

Factors Affecting Young Indonesian's Intention to Purchase Counterfeit Luxury Goods

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Abstract

The purpose of this study is to analyze the factors that influence consumer attitudes towards counterfeit luxury goods and their influence on intentions to buy fake luxury goods in Indonesia. Research provides better insight and understanding of consumer behavior towards counterfeit luxury goods. The sample in this study were 286 people who intended to buy fake luxury goods. Data was collected through a survey questionnaire and, analyzed by regression analysis techniques. The research findings identify that brand image, quality and price positively influence consumer attitudes towards fake luxury goods. This is because these variables are considered to have influenced individual attitudes. They have a positive attitude towards fake luxury goods in terms of brand image, price and quality and that consumer attitude is a significant variable in shaping consumer purchase intentions, because positive attitude is a stimulus for consumer purchase intention which is a predictor. consumer buying behavior; so the higher the attitude of consumers, the higher their intention to buy. These findings can be an asset for policy makers and producers of original products to formulate strategies to overcome counterfeiting activities.

Faktor-Faktor yang Mempengaruhi Niat Anak Muda Indonesia untuk Membeli Barang Mewah Palsu

Abstrak

Tujuan penelitian ini adalah untuk menganalisis faktor-faktor yang mempengaruhi sikap konsumen terhadap barang mewah palsu dan pengaruhnya terhadap niat untuk membeli barang mewah palsu di Indonesia. Penelitian memberikan wawasan dan pemahaman yang lebih baik tentang perilaku konsumen terhadap barang mewah palsu. Sampel dalam penelitian ini adalah 286 orang yang berniat membeli barang mewah palsu. Data dikumpulkan melalui kuesioner survei dan, dianalisis dengan teknik analisis regresi. Temuan penelitian mengidentifikasi bahwa citra merek, kualitas dan harga secara positif mempengaruhi sikap konsumen terhadap barang-barang mewah palsu. Ini karena variabel-variabel ini dianggap telah mempengaruhi sikap individu. Mereka memiliki sikap positif terhadap barang-barang mewah palsu dalam hal citra merek, harga dan kualitas dan bahwa sikap konsumen adalah variabel yang signifikan dalam membentuk niat beli konsumen, karena sikap positif adalah stimulus untuk niat beli konsumen yang merupakan prediktor. perilaku pembelian konsumen; jadi semakin tinggi sikap konsumen, semakin tinggi niat mereka untuk membeli. Temuan ini dapat menjadi aset bagi pembuat kebijakan dan produsen produk asli untuk merumuskan strategi untuk mengatasi kegiatan pemalsuan.

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INTRODUCTION

Counterfeit is one of the biggest global issues which significantly affects the economic, global trade and as well as the manufactures of genuine luxury brand. Organisation for Economic Co-operation and Development (OECD) report that the counterfeiting cause a loss of USD 1.7 Trillion market value in 2016. In Asian Countries such as China, Thailand, Hong Kong, South Korea, Malaysia and Indonesia a billion dollar loss every year due of the production and sale of counterfeit goods. It can be explained that counterfeiting leads to losses of market share for companies that are victims.

Some genuine luxury goods manufacturers such as luxury brand; Louis Vuitton, Yves Saint Laurent, POLO, Dior, reaped off the benefit and their brand image being affected. Some countries, counterfeiting is first and foremost social importance and a source of tax evasion. So due to this explanation, counterfeiting bears a bad impact to a country, and ruins the social life of the people physically and psychologically to the consumers that ruin the culture. In many cases, it has a dangerous impact to the health and safety of consumers.

However, it can be explained here that the demand of counterfeit goods is huge and slightly increasing and no sector is spared. Reported by the Indonesian Anti-counterfeiting Association that every category of products are concerned in counterfeiting, Indonesian market itself; Printer ink, clothing, leather products and Software are the most dominant (<http://www.thejakartapost.com>). According to the Indonesian Anti-Counterfeiting Society (MIAP) Counterfeit goods itself take over the 7% of Indonesian market with an estimated value of USD 4.82 Billion (IDR 65.1 Trillion) in 2017 reported on to the Jakarta post website.

Due to this fact, the genuine product industries have made their strategies to reduce the demand of counterfeit by collaborating with anti-counterfeit organization and some actions have been taken by the Indonesian Anti-Counterfeiting Society to reduce the distribution

and decrease the demand. In spite of the local government efforts through diverse laws and regulations on trade to stop and seize the counterfeit market, it is evidently perceived that none of those endeavors have been to no avail and the counterfeiting market is growing in Indonesia.

Counterfeit is still an important issue that tails to study, there are two reasons of its consequence in the social factors, as it is well known as criminal act where people are not really aware to stop it. In theoretical aspect, there is no single model that can explain counterfeit; so in this study we prefer to study the factors affecting the purchase intention, and the objective of this research is to build on a set of findings around counterfeit luxury, a different concept focusing on Indonesian counterfeiting. In this research we will identify the explanatory variables and the attitude that involve the consumers' choice for counterfeit luxury goods, and also we adopted the consumers' attitude towards counterfeit luxury goods as a mediating variable on consumers' purchase intention toward counterfeit luxury goods. In addition it is very necessary to give an insight on consumers' attitude towards counterfeit luxury goods in determining the factors affecting the consumers' intention to purchase counterfeit goods (Chiu & Leng, 2015; Ting et al., 2016; Quoquab et al., 2017).

Price is the first variable, because the effect of low price seems to become one of the reasons why the counterfeit goods remain in demand. Consumers purchase counterfeited goods because the price of counterfeited goods are different from the price of original goods it is much cheaper than the original products (Ang et al., 2001; Prendergast et al., 2002; Phau et al., 2009; Chiu & Leng, 2015)

Second, the demand for counterfeited goods are related to the performance of counterfeit products which is not very different from the original product. So, we considered the difference of quality as the second variable and it's a good indicator to measure (Ting et al., 2016). Some previous researchers found that the consumption of counterfeit goods are encouraged by the fact that counterfeit luxury goods have

a very good quality (Prendergast et al., 2002; Phau et al., 2009). Even so, there are some researchers who claim that counterfeit products have an inferior quality (Staake et al., 2009; Quoquab et al., 2017).

Third, the original product brand image was considered as the third variable. In addition to the brand, influence will also be seen some factors have an effect on the intentions to buy counterfeit luxury goods (Bupalan et al., 2019). Some of that factor is like original goods brand image that has an influence on intention to buy counterfeit goods.

Attitude toward counterfeit luxury goods is referred as individual perception toward a particular product whether they like it or not. The theory of planned behavior posits that purchase behavior is determined by purchase intention which is in turn determined by attitude toward the behavior (Chiu & Leng, 2015). Previous studies show that the consumers' attitude toward counterfeit goods are slightly increasing. Consumers show a positive attitude toward counterfeiting which influences the intention to purchase the counterfeit goods (Ang et al., 2001; Phau et al., 2009; Riquelme et al., 2012; Chiu et al., 2014; Quoquab et al., 2017).

Researcher prioritizes that this paper will bring into light valuable understanding of purchasing intention of counterfeit luxury goods in Indonesia. The main idea is to identify the consumers' attitude toward counterfeit luxury goods that positively influences the purchase intention of counterfeit luxury goods. This paper will determine the consumers' attitude toward the counterfeit luxury goods regarding the counterfeit luxury goods Brand image and its influence on intention to purchase counterfeit luxury goods and to determine the moderating role of gender on young Indonesian s intention to purchase counterfeit luxury goods.

This research study demonstrates lots of advantages concerning an expected evidence of information that can be used as a basis of comparison data or consideration for other researchers associated with the purchasing intention of counterfeit luxury goods. This paper con-

tributes to counterfeit luxury goods' purchasing theory and literature by providing deeper understanding of consumers' attitude towards counterfeit luxury goods, and give deeper understanding about the factors influencing the purchasing intention of counterfeit luxury goods. Moreover, this paper would provide an empirical result to help the marketers of original luxury goods to understand the factors affecting the counterfeit goods consumption which would be a strategy to attract consumers to buy the original product.

The findings from this study are expected to overcome which factors influence the intention to buy fake luxury products. Also, this study analyzes how consumer attitudes towards fake luxury goods mediate the image of genuine luxury brands, price quality and intention to buy fake luxury goods, and how gender plays a moderate role.

As the first step of this research, the authors conducted a literature study from several previous studies that discussed consumer attitudes and consumer buying behavior towards counterfeit goods. The findings of this study will highlight if consumer attitudes toward fake luxury goods mediate the dependent variable and the independent variable of concern.

The novelty of this research is the first research that focuses on the behavior of Indonesian young people in the context of fake luxury goods. This study explains the relationship between mediating variables and independent variables. Several reasons attract marketers' interest in researching purchase intentions because they help predict future demand. Study of consumer behavior using attitudes and intentions to buy, to measure and predict consumers' future buying behavior, in studying the factors that influence consumer buying behavior against counterfeit goods.

Hypothesis Development

Attitude toward Counterfeit Luxury Goods

Previous studies refer attitude as an individual's reaction when evaluating a particular object, such a positive feeling, or negative

feeling joy, pleasure, cheerfulness, disgust, discontent or hatred. These points of view are associated with a given behavior which has been identified in two categories.

The first is deceptive, when an individual does not know and does not mean to buy counterfeit goods because of the similarity of the counterfeit goods with the original product (Prendergast et al., 2002). The second one is non-deceptive, when an individual is aware and knows that the goods are counterfeit but is still willing to buy them (Bian et al., 2016).

In this study only the attitude of a consumers' non-deceptive behavior will be examined; the consumer who behaves and shows favor toward counterfeit goods and consumers who have a tendency to try new products might have a positive attitude towards counterfeit goods, since the study aims to study the individual who is aware about the counterfeit. When individual have positive attitude toward a counterfeit luxury goods, there is a chance that an individual will be probably having a tendency to purchase counterfeits luxury goods.

Previous studies found that attitude has a positive relationship with individual intentions (Riquelme et al., 2012), other studies have established that attitude strongly correlates to the purchase intention (Chiu et al., 2014). Attitude could be a predictor to estimate the behavior (Phau et al., 2009).

This study indicated that when consumers have a positive attitude toward counterfeit luxury goods, it is likely that the consumers will purchase the counterfeit luxury goods. However if the attitude toward counterfeit luxury goods is negative, the person may not purchase counterfeit luxury goods.

Purchase Intention toward Counterfeit Luxury Goods

Ajzen (1991) defined purchase intention as a consumer's psychological statement which reflects the purchase plan of certain products. As a basic concept for predicting consumers' behavior it constitutes an appreciable indicator in the development of the marketing strategy, both

Marketers and economists usually use these variables to know the consumers' needs to predict future consumers' behavior.

Several studies have been investigating the factors that make consumers purchase the counterfeits. Different models and theory have been proposed to examine the intention to purchase but the common feature of all these models is that the intention is the most predictive element of the individual's behavior (De Matos et al., 2007; Ian Pahu et al., 2009; Chiu et al., 2014; Chiu & Leng, 2015).

Theory of Planned Behavior (TPB) of Ajzen (1991), explained that the purchasing behavior of consumers is measured by intentions to purchase. Previous studies indicated the debate on the intention to purchase (Bian & Moutinho, 2009) defined it as a consumers' tendency to buy a brand or take actions related to purchases evaluation. Furthermore, other researcher argued that it's a part of the components of consumer behavior in the attitude of consuming, the tendency of individual to act before they make a buying decision is actually implemented (Quoquab et al., 2017).

Relationship between Brand Image and Intention to Purchase

Brand image is perceived as an important driving force of customers' loyalty. It is can defined as the way that consumers perceive a brand based on their previous experiences about the brand. In general, consumers who have a preference with particular genuine luxury goods are looking for brands, prestige, and images. While counterfeit luxury goods are not a genuine goods with an original luxury goods trademark, that provides the same function as the original goods, even shows the original product brand image because it plays an important role in affecting consumers' choice (Dickson et al., 2000).

Brand image mainly provides the benefits of self-expression. As a brand that aims to improve the image of the user, the brand itself has the ability to satisfy the consumers' needs. Counterfeiting consumers are not seeking for the originality but only want to buy the product

because of its brand image. Brand image can also influence the consumers' behavior on future purchases (Chiu & Leng, 2015; Bian et al., 2016; Hardjono & San, 2017).

Previous studies (Phau et al., 2009) found that if original luxury goods that consumers know about its brand and reputation, they will tend to purchase it whether it had been counterfeited or not. Yet, another research discovers that brand image positively influences the decision to purchase or not to purchase that product personally (Bian et al., 2016). Most recent studies have shown that if the goods have a better image, it encourages the consumers' willingness to buy counterfeit (Nguyen et al., 2013), aligned with the finding of Gani et al. (2019) found that brand image is one of the attribute that influence the intention behavior.

This study assumed that the higher the original goods brand image is, the higher the purchase intention toward the counterfeit luxury goods will be.

The following hypothesis is:

- H1: Original luxury goods brand image positively influence the intention to purchase the counterfeit luxury goods.
- H2: Original luxury goods brand image positively influence the attitude toward counterfeit luxury goods.

Relationship between Quality and Intention to Purchase

Product quality is the ability of a product to demonstrate its function, it includes overall durability, reliability, accuracy, ease of operation, and product repairs, as well as other product attributes (Kotler & Armstrong, 2012). Consumers are always seeking for a quality based on key dimension factor such as durability, design, contribution. Several studies indicated that counterfeit goods are generally considered to have low quality (Staake et al., 2009; Norum & Cuno, 2011; Riquelme et al., 2012).

However counterfeit luxury goods have a various range of quality, low and high quality (Phau et al., 2009; Chiu & Leng, 2015). Another researcher found that the quality of coun-

terfeit goods are almost equal to the particular original goods quality (Rod et al., 2015). When the quality of counterfeit is sufficiently high it cannot be easily identified because its physical appearance and the similarity with the original luxury goods are alike, in other words for low quality it is visibly shown on the product itself and easy to identify.

Previous studies indicated that counterfeits goods are less and have a lower quality compared to the original product (Riquelme et al., 2012). However, there are other studies arguing that there is no much difference in physical attributes and functional attributes between original luxury goods and counterfeit luxury goods so for the person who shows a favorable attitude toward counterfeits prefer to consume counterfeit products (Phau et al., 2009).

In addition, an individual who is favorable with counterfeits perceives the quality of counterfeit goods to be as good as the original goods (Norum & Cuno, 2011), so when the counterfeit luxury goods are not same as the original products, consumers do not really have the intention to purchase it (Chiu & Leng, 2015; Wulandari et al., 2015; Hashim et al., 2018). We assumed that the closer the difference of the quality between original luxury goods and counterfeit luxury goods which means that the higher the quality of counterfeit luxury goods is the higher the intention to purchase the counterfeit luxury goods. The following hypothesis is:

- H3: The quality of counterfeit luxury positively influences the attitude toward counterfeit luxury goods.
- H4: The quality of counterfeit luxury goods positively influences the intention to purchase counterfeit luxury goods.

Relationship between Price and Intention to Purchase

This is highly known and agreed as important factor and an instrument in marketing literature which affects the consumers' buying behavior and also it is defined as the money that consumers exchange in terms of goods or

services. Luxury goods are one of the most frequent product samples and the easiest to find in case of brand counterfeiting which is steadily increasing and have a huge impact on why counterfeit products remain to be excellent. The increase on Luxury products when compared to cheaper price boost the counterfeit products to be more widely circulated. The effect of price is that the cheaper one becomes one of the reasons why the demand is increasing in the market.

Counterfeit goods can be categorized as low price. For example, sporting goods with a luxury brand that counterfeit luxury goods are much cheaper from original products (Chiu & Leng, 2015). Related with previous studies, it shows that the consumption of counterfeit luxury goods is driven by the price (Turunen & Laaksonen, 2011; Tang et al., 2014; Chiu & Leng, 2015). Consumers are consuming the counterfeit goods because of the price which is offered is a very low price. They also believe that purchasing counterfeit products gives them an advantage of cost saving which is not regarding to the quality also allowed them to have the image of having a genuine luxury goods and the prestige without paying the original luxury goods price.

Riquelme et al. (2012) highlighted on his recent study related to intention to purchase a counterfeit products that there is a 40 percent of difference between the price of original luxury goods and counterfeit luxury goods. The price of original luxury goods is more expensive than the counterfeit luxury goods itself. So if individual purchasing intention is driven by price they intend to purchase the counterfeits rather than the original goods.

In addition, there is an addictive interest based on the attitude that consumers want to buy luxury goods but do not want to pay the expensive price associated with the luxury goods. The attitude towards the purchase of counterfeit goods goes beyond the priced-related variables. Moreover, the price is usually a reflection of consumers' attitude toward the counterfeit products. We predict that the higher the differen-

ce of the price of original luxury goods and the price of counterfeit luxury goods, the higher the intention to purchase counterfeit luxury goods.

Based on the theory and the previous studies, we developed the following hypothesis:

H5: The price of counterfeit luxury goods positively influences the intention to purchase counterfeit luxury goods.

H6: The price of counterfeit luxury goods positively influences the attitude toward counterfeit luxury goods.

The Relationship among Consumers' Attitude and Purchase Intention

Purchase intention is subject to a set of information related to attitude De Matos et al. (2007), whereas the intention to buy is measured by the attitude of consumers according to the Theory of Reasoned Action (Fishbein & Ajzen, 1975). Attitude is seen as a predictor to measure the actual consumers' behavior and intention as a predictor to measure future behavior. It constitutes an appreciable indicator in the development of the marketing strategy that both Marketers and economists usually use this variable to know the consumers' needs to predict their behavior in the future. The higher the intention to purchase the greater the probability of leads effective behavior.

Previous studies by Ian et al. (2008), indicated that an individual with a favorable or a positive attitude towards counterfeits will also have a strong intention to buy counterfeit goods. So, we assumed that there is a close link between consumers' attitudes and their intention to buy. Furthermore, another research by Mei (2009) that suggests that attitudes toward behavior is one of the variables that affect directly and indirectly to purchase intention. Based on the study by Poddar et al. (2012) about consumption of counterfeit products, it is good to measure the purchase intention as dependent variable. It can be concluded that there is a relationship between attitude and intention to purchase.

Therefore, in this current research, the researcher assumed that the attitude toward counterfeit luxury goods influences the inten-

tion to purchase counterfeit luxury goods that supported the previous one that the influence of attitudes on behavioral Intention is very high (Kim & Hunter, 1993). In summary, the higher the favorable attitude toward the counterfeit luxury goods are the higher the intention to purchase the counterfeit luxury goods would be.

Based on the theory and the previous studies we developed the following hypothesis:

H7: Consumers' attitude toward counterfeit luxury goods positively influences the purchase intention on counterfeit luxury goods

METHOD

This study was carried out in Indonesia focusing on the consumption of counterfeit luxury goods. The target population of this research is Indonesians specifically from Semarang, Yogyakarta, Surakarta and Jakarta who may or would intend to purchase counterfeit luxury goods non-deceptively. The minimum sample size is 100 when considering models containing five or fewer constructs (Hair et al., 2009). In this study the sample is roughly 300 which is above the minimum size. The convenience sampling method was used to collect the data. This sampling technique was chosen to ensure that the respondents are aged 18 years old or beyond and who have a knowledge about the research subject and who may be influenced in making their own decision in purchasing.

Data used in this research were primary ones collected through survey, questionnaires, both face to face and through Google forums. The original questionnaire is written in English but we use an Indonesian translation to the respondents in order to be able to collect the relevant answer. With regard to data analysis, the Regression analysis was used as a statistical approach to test the hypothesis. The confirmatory factor analysis was applied to test the validity and reliability of the data. We used Software Package for Social Sciences version 23 and

E-views version 9 to execute the data obtained from the field.

Also, the questionnaires used in this researched were designed based on the previous literatures to measure the variables adopted from (Wee et al., 1995; Ang et al., 2001; Wang et al., 2005; De Matos et al., 2007; Phau & Teah, 2009; Lan et al., 2012; Yoo & Lee, 2012; Chiu et al., 2014; Tang et al., 2014; Chiu & Leng, 2015; Bian et al., 2016; Quoquab et al., 2017).

Besides, the purchase intention is the variables defined as consumers' tendency to purchase or take actions toward a certain product related to purchase evaluation (Bian & Moutinho, 2009). This variable was measured by using three items adopted from Phau et al. (2009) willingness to purchase counterfeit luxury goods, probability in considering that purchasing counterfeit luxury goods is good and a tendency on purchasing counterfeit luxury goods in the future.

Another variable is attitude defined as an individual favorable reaction when evaluating a particular goods; this variable was measured by using four items based from Phau et al. (2009); Chiu et al. (2014); Quoquab et al. (2017) purchasing counterfeit luxury goods is better choice, enjoyment and feeling happy when purchasing counterfeit luxury goods, the choice to purchase counterfeit luxury goods and the positivity about purchasing counterfeit luxury goods.

In addition, brand image is a variable defined as individual perception toward the brand based on their previous experience allowing them to freely express themselves (Chiu & Leng, 2015; Bian et al., 2016). This variable was measured by using three items namely the benefit of self-expression, the image of the genuine luxury good and prestige.

Quality as variable is defined as the ability of a product to demonstrate its function and fulfill the consumers' needs (Kotler & Armstrong, 2012). This variable was measured by using three items based on the quality dimension factor, the product physical attribute (Norum &

Cuno, 2011) which is design, functional attribute which is contribution and durability.

Price is, defined as the money that consumers exchange in terms of the goods. This variable was measured using four items as adopted from Husted, (2000); Yoo and Lee (2012); Tang et al. (2014) related to counterfeits luxury goods are affordable, counterfeits luxury goods are offered at the reasonable price, the price of counterfeits luxury goods are offered is fit the consumers 'expectation, counterfeits luxury goods are cheap. We used Likert scale range from 1 to 5: 1 (strongly disagree) to 5 (strongly agree) (Sekaran & Bougie, 2016).

RESULT AND DISCUSSION

Sample Characteristic

All the 286 questionnaires collected from the targeted samples were useable for the research. The result of the statistical description showed that female respondents represent 70% of them while 29.7% were male. The partici-

Table 1. Sample Characteristic

Characteristic respondents	n	%	% Cum
Gender			
Male	85	29.7	29.7
Female	201	70.3	100
Age			
18-23	191	63.7	63.7
24-29	85	28.3	92.0
30-35	10	3.3	95.3
Status			
Married	22	7.7.0	7.7
Single	264	92.3	100
Education			
High School	65	22.0	22.7
Bachelor	178	62.23	85.0
Master	30	10.5	95.5
PhD	5	1.7	97.2
Other	8	2.8	100
Total	286		

pants ranging from 18-23 years old represented the 63.7% of the respondents, 24-29 which is 28.3%, 30-35 is 3.3% and the status of the participants includes single participants represented by 92.3% or 264 of the samples were married with 7.7%. The distribution of education of the participants varied with 22.0% of the participants are High school students, 62,23% of whom have bachelor degree, 10.5% for Master degree, 1.7% held a PhD degree and 2.8% were others (Table 1).

Hypothesis Testing and Interpretation

As an early stage of the statistical analysis, the validity and reliability was tested. This step was conducted to ensure the validity and reliability of all scales adopted and the extruded factors, and to guarantee if the instruments, the items and indicators of the current research are relevant and accurate.

Validity Test

Confirmatory factor analysis were used to test the validity of the data, including 18 items from five factors. The KMO score is .892 and the Bartlett's Test of Sphericity has significant value of 0.000, the result of the validity test can be concluded that data analysis can be used for the next step (Table 2). The result of the validity test of the 286 respondents, the result of rotated component matrix is valid as shown in the table. Confirmatory factor analysis was used to test the validity of the data. Each item has a factor loading above > 0.40 which met the criterion needed to be accepted as valid items (Hair et al., 2009), therefore all the items can be used to construct the model variable in this research.

Table 2. KMO and Bartlett's Test.

KMO of Sampling adequacy		.892
Bartlett's Test of Sphericity	Approx. Chi-Square	2946.031
	Df	153
	Sig.	.000

The result of reliable test of each factors shows that the Cronbach's Alpha coefficient constructs in the model and the values ranged between 0.718 for performance risk to 0.830 for prosecution risk, based on the result each variables has a Cronbach's Alpha higher than 7 which has been confirmed that the data are reliable and accepted to be used for the research. In one word, all the variables used in this research are reliable because it has met the Cronbach's Alpha > 0.70 (Sekaran & Bougie, 2006) This value is recommended for constructing reliability (Gefen et al., 2000). It was confirmed that each variable fulfilled the criterion needed to be measured, and showed the data accuracy to be acceptable and reliable (Table 3).

Table 3. Reliability Test Results

Variables	N of items	Cronbach's Alpha
Brand Image	3	.774
Quality	4	.786
Price	4	.830
Attitude	4	.718
Purchase Intention	3	.744

Assumption of Classical Test

Hypothesis test in this study uses the regression analysis with EViews software. To conduct the regression analysis, there are several assumptions that must be fulfilled namely multicollinearity test, autocorrelation test and heteroskedasticity test.

Multicollinearity Test

It is a Variance inflation Factor (VIF) value used to detect the multicollinearity of the observation. Ghozali (2018) assumed that when the VIF value of each variable is bigger than 0.1 and smaller than 10, it means that there is no multicollinearity. Table 4. shows that the VIF (1.632, 1.485, 1.182 and 2.008) which is smaller than 10, demonstrates that there is no

multicollinearities, and the data can be used for the next step because there is no multicollinearity problem.

Table 4. Multicollinearity Test

	Coefficient	Uncentered	Centered
Variable	Variance	VIF	VIF
Constant	.007470	28.13558	NA
Brand Image	.000545	10.52253	1.632423
Quality	.000639	14.30647	1.485441
Price	.000604	29.32387	1.181870
Attitude	.000767	15.32475	2.008351

Heteroskedasticity test

ARCH and GARCH were used to conduct the heteroskedasticity test assumption (Engle, 2001). This test was done to identify the variance differences from residual in an observation with other observations. The ARCH test result indicated the Chi-square probability 0.644 which is greater than statistically significant at significant level 0.05 implying that there is no heteroskedasticity (Table 5).

Table 5. Heteroskedasticity Test

F-statistic	.212	Prob. F(1,297)	.645
Obs*R-squared	.213	Prob. Chi-Square(1)	.644

Hypothesis Testing

The hypothesis test is based on the probability level, a constructed hypothesis which has a significant level < 0.05 can be defined that there is a significant relationship between independent variables and dependent variables (Hair et al., 2009).

The R-square of this model is significant 0.502 and the model is statically significant. 50% of the variation in the variable Attitude is explained by variation in dependent variable brand image, quality and price (Table 6).

Table 6. Result of Regression Analysis

Variable	Coefficient	Std. Error	Z-stat	Prob.
Constant		.183	-1.417	.3807
Brand	.428	.045	9.123	.0000
Quality	.303	.051	6.338	.0000
Price	.203	.050	4.610	.0000
R-squared	.502			
Adjusted R-squared	.497			
S.E. of regression	.58974			

Dependent variable: Attitude

Relationship between Brand image and Attitude

The statistical result indicated the positive relationship between the brand image and attitude toward counterfeit luxury goods with (β : 0.428; S.E: 0.045; z-statistic: 9.123), with a significant level < 0.05. This explains that brand image is statistically significant and correlated with attitude toward counterfeit luxury goods. It can be concluded that brand image positively influences the attitude, meaning that the higher the brand image is the higher the positive attitude toward counterfeit luxury goods.

The result of the second hypothesis showed that brand image has a significant relationship with the consumers' attitude. This finding supported the hypothesis constructed from previous findings of Bian et al. (2016). Based on the data collected from the research sample, this study highlighted that when the counterfeit luxury goods shows a strong image of the original brand and gives a high prestige, it can positively influence the consumer's attitude. Thus, H2 is accepted.

Relationship between Quality and Attitude

The statistical result indicated the positive relationship between the quality and attitude toward counterfeit luxury goods with (β : 0.303; S.E: 0.51; z-statistic: 6.338) with a significant level < 0.05. This explains that quality is statistically significant and correlated with attitude toward counterfeit luxury goods. It is concluded that quality positively influences the attitude, meaning that the higher the quality is the higher the positive attitude toward counterfeit luxury goods is.

This phenomenon happened because individuals are seeking for a good quality of goods. The result of the fourth hypothesis showed that quality has a significant relationship with Attitude. The result supported the hypothesis constructed from previous research which stated that when the product has a good quality it would have a positive attitude toward the goods (Chiu & Leng, 2015). Based on the respondent's responses from the research sample, the finding showed that when the counterfeit luxury goods have a better quality, well designed it can influence the consumers' attitude. Thus, H3 is accepted.

Relationship between Price and Attitude

The statistical result indicated the positive relationship between price and attitude toward counterfeit luxury goods with (β : 0.203; S.E: 0.050; z-statistic: 4.610) with a sig level < 0.05. This explains that price is statistically significant and correlated with attitude toward counterfeit luxury goods. It is concluded that price positively influences the attitude. The result of the sixth hypothesis showed that price has a significant relationship with Attitude. This result supports Tang et al. (2014), the finding highlighted that price influenced the consumers' attitude along with Gani et al. (2019) found that price is one of the product attribute that most influence consumer intention behaviour. Thus, when the price is cheaper, more affordable and fit with the individual's expectation, the more positive the consumers would behave on it. This phenomenon happened because price is one of the factors that could affect the attitude

Table 7. Result of Regression Analysis

Variable	Coefficient	Std. Error	Z-stat	Prob.
Constant		.182	2.318	.021
Brand image	.172	.050	3.285	.001
Quality	.052	.054	1.041	.299
Price	.097	.052	2.165	.031
Attitude	.533	.059	9.127	.000
R-squared	.524			
Adjusted R-squared	.517			
S.E. of regression	.58284			

Dependent Variable: Attitude

of individuals, for they are considering price as a factor while evaluating a product, when the price matches with their expectation they would have a positive attitude toward the object concerned, then H6 is accepted.

Table 7 showed that R-square for this model is significant 0.524, which means that 52% of the variation in the dependent variable purchase intention is explained by variation in independent variable brand image, price and attitude is statically significant expect quality.

Relationship between Brand Image and Intention to Purchase

The statistical result indicated the positive relationship between price and attitude toward counterfeit luxury goods (β : 0.172; S.E: 0.050; z-statistic: 3.285) with a significant level < 0.05 .

This explains that brand image is statistically significant and correlated with the intention to purchase counterfeit luxury goods. It is determined that the higher the brand image is the higher the intention to purchase. Based on the data from the present research, we found that prestigious products provide an individual a self-expression that positively influences the intention to purchase counterfeit luxury goods. This phenomenon happened because brand image is one of the factors that individuals would consider while evaluation product, positively affects the purchase intention. H1 is accepted.

The phenomenon has been proven that it statistically supported the findings of the previous studies. Intention to purchase a counterfeit goods is influenced by original brand image. Indi-

viduals who intend to purchase counterfeit luxury goods are mostly concerned with the strength of original brands image (Nguyen et al., 2013; Bian et al., 2016).

Relationship between Quality and Intention to Purchase

The statistical result indicated the positive relationship between the quality and intention to purchase counterfeit luxury goods with (β : 0.052; S.E: 0.054; z-statistic 1.041) with a significant level > 0.05 . This explains that there is no statistically significant correlation between quality and purchase intention toward counterfeit luxury goods. It can be concluded that quality does not influence the purchase intention. This phenomenon happened because individuals are not considering and not even expecting for quality but instead would evaluate the counterfeit luxury goods. This phenomenon occurred because the sample choice is not regarding for a quality while evaluating counterfeit luxury goods. Thus, H4 is rejected.

The third hypothesis was rejected because there is a different phenomenon between the previous study and this current study. The previous study explained that individual would be concerned with the quality of counterfeit goods when evaluating any product and this consideration has led to influence the purchasing behavior (Ian et al., 2009; Norum & Cuno, 2011; Chiu & Leng, 2015). Previous study indicated that there is a positive correlation between quality and intention to purchase (Phau et al., 2009; Rod et al., 2015; Chiu & Leng, 2015). Nevertheless, the condition of this research does not support the

finding from Chiu and Leng (2015); Hashim et al. (2018), while this study found that quality does not statistically influence the attitude.

This study surprisingly found that the condition of the counterfeiting in Indonesia is different from the past studies. Individuals are not concerned with the quality of the counterfeit goods when evaluating the counterfeit luxury goods. Based on the data in the evidence about counterfeit luxury goods in Indonesia, individuals do not consider this factor as a stimulus to their intention to purchase counterfeit luxury goods. Seeing that Indonesian consumers are different from the respondents in previous studies for they are not expecting a quality to purchasing counterfeit luxury goods.

Relationship between Price and Intention to Purchase

The statistical result indicated the positive relationship between price and intention to purchase a counterfeit luxury goods (β : 0.097; S.E: 0.052; z-statistic: 2.127) with a significant level < 0.05 . This explains that price is statistically significant and correlated with purchase intention toward counterfeit luxury goods. It is concluded that price positively influences the purchase intention. This phenomenon happened because individuals purchase intention toward counterfeit luxury goods is driven by price; so when the price of counterfeit luxury goods are cheaper and more affordable and fit with the expectation of individual, the higher their purchase intention would be.

The fifth hypothesis is accepted meaning that there is a significant positive relationship between price and intention to purchase. Individuals are expecting that counterfeit luxury goods have a lower price and it drives their intention to purchase counterfeit luxury goods, when the price is fit with their expectation they would have an intention to purchase counterfeit luxury goods. So the lower the price is the higher the intention to purchase counterfeit luxury goods would be. Thus, H5 is accepted.

Price has been found by the past studies to have a positive relationship with intention to purchase (Turunen & Laaksonen, 2011; Tang

et al., 2014; Chiu & Leng, 2015; Bupalan et al., 2019). It is supported by this study that price is a driven force that leads to an individual intention to purchase. The condition in this research found that price is among the factors that can influence an individual intention to purchase counterfeit luxury goods.

Relationship between Attitude and Intention to Purchase

The statistical result indicated the positive relationship between attitude and intention to purchase a counterfeit luxury goods (β : 0.555; S.E: 0.051; z-statistic: 10.863) with a significant level < 0.05 . This explains that attitude is statistically significant and correlated with purchase intention toward counterfeit luxury goods. It is concluded that attitude positively influences the purchase intention. This phenomenon occurred because when individual has a positive attitude toward counterfeit luxury goods, they would have more intention toward it. It is assumed that the higher the positive attitude toward counterfeit luxury goods is the higher the purchase intention would be.

The result of the seventh hypothesis showed that attitude has a positive significant relationship with purchase intention. The result supported the hypothesis constructed from the previous research from Phau et al. (2009); Chiu and Leng (2015); and Quoquab et al. (2017) who stated that a positive attitude has a positive relationship with purchase intention. Based on the respondents' responses, the finding highlighted that positive attitude influenced the consumers' attitude. An individual with a high positive attitude toward counterfeit luxury goods, would have high purchase intention in considering the product for they would feel comfortable, enthusiastic and eventually consider it as the right choice; so they would have a high intention to purchase counterfeit luxury goods. This H7 is accepted.

This study statistically supported the findings of the previous study about counterfeiting. The condition of counterfeit luxury goods in Indonesia indicated that there is a high correlation between attitude and Intention to pur-

chase counterfeit (Riquelme et al., 2012; Chiu et al., 2014; Mai & Linh., 2017).

CONCLUSION AND RECOMMENDATION

The finding of the research identified that brand image, quality, and price positively influenced the consumers' attitude toward counterfeit luxury goods. It happened is because these variables are considered to have influenced the individual's attitude. They have a positive attitude toward counterfeit luxury goods regarding the brand image, price, and quality and that consumers' attitude is a significant variable in shaping consumers' purchase intentions. It was because a positive attitude is a stimulus for consumers' buying intention, which is a predictor of consumers' purchasing behaviour, so the higher the consumers' attitude, the higher their intention to buy.

The finding of this research proved that the original brand image and price significantly influence the intention to purchase and attitude toward counterfeit luxury goods. These two variables are good indicators to measure and guide an individual to buy counterfeit luxury goods. The limitations acknowledged by this study are that this current study examined only a few variables and few indicators which cannot wholly study the entire phenomenon. The scope of the model in this study was only designed to study the phenomenon of counterfeit luxury goods in Indonesia only. Besides, the object used to study in this research has no specific type of product. Also, the method analysis used was not firmly able to explain the relationship between each variable to analyse the hypothesis.

Concerning the method analysis used, some weaknesses occurred; the regression analysis takes an average that cannot represent the practical result of the data. So, for the next research, multivariate analysis using a statistical tool such as SEM is suggested to solve this problem. The researcher recommends that for further studies having a relevant topic, implementing new variables such as inconvenience, country of origin also can be taken into consideration. Since

female respondents were very dominant in this sample, it can be taken into consideration for further studies to apply a gender, ages, and education as moderating variables. Income also can be taken into account and used as a moderating variable. Besides, while this study used only observation, the result in the future time and different countries or other cultural settings has to be considered in the current condition, and some treatments are also needed, such as cultural aspects, gender, ethics, and belief.

The result of this research gives a theoretical and practical implication. Theoretically, this has drawn a concept of Indonesian counterfeit luxury goods that provide insight and valuable understanding about consumers' attitude and their intention to purchase counterfeit luxury goods. In terms of practical implication, these findings will improve the understanding of marketers on consumers' behavior on counterfeit luxury goods. Furthermore, to be used as a managerial strategy to reduce the consumption of counterfeit luxury goods by knowing these factors that guide an individual to buy counterfeit luxury goods and which can be used as a strategy against counterfeiting while encouraging them to purchase original products.

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