

Identification of Factors that Influence the Attitude of the Millennial Generation towards Interest to Buy Counterfeit Products on the Online Marketplace

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Abstract

The current global era has entered the era of the industrial revolution 4.0 along with increasingly rapid technological developments, one of which is the rapid development of the internet so that many online marketplaces appear. Along with the emergence of the COVID-19 outbreak, many people prefer online shopping. There is a demand to buy fashion products, most people make imitation fashion products the main alternative. One of the targets is the millennial generation, which currently dominates in number. The purpose of this study is to determine the effect of value consciousness, brand consciousness, perceived risk, materialism, social influence, status consumption, integrity towards attitude towards counterfeit for shopping in online marketplaces. The data used in this study is primary data taken from a questionnaire. The respondents are 200 respondents who are millennials who have an online marketplace account and have purchased counterfeit products in the online marketplace. This study uses a quantitative approach with the method of Structural Equation Modeling (SEM). SEM analysis using the AMOS 22 program. The results of this study indicate that value consciousness, materialism and social influence have a positive effect on attitude towards counterfeit. Meanwhile brand consciousness, status consumption, and integrity have no effect on attitude towards counterfeit and perceived risk has a negative effect on attitude towards counterfeit. And in this study there is a moderator variable income.

Keywords

value consciousness;
materialism; social influence;
attitude towards counterfeit;
purchase intention



I. Introduction

Based on data contained in the Central Statistics Agency (2019), it is stated that the fashion industry has experienced increased growth from year to year, namely textiles and clothing experienced significant growth at the beginning of 2019. The trend in the fashion industry is also increasingly becoming "modern" from time to time. However, with the Corona Virus Disease 2019 (COVID-19) pandemic that occurred in Indonesia, there are limitations to breaking the chain of transmission, namely the implementation of Large-Scale Social Restrictions (PSBB). Online shopping has also increased during the pandemic. Covid 19 pandemic caused all efforts not to be as maximal as expected (Sihombing and Nasib, 2020). The outbreak of this virus has an impact of a nation and Globally (Ningrum *et al*, 2020). The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020). Quoted from a CNN Indonesia online article on February 23, 2021, the e-commerce sector, Marketing in the Era of Mobile (InMobi) noted that the level of spending during the Covid-19 pandemic was higher than the level of shopping during the holidays.

The online article Katadata (2021) sourced from KIC and Kredivo data states that many millennials spend their salaries shopping on e-commerce. In an online article Kompas (2021) sourced from data from the Central Statistics Agency (BPS) released the results of the population census in 2020, the population in Indonesia is dominated by Generation Z and Millennials with 27.94 percent and 25.87 percent respectively. In meeting the needs of the millennial generation, there are many product choices on the market, namely original goods and imitation goods. Gentry, et al. (2006) revealed that the increasingly rapid development of the clothing industry has made many retail companies compete in selling their products digitally. The growth of counterfeit sales is due to the branded fashion goods business is a very profitable business which is growing at a phenomenal rate of growth, but at the same time they have been trapped by manufacturers of counterfeit fashion products.

Encouraged by previous research, the researcher tried to find the factors that influence the purchase of counterfeit goods which took income as a moderator to study the relationship between these factors and attitudes towards counterfeit products. Also, contradictions exist in the previous research which is also the reason for doing this research. Researchers in the past have found various findings about the effect of brand awareness on counterfeit purchases. Quoted from Chi et al. (2009) stated that buying interest can be divided into three parts, namely unplanned purchases, partially planned purchases, and fully planned purchases. Unplanned purchase means that in making a purchase, the consumer makes all the decisions to buy the product. Partially planned purchases mean that consumers only decide on product categories and brands but have not yet purchased. A fully planned purchase means that in making a purchase, the consumer decides which product and brand to buy before entering the store. Buying interest in this study is defined as buying interest in imitation products which is influenced by value consciousness, brand consciousness, perceived risk, materialism, social influence, status consumption, integrity, and attitude towards counterfeit in the Millennial generation which is moderated by the income variable.

In a previous study conducted by Vinita Bhatia (2017) entitled "Examining consumers' attitude towards the purchase of counterfeit fashion products" where counterfeiting of luxury fashion brands is a big problem that is spread throughout the world. Consumers do not consider the trade in counterfeit products as illegal and therefore indifferent to the legitimacy and legality of an item which then encourages further researchers to discuss the lawfulness and legality of counterfeit. Then as for research that supports this, research conducted by Ian Phau, et al. 2009 entitled "Consumers' willingness to knowingly purchase counterfeit products" aims to examine the influence of personality factors on the attitudes of consumers who consciously buy counterfeit goods. In this case, the researcher will add two variables, namely consumption status and integrity.

Based on the background of the problem, the proposed hypothesis is:

- H1: Value Consciousness has a positive and significant effect on Attitude towards counterfeit
- H2: Brand Consciousness has no effect on Attitude towards counterfeit
- H3: Perceived Risk has a negative effect on Attitude towards counterfeit
- H4: Materialism has a positive and significant effect on Attitude towards counterfeit
- H5: Social Influence has a positive and significant effect on Attitude towards counterfeit
- H6: Status Consumption has no effect on Attitude towards counterfeit
- H7: Integrity has no effect on Attitude towards counterfeit
- H8: Attitude towards counterfeit has a positive and significant effect on Purchase Intention
- H9: Income as moderator of Attitude towards counterfeit

II. Research Method

Based on its objectives, this research is included in basic research because the purpose of this research is to develop knowledge, not to solve a problem or phenomenon in a particular company. Based on the type, this research seeks to identify causal relationships (Zikmund, 2003). Meanwhile, the approach used is a quantitative approach. This research will be discussed empirically and use numerical analysis and measurement. The collected data will be processed using SEM (Structural Equation Modeling) analysis techniques.

The level used for all variables in this study is the interval level, namely the level of measurement that shows the same distance and a clear difference on the scale (Zikmund, 2003). The alternative answers provided for the interval level are arranged based on a 5-point Likert scale which is carried out by giving an assessment to a series of statements based on adjectives measured on a five-level scale. Figures 1 to 5 indicate that the larger the number chosen, the more positive the respondent's assessment of the statement submitted, on the contrary, the lower the number chosen, the more negative the respondent's assessment of the statement.

The population in this study includes the millennial generation, male and female consumers who have characteristics, namely those who have accounts using online marketplaces and have purchased counterfeit products on their online marketplaces. The sampling technique in this study uses a non-probability sampling technique with the type of sampling in this study is snowball sampling (Sugiyono, 2017). Age respondents 26 to 41 years with a total of 200 respondents.

III. Results and Discussion

Validity and reliability tests were carried out using the SPSS version 26 software for the Windows operating system. All indicators of each variable show a Pearson Correlation value > 0.1 (valid) and each variable has a Cronbach's Alpha value > 0.6 (reliable). All data from 150 respondents were analyzed using the structural equation model (SEM) in which there are 2 stages of testing. The first stage is a measurement model for all construct variables and each indicator using 5 (five) goodness-of-fit indices. the following results from the measurement model.

Table 1. *Goodness of Fit Structural Model*

No	Compatibility Test	Matching Criteria	Results	Remarks
1	CMIN/DF	≤ 2	1,044	Good Fit
2	RMSEA	$\leq 0,08$	0,66	Good Fit
3	GFI	0,90 – 0,99	0,787	Marginal Fit
4	CFI	0,90 – 0,99	0,856	Marginal Fit
5	TLI	0,90 – 0,99	0,872	Marginal Fit

All indices in the measurement model have shown a good fit value, so the research can proceed to the next stage, namely structural model analysis. In this model, the Good fit index research is again tested.

Table 2. Goodness of fit Structural Model

No	Compatibility Test	Matching Criteria	Results	Remarks
1	CMIN/DF	≤ 2	1,872	Good Fit
2	RMSEA	$\leq 0,08$	0,66	Good Fit
3	GFI	0,90 – 0,99	0,787	Marginal Fit
4	CFI	0,90 – 0,99	0,872	Marginal Fit
5	TLI	0,90 – 0,99	0,856	Marginal Fit

After completing all data recaps from all samples received and also analyzing the goodness-of-fit measurement model, the structural model hypothesis testing can be carried out. This test is carried out to see how much influence one variable has on other variables. Figure 1 is the result of data processing from the structural model. The figure explains the standard estimate value which shows how much influence the independent variable has on the dependent variable. Furthermore, hypothesis testing will be carried out using IBM - AMOS software version 22 for the Windows operating system and the condition for the hypothesis to be accepted is the C.R. value. $\geq \pm 1.96$. Then, the results of the C.R. and standard estimates are presented in table 3. From the table it can be seen that there are several hypotheses that are not supported.

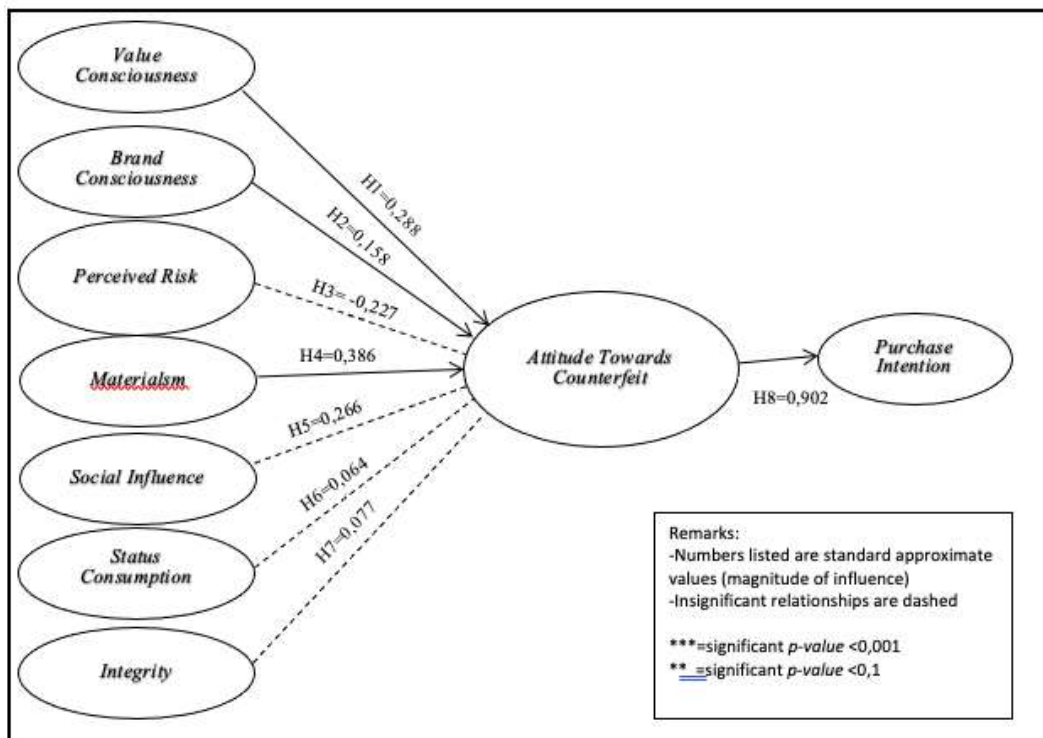


Figure 1. Data Measurement Structural Model

Table 3. Hypothesis Test Results

Hypothesis	Connection	Standardized Estimate	Critical Ratio	P-Value	Remarks
H1	VC → ATC	0,288	1,699	0,089	Supported, Significant
H2	BC → ATC	0,158	1,435	0,151	Supported, Not

					Significant
H3	PR → ATC	-0,227	-1,411	0,158	Supported, Not Significant
H4	M → ATC	0,386	2,703	0,007	Supported, Significant
H5	SI → ATC	0,266	2,406	0,016	Supported, Significant
H6	SC → ATC	0,064	0,945	0,345	Supported, Not Significant
H7	IG → ATC	0,077	1,254	0,210	Not Supported, Not Significant
H8	ATC → PI	0,902	9,433	***	Supported, Significant

C.R.= *Critical Ratio*; *** < 0,001; ** < 0,05

In this study, the value of the standard estimate or SE and p-values H1, H4, H5, and H8 can be accepted because they have positive values according to the direction of the relationship between variables. The H2 value is 0.158 with a CR of 1.435 (<1.96) and a p-value of 0.151 (>0.1), which means that the variable is not accepted and is not significant. Then the value of H3 is -0.227 with a CR of -1.411 (<1.96) and a p-value of 0.158 (>0.1), which means the variable is unacceptable and insignificant. H6 is 0.064 with a CR value of 0.945 (<1.96) and p-value 0.345 (>0.1), which means the variable is not supported and not significant, H7 is 0.077 with a CR value of 1.254 (<1.96) and p-value 0.210 (> 0.1) which means the variable is not acceptable and not significant.

Table 4. Hypothesis Test Results with High Income Moderation

Hypothesis	Connection	Standardized Estimate	Critical Ratio	P-Value	Remarks
H1	VC → ATC	0,045	0,216	0,829	Not Supported, Not Significant
H2	BC → ATC	0,274	2,044	0,041	Supported, Significant
H3	PR → ATC	0,011	0,52	0,958	Not Supported, Not Significant
H4	M → ATC	0,387	2,227	0,026	Supported, Significant
H5	SI → ATC	0,228	1,567	0,117	Not Supported, Not Significant
H6	SC → ATC	0,066	0,828	0,408	Not Supported, Not Significant
H7	IG → ATC	0,013	0,191	0,849	Not Supported, Not Significant
H8	ATC → PI	0,886	8,086	***	Supported, Significant

Table 4 shows the results of hypothesis testing moderated by the high income variable, where there are 5 hypotheses that are not supported, namely value consciousness, perceived risk, social influence, status consumption, integrity. Then there are several supported and significant hypotheses including brand consciousness having an effect of 0.274, CR value of 2.044 (> 1.96) and p-value of 0.041 (< 0.05). Materialism has an effect of 0.387, CR value of 2.227 (> 1.96) and p-value of 0.026 (< 0.05). And Attitude towards counterfeit has an effect of 0.886, CR value of 8.086 (> 1.96) and p-value ***.

Table 5. Hypothesis Test Results with Low Income Moderation

Hypothesis	Connection	Standardized Estimate	Critical Ratio	P-Value	Remarks
H1	VC → ATC	-0,395	-1,739	0,082	Not Supported, Not Significant
H2	BC → ATC	-0,039	-0,200	0,841	Not Supported, Not Significant
H3	PR → ATC	0,140	0,832	0,405	Not Supported, Not Significant
H4	M → ATC	0,440	1,954	0,051	Not Supported, Significant
H5	SI → ATC	0,663	2,768	0,006	Supported, Significant
H6	SC → ATC	0,095	0,644	0,519	Not Supported, Not Significant
H7	IG → ATC	0,083	0,529	0,597	Not Supported, Not Significant
H8	ATC → PI	0,974	4,437	***	Supported, Significant

In table 5 there are 5 hypotheses that are not supported and have no effect on the attitude towards counterfeit variable after moderating the low income variable, namely value consciousness, brand consciousness, perceived risk, status consumption and integrity. However, value consciousness, brand consciousness has a negative influence with the presence of the moderator variable. The accepted and significant hypothesis is that social influence has an influence of 0.663, the CR value is 2.768 (> 1.96) with a significance of 0.006 (< 0.05). And Attitude towards counterfeit has an effect of 0.974, CR value of 4.437 (> 1.96) and p-value ***. Then materialism which has an influence on the attitude towards counterfeit variable with a significance of 0.051.

The results of this study indicate that value consciousness has a positive effect on attitude towards counterfeit. Generation Y or millennials prefer to pay lower prices for limited quality products, where the benefits they receive are also almost identical to the original product. The characteristics of generation Y are more concerned with the costs incurred, if by buying counterfeit products that in terms of product functions and benefits are the same as the original product, they will choose to buy counterfeit products, this is in line with research conducted by Ang, et al (2001) and Vinita Bhatia (2017). brand consciousness has no effect on attitude towards counterfeit. This is supported by research conducted by Phau., et al (2009), Gayem (2016) and Bhatia (2018). Generation Y or millennial consumers will buy imitation products not based on the product brand but more on the product model because the models of counterfeit products have various and attractive models. Perceived risk has a negative influence, generation Y or millennials are

aware of the risks involved in purchasing counterfeit products on the online marketplace but they are still doing it, so they don't consider the risks involved. Materialism has a positive effect, consumers who are financially short will prefer counterfeit products to impress others. Social influence has a positive effect, there is pressure from reference groups and peers, customers buy genuine or fake products and intend to make a good impression. Status consumption and integrity have no effect.

IV. Conclusion

Based on the results that have been presented, it can be concluded that there is a positive and significant effect of the Value Consciousness variable on the Attitude Towards Counterfeit variable. There is no influence of the Brand Consciousness variable on the Attitude Towards Counterfeit variable. Then negative effect of the Perceived Risk variable on the Attitude Towards Counterfeit variable. A positive and significant effect of the Materialism variable on the Attitude Towards Counterfeit variable. A positive and significant effect of the Social Influence variable on the Attitude Towards Counterfeit variable. There is no effect of the Status Consumption variable on the Attitude Towards Counterfeit variable. There is no effect of the Integrity variable on the Attitude Towards Counterfeit variable. A positive and significant effect of the Attitude Towards Counterfeit variable on the Purchase Intention variable. There are several effects of the Income variable as a moderator on the Attitude Towards Counterfeit variable.

Recommendations and Limitations

Recommendations that can be given to luxury brand companies, namely in terms of models, materials and colors of a product, are expected to provide certain characteristics of a product and the added value that is not easy to be duplicated by other marketers and for the model of the product is expected to follow the trend at any time so as not to be left behind and always up to date. Then build more brand awareness, both online and offline, so that companies can find out how far their brand is known by consumers from various circles, these advertisements can be made in such a way as to increase consumer knowledge about products, without changing the company's reputation but can build a "feeling" about the product. "want to have" these products. However, it cannot be denied that in Indonesia itself there are various kinds of consumers who are differentiated based on income, namely middle-low consumers and middle-up consumers. To retain existing customers, companies can build more communication or entertainment to increase loyalty by providing vouchers or gifts at certain times and providing a little knowledge about existing products. Luxury goods companies will find it difficult to reach middle-low consumers, so that one of them maintains a reputation and can reach other middle-up consumers who are not familiar with their products because some consumers will think that luxury goods are very expensive and unaffordable. And from there the company must

This study is only to identify the factors that influence the interest in buying counterfeit products on the online marketplace. Besides that, the population used is the millennial generation or Gen Y, this research is also limited to counterfeit products only on clothes and bags. So that in the future it is necessary to study more regarding the use of other shopping media, both online and offline, then in the selection of the population can use other generations, be it Gen Z (i-generation), Gen X, Gen Alpha, and others, further research is expected to add products -other counterfeit products. This research is also limited to Indonesia, so that further research can be carried out more broadly. This research is also limited to distributing questionnaires only to the closest people, so it is necessary to

expand the distribution of questionnaires. The next limitation in this study is that there may be other moderating factors such as age, education, and status/occupation that can influence consumer attitudes towards buying counterfeit products.

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