

RESEARCH PROJECTS 2013

Project Title

Understanding Demand for Counterfeit Products in Developing Nations

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Abstract

Counterfeit consumption poses a major problem for businesses and governments throughout the world. Although billions of dollars annually are spent trying to remove counterfeits from the supply chain, counterfeit consumption continues to rise, particularly in Asia. The present research addresses psychological factors that drive consumer demand for counterfeits. Specifically, we examine the psychological impact of resource scarcity and propose that counterfeit consumption increases when consumers perceive resources (e.g., money, goods, jobs) as scarce. Importantly, this effect may depend on cultural factors, including (1) vertical/horizontal orientation and (2) the caste system. That is, perceived resource scarcity increases demand for counterfeits to a greater extent in societies that are vertically (vs. horizontally) oriented, and in societies without (vs. with) a caste system. This research is important because little is known about the psychological factors that drive demand for counterfeits. If we can understand why counterfeits appeal to consumers, we are one step closer to curbing their demand.

