed a significant increase in sales in recent years in China [1, 3]. The purchase of luxury fashion brands in China have reportedly increased from 12% in 2010 to 22% in 2015—at a time when the luxury fashion market has declined in the United States by 16%, Japan by 10%, and Western Europe by 8%. Following the United States, China maintains the second highest gross domestic product in the world and has become a favorable market for a range of different apparel products given the large fashion-conscience consumer society [4, 5].

China produces and sells the highest number of counterfeit products in both domestic and international markets [6]. In the Chinese domestic market, more than 90% of products are counterfeited, which include counterfeit music, movies, software, and fashion goods [7]. In recent years, nearly 600 million of counterfeit products (produced in China) circulated in the global marketplace, equal to at least 87% of total counterfeit sales worldwide. In fact, 57% of those counterfeited products were apparel, footwear, and fashion accessories [7].

According to previous researchers, evidence exists that a link between the production of counterfeit goods and terrorism exists [8]; this includes the funding of the terrorist organization Hezbollah in Lebanon [9]. The sale of counterfeit merchandise was a major source of funding the 2004 bombing of a Madrid train, which resulted in the deaths of 191 people [10]. Beyond the connection between the production and sale of counterfeit goods and organized crime and terrorist organizations, one coalition confirmed that counterfeit goods present concerns related to social responsibility, that is, the majority of counterfeit goods are most often made using cheap, substandard, and dangerous materials [10] which put the health and safety of workers and consumers at risk. For instance, chemicals such as anti-freeze, urine, and other bacteria have been detected in counterfeit fragrances [11].

To Chinese consumers, “A Products” and “Shanzhai” are terms used to describe counterfeit products that are of very good quality, for example, the designs are near replicas to genuine products. Counterfeit goods are typically produced by the genuine brands' contracted manufacturers or third-party manufacturers without brand owners' permission. Essentially, they are copies of branded apparel products made without copyright permission—which enables the products to be sold at very low prices compared to the original “legitimate” goods [12]. Many Chinese consumers do not consider “A Products” or “Shanzhai” to be counterfeits because of the similarity to legally produced goods [13].

## 2. Review of literature and research questions

The primary purpose of this study was to investigate Chinese consumers' knowledge of apparel counterfeits, face-saving, materialistic, and ethical values and their attitudes

toward counterfeit fashion goods. Previously, researchers have reported a significant relationship between American college students' knowledge of counterfeit apparel products and their attitudes toward counterfeit apparel products. Specifically, a survey conducted in 2006 reported that 108 undergraduate students with greater knowledge ( $M = 2.50$ ,  $\alpha = 0.86$ ) of counterfeits held stronger negative attitudes ( $M = 3.8$ ,  $\alpha = 0.84$ ) regarding the purchasing of counterfeited apparel goods [14]. To assess the participants' level of knowledge of counterfeits, the authors used a scale measuring consumer concern and knowledge toward counterfeit apparel products [14]. In a similar vein, in 2011, other researchers using the knowledge of counterfeits scale found that 321 consumers in the United Kingdom had less favorable attitudes ( $\alpha = 0.85$ ) toward counterfeit products when they were more knowledgeable about counterfeits ( $\alpha = 0.75$ ). Further, knowledge about counterfeits not only helped Iranian college students to identify a product's authenticity but also decreased their favorable attitudes toward counterfeit products [15, 16]. Given these findings, in order to examine the relationship between Chinese consumers' knowledge of counterfeit apparel products and their attitudes toward counterfeit apparel products, the following research question was devised:

**Research Question 1:** Is there a difference of knowledge and attitudes of Chinese consumers toward apparel counterfeits?

Face-saving values refer to a social psychological framework of favorable self-worth that people expect others to respect in public [17, 18]. Face-saving values have been a long-standing concept in Chinese traditional culture, emphasizing the importance of maintaining one's social status by accumulating possessions that symbolize wealth [19]. Past researchers have indicated that because of the strong endorsement of traditional face-saving values, Chinese consumers tend to believe that the best way to show their high level of social status and wealth is through purchasing foreign apparel branded goods (i.e., products carrying the infamous Nike swoosh as an example) [20]. As a result, Chinese consumers with high face-saving consciousness predictably have a greater willingness to spend money on material goods to enhance their level of social status and reputation [21]. Several researchers have found that face-saving values are a significant factor influencing Chinese consumers' purchase decision-making [19–22]. Regarding consumers' consumption values, it has been reported that a relationship exists between Chinese consumers' face-saving values and their purchase behaviors and consumption of global apparel fashion branded goods [20].

Chinese consumers intentionally purchase foreign branded products to maintain and upgrade their social status in public [16]. Nevertheless, these goods, particularly luxury fashion products, typically are sold at higher price points in China as compared to the United States and Western Europe. For instance, the Louis Vuitton Tuileries handbag sold online in the United States is listed at 2490 USD [23], whereas, the exact same handbag sold online in China is listed at 2866.93 USD ( $\text{¥} = 18,200$ ) [24]. Most of the counterfeit products sold in the Chinese market are imitations of luxury brands, sold at lower price points than the genuine luxury products in China. As such, the following research question was devised:

**Research Question 2:** What role do face-saving values play in Chinese consumers' relation to counterfeit apparel products?

Researchers have also found that consumers with high materialistic tendencies typically consume products with highly recognizable brands in order to derive more pleasure and fulfill their materialistic satisfaction [26]. Over time, globalization and capitalism have shifted Chinese traditional values to become more materialistic and individualistic. In one study, it was noted that Chinese consumers who held strong concerns about the brand status of products were more preoccupied with their social comparison to others given the Chinese face-saving culture [25]. Other researchers have reported that the level of consumer materialism is reflected by the amount of consumption of products and goods [25, 27]. Given these findings, to examine materialism and its relation to attitudes toward counterfeit goods, the following research question was devised:

**Research Question 3:** What role do materialistic values play in Chinese consumers' relation to counterfeit apparel products?

Further research has documented the growth of materialistic values among Chinese consumers, given the significant economic growth and higher domestic consumption over recent years [28]. It is plausible that materialistic consumers with lower financial capability might be more likely to purchase counterfeit goods (given lower price points) in order to satisfy their social status needs. Past researchers have noted that consumers' ethical values can potentially have a cause-effect relationship with their purchase decision-making [29–32, 34, 35]. Therefore, the final research question examined as part of this study was in regard to the ethical values and attitudes toward counterfeits among Chinese consumers:

**Research Question 4:** What role do ethical values play in Chinese consumers' relation to counterfeit apparel products?

## 2.1. Methodology

The population of interest for this study included Chinese men and women between the ages of 18 and 64, living in four representative cities in China including Shanghai, Guangzhou, Wuhan, and Chengdu. Shanghai, a tier-one city with a population of more than 25 million, is considered the main financial and commercial center in China. Shanghai is also considered the fashion capital of China and has the largest fashion consumer marketplace among all mainland cities. Similarly, Guangzhou, also a tier-one city, maintains an expanding apparel and textile marketplace in China. In fact, Guangzhou's garment wholesale industry encompasses 25% of all apparel production in China. Over the last several years, companies in Taiwan, Hong Kong, South Korea, Japan, the United States, and the European Union have opened trading offices in Guangzhou [33, 36, 37].

This study used a quantitative method approach for data collection through a survey instrument. The scales used to analyze the relationships among the key variables are further outlined in the next section. Prior to pretesting the questionnaire, a postgraduate student studying education and working in an English Language Program translated the survey from English to Mandarin. The Mandarin version was then translated back to English by an instructor working in the English Language Program. This process secured the content



validity of the survey instrument. After the translation was complete, an online pretest questionnaire was distributed through the Qualtrics online survey method. The primary reason for pretesting the instrument was to confirm that pretest participants understood the wording of the instructions and items in each scale. A total of 25 mainland Chinese volunteers in the targeted regions and age groups completed the questionnaire and were instructed to leave comments at the end, specifying any misunderstandings of words used in the questionnaire or instructions. Based on the feedback from the pretest, some modifications to the questionnaire were made. Specifically, these revisions were focused on restating or removing statements included in measuring Chinese consumers' ethical values. Some of the statements were deemed not suitable and difficult to comprehend among the pretest participants. For instance, pretest participants commented that some of the statements included in the scale measuring Chinese consumers' ethical values were not relatable to the people of China. The statements removed from the measure included: "I don't see a problem in getting too much change and not saying anything," "I don't see a problem with returning merchandise to a store by claiming that it was a gift when it was not," "I think it is okay to stretch the truth on an income tax return," "I think it is okay to not tell the truth when negotiating the price of a new automobile," and "I think it is okay to download music that I did not actually purchase."

The responses collected from the pretest participants were not included in the final sample as a modified instrument was ultimately used, given the feedback collected in the pretest. In order to collect data after the pretest, an online or paper questionnaire was delivered by the SOJUMP survey agent company. The questionnaire for this research was determined by the feedback of the pretest. A total of 63 statements divided into five combined variables were included in the final version of the questionnaire. These computed variables included measures to assess participants' knowledge of apparel counterfeits; participants' attitudes toward counterfeited apparel products; and participants' face-saving, materialistic, and ethical values. Additional demographic questions were also included: age, sex, reported monthly income earnings, education, and reported monthly spending on apparel and accessories. Two qualifying questions were stated on the cover page of the questionnaire, including: "Are you between the ages of 18 and 64?" and "Where do you currently live in China?" Participants who answered "No" or "Other Cities" did not qualify to participate in the study. All computed variables were measured on a Likert-type scale ranging from (1) strongly disagree to (5) strongly agree. The average time in completing the questionnaire was 25 minutes.

A cover page with a brief introduction was also incorporated as part of the questionnaire. It clearly explained the purpose of the research project and the rights of participants regarding anonymity and confidentiality. Because the terms "Shanzhai" and "A Products" are often-times used instead of the word "Counterfeit," it was necessary to provide the definitions and examples of counterfeit apparel products that included "Shanzhai" and "A Products" on the cover page. This helped participants fully understand the context of counterfeit products.

Participants were sought by utilizing the services offered by SOJUMP [38]. SOJUMP [38] is a creditable survey company that has successfully collected more than 20 million reliable surveys

for more than 16,000 businesses and 1200 higher education institutions. SOJUMP distributed the questionnaire to the sample population by either a paper copy or through an online Qualtrics survey link. A total of 750 individuals without Internet access were mailed the paper version; another 750 received the link to the questionnaire. Prior to data collection, it was confirmed that SOJUMP had the capacity to distribute the questionnaire in Mandarin characters to participants. Only participants from Shanghai, Guangzhou, Wuhan, and Chengdu, between the ages of 18 and 64, were sought.

### 3. Research findings

#### 3.1. Description of sample

A total of 1339 participants completed the questionnaire. There were 97 participants who did not qualify for the study because they did not meet the qualifying criteria (age range or city of residence). A total of 43 participants only partially finished the survey or provided the same response for all questions. As a result, a total of 1199 participants qualified for this study.

The participants resided in Guangzhou, Shanghai, Chengdu, and Wuhan, China, with a combined share of two-thirds of the total Chinese retail marketplace. The participants for this study were 61.92% ( $n = 741$ ) females and 38.09% ( $n = 458$ ) males with ages of all participants ranging from 18 to 64. Participants between the ages 18–29 years represented over half of the sample with 66.24% ( $n = 793$ ); the second largest age group (30–39) represented 23.39% ( $n = 280$ ) of participants. A quarter of the participants, 25.89% ( $n = 310$ ), earned an income level of more than 900 USD (¥ = 6120) monthly. The second largest group of participants, (16.04%,  $n = 192$ ) reportedly earned between 318 USD and 441 USD (¥ = 2000–3000) monthly. The educational level of participants ranged from receiving a high school diploma to earning a Ph.D., with the majority of the participants, 80.25%, ( $n = 960$ ), having either taken college courses or completed an undergraduate bachelor's degree. The monthly reported spending on new clothes and accessories among participants ranged from less than 50 USD (¥ = 300) to more than 160 USD (¥ = 1000).

#### 3.2. Research Question 1

**Research Question 1:** Is there a difference of knowledge and attitudes of Chinese consumers toward apparel counterfeits?

To further examine this research question, a scale used to assess participants' knowledge of counterfeit apparel products, originally developed and tested by previous researchers [14, 39], was utilized. The scale included a total of seven statements, examples include: "I am very confident about my ability to tell the difference in quality among counterfeit apparel products versus non-counterfeit apparel products," "I am familiar with efforts to stop counterfeit apparel," and "I feel very knowledgeable about counterfeit apparel." The reliability of

the computed variable to assess participants' knowledge of counterfeit apparel goods was acceptable ( $\alpha = 0.89$ ). The summed mean score for this measure was 2.28 ( $n = 1199$ ,  $SD = 5.10$ ), indicating that overall, participants held very low levels of knowledge of counterfeit apparel products.

The scale measuring Chinese consumers' attitudes toward counterfeit apparel products was also adopted by other researchers [14, 39, 40]. Three statements were used to analyze this variable, including: "I would buy a counterfeit apparel product if no one could tell it was a counterfeit," "I am a smart consumer because I own a counterfeit apparel product," and "I like counterfeit apparel." To test the reliability of the computed variable, the Cronbach's alpha was acceptable at 0.84. The computed mean score for the summed variable was 2.86 ( $n = 1199$ ,  $SD = 3.47$ ), meaning that participants were mostly unsure regarding their attitudes toward counterfeit apparel products.

Regression analysis was used to examine the difference of knowledge and attitudes of Chinese consumers toward apparel counterfeits. The analysis revealed a significant inverse relationship between knowledge and attitudes ( $F(1,199) = 206.53$ ,  $p < 0.001$ ,  $R^2 = 0.15$ ). The unstandardized coefficient was  $-0.61$ , indicating that for every increase in knowledge about counterfeits, the mean of attitudes toward counterfeits decreased by 0.61. These results indicate that participants more knowledgeable about counterfeit apparel products held more negative attitudes toward the use and purchase of counterfeit apparel products.

### 3.3. Research Question 2

**Research Question 2:** What role do face-saving values play in Chinese consumers' relation to counterfeit apparel products?

The scale used to measure participants' face-saving values was originally developed and tested as a reliable measure [22]. A total of four statements were used in computing the combined variable; these included: "I am concerned with protecting my personal pride," "I am concerned with protecting my self-image," "I am concerned with not bringing shame to myself," and "I am concerned with not appearing weak in front of other people." The value of Cronbach's alpha for the computed variable measuring participants' levels of face-saving values was acceptable at 0.82. The computed mean score for the summed variable was 4.02 ( $n = 1199$ ,  $SD = 2.60$ ), meaning that participants, overall, held strong feelings related to their face-saving values.

Regression analysis was used to explore the role of face-saving values among Chinese consumers in relation to counterfeit apparel products. A significant positive regression equation was found ( $F(1,199) = 150.60$ ,  $p < 0.001$ ,  $R^2 = 0.11$ ), indicating that participants' levels of face-saving values and attitudes toward counterfeit apparel brands existed. The unstandardized coefficient value was 0.59, which showed that for every increase in the level of face-saving values, the mean of attitudes toward counterfeit apparel brands increased by 0.59, revealing that participants in this study who placed greater emphasis on their face-saving values held more positive attitudes of counterfeit apparel products.



### 3.4. Research Question 3

**Research Question 3:** What role do materialistic values play in Chinese consumers' relation to counterfeit apparel products?

Past researchers [36] utilizing the materialism scale included 18 statements with an acceptable Cronbach's alpha at 0.75. The following examples [36] were included in this research: "I would be happier if I could afford to buy more things," "Buying things gives me a lot of pleasure," "Some of the most important achievements in life include acquiring material possessions," and "I admire people who own expensive homes, cars, and clothes." The computed score for this scale was 3.46 ( $n = 1199$ ,  $SD = 8.45$ ). Given this finding, participants, overall, showed a high level of materialism.

A regression analysis was calculated to examine the role of materialistic values in Chinese consumers' relation to counterfeit apparel products. A significant positive regression equation was found ( $F = 1199 = 304.56$ ,  $p < 0.001$ ,  $R_2 = 0.20$ ). The unstandardized coefficient value was 1.11, indicating that for every increase in the level of materialistic values, the mean of attitudes toward counterfeit apparel products increased by 1.11. This finding reveals that among the participants in this study, those who placed greater emphasis regarding values of materialism held stronger attitudes toward counterfeit goods.

### 3.5. Research Question 4

**Research Question 4:** What role do ethical values play in Chinese consumers' relation to counterfeit apparel products?

To measure participants' ethical values, the consumer ethics scale [41] was utilized. The original scale included 16 statements; however, given the feedback from pretest participants, 5 of the 16 statements were removed. The remaining 11 statements used in this study included: "I think it is okay to change the price tags on merchandise in a retail store," "I think drinking a can of soda in a supermarket is okay without paying for it," "I think it is okay to report a lost item as stolen to an insurance company in order to collect the money," "I think it is okay to give misleading price information to a clerk for an un-priced item," "I think returning damaged merchandise when the damage is my own fault is okay," "I think it is fine to lie about a child's age in order to get a lower price," "I think it is okay to not say anything when the waitress miscalculates the bill in my favor," "I think it is okay to use an expired coupon for merchandise or for merchandise that I did not buy," "I think it is fine to use computer software or games that I did not buy," "I don't see any problem in spending over two hours trying on different clothes and not purchasing any," and "I think it's okay to download a movie off of the computer that I did not purchase." The Cronbach's alpha for the modified computed score was found acceptable at 0.94, ensuring the reliability of the combined scale. The computed mean score for the summed variable measuring participants' overall ethical values was 2.98 ( $n = 1199$ ,  $SD = 11.71$ ), revealing that, overall, participants held a moderate level of ethical values.

To explore the role of ethical values in Chinese consumers' relation to counterfeit apparel products, a regression analysis was calculated. A significant positive regression equation was found ( $F = 1199 = 442.00$ ,  $p < 0.001$ ,  $R_2 = 0.27$ ). The unstandardized coefficient value was 0.55,

which indicated that for every increase in the level of ethical values, the mean of attitudes toward counterfeit apparel products increased by 0.55. This revealed an interesting correlation between participants' levels of ethical values and their attitudes toward counterfeit apparel products. This finding contradicts previously reported results, such that consumers residing in other countries with higher ethical values hold lower attitudes regarding the purchase and consumption of counterfeit goods. This differing finding is further discussed in the next section.

#### 4. Implications

Individual and corporate social responsibility have come to the forefront as the sustainability movement has intensified in today's global apparel supply chain. As it pertains to the manufacturing and sale of counterfeits, it has been consistently reported that counterfeiting poses a global threat to worker and consumer health and safety and creates significant costs for corporations in the protection of intellectual property. Sweatshop-like conditions and the exploitation of workers are rampant in the production of counterfeits. Operations have poor working conditions, often use children as a means of cheap labor, subject workers to psychological and physical abuse, and withhold benefits and wages to workers. In addition to the funding of organized crime and terrorist activities, the revenues generated from the sale of counterfeits are also linked to global drug trafficking [10].

Attempts have been made to counter the supply of counterfeit goods in the global marketplace; examples include the Trademark Counterfeit Act [42], the Agreement on Trade-Related Aspects of Intellectual Property Rights [8, 43, 44], the Innovative Design Protection and Piracy Prevention Act [45], and the Anti-Counterfeiting Trade Agreement, an initiative consisting of member countries including Australia, Canada, member nations of the European Union, Japan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland, and the United States [46]. As part of these movements, protecting corporate intellectual property is a significant priority, including copyrights, trademarks, industrial designs, and patents.

However, while industry efforts and legal policies attempt to curb the supply (production and sale) of counterfeits, researchers have reported that the success of these initiatives are compromised so long as the demand of counterfeits among consumers exists [47]. Given that China maintains the largest counterfeit market in the world, examining the societal and individual factors that contribute to the attitudes of counterfeit apparel goods among Chinese consumers is noteworthy. In this way, the purpose of this study was to investigate Chinese consumers' knowledge of apparel counterfeits and the roles of face-saving, materialistic, and ethical values in relation to attitudes toward counterfeit apparel goods.

This study revealed an inverse relationship between participants' knowledge of counterfeits and attitudes toward counterfeits. Simply put, those possessing a greater knowledge of counterfeits held stronger negative attitudes toward counterfeit goods. Up until now, there has been no existing research to indicate the level of Chinese consumers' knowledge of counterfeit apparel products. In this study, the summed mean variable of Chinese consumers' knowledge

about counterfeited apparel was discovered to be quite low, meaning that many more actions are needed in further educating Chinese consumers on the negative impacts of producing and selling counterfeits. This, specifically, pertains to an individual's level of social responsibility. The findings of this study are similar to those previously reported [39], stating that Chinese students possessed minimal knowledge of intellectual property rights, which, again, is an important aspect in encouraging individual social responsibility among Chinese consumers. Overall, because participants in this study possessed minimal knowledge of counterfeit apparel goods, educational action on individual social responsibility that is aimed at expanding Chinese consumers' knowledge regarding the unintended social consequences of purchasing counterfeit apparel products has the potential to modify Chinese consumers' demands for and purchasing intentions of counterfeit apparel products.

These findings suggest that luxury and other popular Western apparel firms oftentimes copied and available in the Chinese marketplaces should work in tandem with researchers to enhance the education among Chinese consumers regarding how to discriminate between genuine products and counterfeit products. The most counterfeited fashion brands today include Louis Vuitton, Ray-Ban, Rolex, and Nike. To improve Chinese consumers' narrow understanding of counterfeit products, it is also worthwhile to test effective measures for educating consumers and developing marketing campaigns that include topics such as intellectual property rights, product and worker safety (corporate social responsibility), and individual socially responsible purchase behaviors (individual social responsibility).

Future research should also explore the effectiveness of strengthening digital platforms for Chinese consumers in informing them about counterfeits. This would not only provide supplementary information on social responsibility to consumers in general but also to the many who oftentimes mistakenly purchase counterfeit goods. In fact, such an online communication system already exists on Weibo (Chinese version of Facebook) [48]. As improvements to these websites and other blogs are made, the opportunities for consumers to anonymously report infringements of intellectual property rights and the magnitude of apparel counterfeits witnessed in the Chinese marketplace are reinforced and supported.

In examining what role do face-saving values play in Chinese consumers' relation to counterfeit apparel products, analysis of the data showed a significant positive relationship between participants' levels of face-saving values and their attitudes toward counterfeit apparel products; determining that the role of cultural norms and values may impact an individual's purchasing behavior of counterfeit goods, given lower price points than genuine luxury products. In order to negate the influence of face-saving values in counterfeit purchasing behavior, educating consumers should play a significant role as a cultural agent that promotes a more socially responsible alternative to success and happiness. However, given the history of this cultural norm in China, testing multiple methods for transforming this norm will have to be a focus of further research, which will not be an easy endeavor.

Existing research has shown that consumers with strong face-saving values tend to be more materialistic in nature and associate the ownership and acquisition of material objects and goods as a symbol of success [27, 22]. A post hoc analysis of data collected in this study did reveal a significant positive relationship between face-saving values and materialistic values.

That is, those who placed a greater importance on face-saving values also were more materialistic in nature. This result is consistent with other studies, which indicated that consumers with stronger face-saving values are more materialistic than those less preoccupied with this cultural norm [27, 30, 49].

The data collected as part of this study also revealed that materialistic values do play a significant role in Chinese consumers' relation to counterfeit apparel goods. According to previous research, young adults in China have a very high level of materialism in comparison to other countries [49, 50]. With a concurrent level of strong face-saving values and materialistic values, Chinese consumers possess a greater importance and emphasis on obtaining material objects to showcase their success in life. Previous researchers [31] reported that due to strong materialistic values, Chinese consumers tend to obtain highly recognized Western brand and luxury products (mostly counterfeited) to display their wealth and social status. Existing research has also revealed that Chinese consumers are willing to purchase imitations of famous Western luxury brands that can boost their social status in public [51]. As part of the current project, the findings serve as another confirmation of the strong role and impact of consumers' levels of materialism on their attitudes toward counterfeit apparel goods.

In examining what role do ethical values play in Chinese consumers' relation to counterfeit apparel products, the data revealed a significant positive relationship between participants' ethical values and attitudes toward counterfeit products. This finding indicates that participants who held a moderate level of ethical values still maintained favorable attitudes toward counterfeit apparel goods. It seems that there is a distortion between ethical values and buying counterfeit apparel products among Chinese consumers. This finding is consistent with other research [52], which reported that Malaysian consumers also possessed a high level of ethical standards while maintaining positive attitudes toward counterfeit products.

However, these findings are contradictory to previous research [53] that indicated that consumers have lower purchase intentions of counterfeit apparel goods when they hold stronger ethical values. In this study, ethical values did not inversely impact participants' attitudes toward counterfeits. Future research should further explore differences in cultural norms and their impact on the demand and sale of counterfeit apparel goods. In the Chinese cultural tradition, ethical values are a concept that comes from the five traditional conceptions of Confucianism, Maoism, Daoism, Legalism, and Chinese Buddhism. As a result of this, ethical values are not only about behaving legally or morally but also include the concepts of moderation based on Confucianism, social norms taught from Daoism, honesty and honor sourced from Legalism, and mercy rooted in Buddhism.

Based on the feedback collected from the pretest participants, the original scale measuring ethical values had to be modified before further data could be gathered. Given the results of the pretest, it is plausible that the model developed by previous researchers [30] may not adequately measure the ethical values of Chinese consumers. The original consumer ethics scale [43] included 16 statements. However, given the feedback from pretest participants, five of the 16 statements were removed. These statements included: "I don't see a problem in getting too much change and not saying anything," "I don't see a problem with returning merchandise to a store by claiming that it was a gift when it was not," "I think it is okay to stretch the truth



on an income tax return,” “I think it is okay to not tell the truth when negotiating the price of a new automobile,” and “I think it is okay to download music that I did not actually purchase.” These statements were deemed unsuitable and were difficult to understand among the pretest participants. Pretest participants stated that these statements were not relatable to the people of China. As such, in order to more effectively examine Chinese consumers’ ethical values, future researchers should consider developing and testing the applicability and reliability of other scales measuring this variable which is more reflective of the Chinese culture. This research will involve the collection of both qualitative and quantitative data.

Another possible reason for the finding that ethical values are positively related to attitudes of counterfeit goods is that participants, overall, lacked an understanding of the negative consequences of buying counterfeit goods. This result opens an opportunity for further research, investigating the reasons why Chinese consumers do not feel unethical when purchasing counterfeit apparel products. Is it simply because Chinese consumers lack a basic understanding of the negative impacts of the production, distribution, and consumption of counterfeits? An advanced understanding about this would also aid in fostering greater individual social responsibility among consumers in China as it relates to the demand of counterfeits in the marketplace. In order to emphasize individual social responsibility, more effective tools for educating consumers on the destructiveness of counterfeits are warranted. Previous studies have suggested anti-counterfeit education as a potential means in reversing the demand of counterfeit goods [8, 42, 47], but a lack of empirical evidence on this topic currently exists.

## 5. Conclusion

This study set out to examine the roles of face-saving values, materialistic values, and ethical values in relation to counterfeit apparel products among Chinese consumers. An analysis of the difference in knowledge and attitudes toward apparel counterfeits was also explored. In previous studies, consumers, around the globe, have been reported to: (1) maintain limited knowledge in respect to individual and corporate socially responsible practices in the apparel supply chain, (2) are unfamiliar with the counterfeiting phenomenon, and (3) are unaware of the negative connotations and illicit activities associated with counterfeits, such as terrorism, child labor, and drug cartels [14, 16, 40, 54–57]. As part of this study, it was discovered that Chinese participants were mostly unaware of counterfeits and unsure of their attitudes toward apparel counterfeits. Participants also held strong face-saving, materialistic, and ethical values, which had a significant impact on their attitudes toward counterfeits. Coupled with the findings reported by previous researchers studying along the same parameters, the results of this study are poignant in encouraging individual social responsibility as it pertains to the demand of counterfeits in the global marketplace.

The findings of this study are also beneficial to Western and Eastern apparel firms in corporate socially responsible thinking and training. Sustainable product development and methods for researching efficient marketing strategies to curb the demand of counterfeits in the Chinese marketplace can produce valuable information. The results of this study serve as reference for other scholars on further examining the subject of counterfeits, sustainability, and social and



corporate responsibility in the fashion industry. The data analysis in this study contributes to academic and industry discussions on corporate social responsibility and remitting the commission to endorsing efforts in anti-counterfeit eradication. The findings of this study are crucial in serving as the foundation of authenticating the topics of socially and ethically responsible education of Chinese consumers, particularly given the current and continued growth of the spending power of consumers in China.

## Author details

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