Chinese consumers' apparel purchasing criteria, attitudes,

perceived knowledge, face-saving, materialistic and ethical values

by

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Abstract

China is the world's largest apparel producer, exporter, and maintains the largest domestic apparel market. Since economic reform in the 1980s that opened up the Chinese market for foreign investors, China's domestic apparel market has attracted many foreign (Western) apparel brands (Shenkar, 2005). More than 10,000 different international apparel brands share China's domestic apparel market, including brands from France, Germany, Italy, Japan, the United States, Britain, and South Korea, among others. Around 2,000 Chinese domestic apparel brands have experienced difficultly surviving in China's domestic apparel market. Besides the large number of foreign (Western) apparel brands, counterfeit apparel products have grown faster than China's government can control. As a result, China has become the world's largest counterfeit market. This has become a secondary threat to China's domestic apparel market and national economy. Additionally, because of economic growth and modernization in China, Chinese consumers have accepted more Westernized values, but also retained their traditional face-saving values. Therefore, the purpose of this study is to explore how their attitudes toward counterfeit apparel products, China's domestic apparel brands, and foreign (Western) apparel brands are influenced by their level of perception about knowledge and attitudes toward counterfeit apparel products, face-saving values, materialistic values, and ethical values. This study utilized a sample of males and females between the ages of 18 and 64, who reside in Guangzhou, Shanghai, Chengdu, and Wuhan, China.

A questionnaire was utilized as part of this study and data was collected online by SOJUMP Survey Company. A total of 1,192 participants (736 males and 456 females) participated in this study.

There are in total nine significant relationships that have been found in this study. First, the researcher found a positive relationship between Chinese consumers' perception about knowledge of counterfeit apparel products and their attitudes about counterfeit apparel products. Second and third, the present study also discovered that Chinese consumers with favorable attitudes of foreign apparel brands or negative attitude of China's domestic apparel brands would similarly hold positive attitudes of counterfeit apparel products. Fourth, the present scholar concluded that Chinese consumers with favorable attitudes of China's domestic apparel brands tend to hold negative attitudes of counterfeit apparel products. Fifth and sixth, it was found that Chinese consumers with high level of face-saving values show positive attitudes of foreign (Western) apparel brands and counterfeit apparel products. Seventh, Chinese consumers with high level of face-saving values also possess strong materialistic values. Consequently Chinese consumers with strong materialistic values tend to hold positive attitudes of counterfeit apparel products and foreign (Western) apparel products, but negative attitudes of China's domestic apparel brands.

The findings of this study show that Chinese consumers have a very low level of perception about knowledge of counterfeit apparel products. It is necessary to connect educators, government, apparel industry, and brand owners to develop and enhance anti-counterfeit educational programs. These programs should clearly explain the perception about knowledge of Intellectual Property Rights (IPR), trademark, and the negative causes of counterfeit products are warranted. Also, it is better for China's domestic apparel brand companies to develop better brand images and improve product quality to meet Chinese consumers' face-saving standards and materialistic values.

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Chapter 1: Introduction

Background of the Study

China's Apparel Marketplace

China has the largest apparel marketplace in the world with more than one billion consumers. A survey by the Hong Kong Trade Development Council (HKTDC, 2014) showed that more than 70% of Chinese consumers have a habit of shopping for apparel at least once a month. Chinese consumers' per-capita consumption of textile and apparel goods has increased from 16 pounds in the year 2000 to 32 pounds in the year 2007, and more than 44 pounds in 2013. The total sale of goods in the Chinese domestic apparel market reached almost $80 billion in the year 2011 (Chinese-Centric Networking, 2011). 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 (HKTDC, 2014; China Central Net, 2011). Zara has shared 2.2% of China's domestic apparel market retail values by opening more than 500 new stores in China in 2011. Similarly, H&M has opened more than 3000 stores in China and share 1.7% of China's domestic apparel market retail values in 2014 and increased 0.9% in 2011 (Daxueconsulting, 2016). A report conducted by Li, Li, Pu, and Wu (2012) showed that luxury brands in China have increased from 12% in 2010 to 22% in 2015 – at a time when the luxury market has declined in the United States by 16%, Japan by 10%, and Europe by 8%. Overall, China maintains the second highest GDP (Worldbank, 2016) in the world and has become a favorable market for a range of different apparel products given the large fashion conscience consumer society.

The Culture of Counterfeit Goods in China

China produces and sells the highest number of counterfeit products in both the domestic and international markets (Teah et al., 2015). In the Chinese domestic market, more than 90% of products are counterfeited, which includes counterfeit music, movies, software, and fashion products (United Nations Office on Drugs and Crime, 2015). To Chinese consumers, "A Products" is a term to describe counterfeit products that have a very good quality, for instance the material and design look almost the same as the genuine products. In fact, "A Products" are over produced by the genuine brands' third suppliers without brand owners' permission, which are mostly located in China (Baike, 2015). Therefore, many Chinese consumers do not consider "A Products" to be counterfeits because of the high quality and similarity and because they are produced by the original brands' suppliers (Deng, 2013). However, "A Products" are always copies of luxury brand apparel products, made without copyright permission – which enables the products to be sold a very low prices compared to the original products (Business Supplier, 2015).

Besides "A Products," "Shanzhai" is another word used by the Chinese to describe counterfeit products. A report conducted by People's Daily Online (2008) presented (in English) that:

> It is a cold Sunday morning. Mr. Phony turned off his **hiPhone** alarm, put on **Kabba** suits and **Adidos** shoes, grabbed a coffee from the **KFG** downstairs and came back in a hurry for the latest episode of the popular sit-com **Ugly Wudi**. [No spelling mistakes above.] Products imitating famous brands have not been uncommon around China for a couple of years – and now they have a unified name, brand if you like, '**Shanzhai**'" (para.1&2).

Shanzhai, in Chinese means "mountain village" or "mountain stronghold." But Shanzhai, is also a new and trendy word consumers use to describe counterfeiting to cover up the negativity of the word counterfeit (Deng, 2013; People's Daily Online, 2008). Shanzhai goods imitate famous brands, mostly electronic and fashion brand products, which are sold online and in markets (Chu & Burkitt, 2014; Rho & Moon, 2014).

The Shanzhai fashion products are commonly available in either shopping malls or retail stores. For example, the D&B (Dolce & Banana) Fashion Boutique opened in the fashion town in Shenyang city (Sinha, 2012). Consumers able to purchase the H & N shoes sell from the Alibaba web page (Alibaba Web, 2015). Further Shanzhai sports and footwear brands are available in many Chinese athletic retail stores, which include the China Jordan, IVIKE, HIKE, Adadas, Adidos, PUNK, and KUMA. As a result, Nike, Adidas, Puma, and Dolce & Gabbana lose market share because of these Shanzhai products. The target market for Shanzhai products is usually located in Northern and Western China, which have more than 1.3 billion people, most of whom like to follow the consumption trends of urban areas, but have less developed markets and lower purchasing power (Tse et al., 2009).

China's Apparel Counterfeit Market

China's extensive growth in manufacturing in the past 50 years have made China the top exporting apparel and textiles country in the world. The World Trade Statistical Review 2016 (World Trade Organization, 2016) showed that, in total, China exported $291 billion and $445 billion worth of apparel and textile products in 2015. The large number of manufacturing firms outsourcing to China by the United States have contributed to the phenomenal rising of the Chinese export market. However, many of the Chinese manufacturing companies do not respect the intellectual property rights of the outsourcing companies. More and more Chinese

manufacturing firms have reproduced and marketed the replication of products designed by foreign companies, which gives birth to the Chinese counterfeit industry.

Counterfeit trade in China is a serious issue as it represents a large portion of the Chinese domestic fashion market. A yearly report from China Customs stipulates that in 2007 China National Customs seized more than three billion pieces of counterfeit products with a total market value of $63 million, which was an increase of 34% from 2006 data (General Administration of Customs of the People's Republic of China, 2010). The Chinese government anti-counterfeit efforts are insignificant in curbing counterfeit sales in China, as the domestic market value for counterfeits have increased over the years. Although law enforcers in China seem to have some successful achievements in seizing counterfeits in the market, the increasing number of seized counterfeits over the years also shows the limitations of anti-counterfeit campaigns to actually deter the demand for counterfeit goods in the marketplace. The administrative law enforcement in 23 provinces and four municipalities in China seized more than $272 billion worth of counterfeit products between 2012 and 2013 (CCTV, 2013). In 2014, the Chinese authority seized more than $16 million worth of counterfeit Louis Vuitton handbags and accessories in Guangzhou city alone (Tengxun, 2014). The number of seized counterfeits reported by the Chinese government clearly shows the increasing counterfeit markets in China, regardless of the intensive China National Customs' crackdown efforts.

The counterfeit products seized by China National Customs from the past eight years include counterfeit Prada, Louis Vuitton, Michael Kors handbags, and China's domestic apparel brand sportswear (China Customs, 2010 & 2014; Legal People, 2014). In Yiwu city, 90% of products sold to consumers are counterfeits (Fleming, 2006; Hurvitz, 2014).

Counterfeit trade is a serious criminal issue that not only impacts foreign companies, but also the Chinese economy. A report from The Central People's Government of the People's Republic of China (2014) stated the total production of counterfeit products has reached more than $190 billion annually and has resulted in a $10 billion revenue loss in taxes. China's domestic apparel brands are also impacted as Chinese apparel companies such as Anta, Li Ning, and Te Bu have seen the counterfeit versions of their products being commercialized in the Chinese market (China Customs, 2014).

Besides the national economy, counterfeit products also threaten consumers' health and safety. Most counterfeit products are sold at lower prices than genuine products because of inferior quality and rigorous quality control (International Anti-Counterfeit Coalition, 2017). Abe Sauer (2013) stated that counterfeit products made in China are regularly found to contain toxins because of the overuse of chemicals that are not permissible in industrial legal procedures. There are also reports of consumers that have been injured by using counterfeit products, such as consumers who have gotten skin infections from bacteria after using counterfeit foreign (Western) apparel (Shen & Zhou, 2013) and poisoned after using counterfeit perfume (Deng, 2013).

Acknowledging the negative implications of counterfeit trade, since 1997 the Chinese government has issued the Trademark Law, the Anti-Unfair Competition Law, the Product Quality Law, and the Customs Protection of Intellectual Property Law to settle counterfeit trade problems, and since then the government has handled more than 1,000,000 counterfeit related cases annually (*Anhui News*, 2007; China Crackdown on Infringement News Web, 2014; *Government News*, 2014; The People's Government of Pingxiang, 2014). In Chapter 2, these

initiatives related to the Chinese government efforts towards the crackdown on counterfeit trade will be further explored.

However, government restrictions alone will not be enough to stop counterfeit trade, as shown by the fact that the demand for counterfeit products has increased regardless of the government's crackdown. One of the reasons is because consumers are perceived to have limited perception about knowledge regarding the dangers of counterfeit products (Amine & Magnusson, 2008; Stravinskiene al., 2013; World Health Organization, 1999). As part of this study, the knowledge and attitudes of Chinese consumers regarding counterfeit goods will be explored.

The Culture of Face Consumption in China

Except for the occasional foreign tourist, the primary target consumers of counterfeit products in China are Chinese citizens, who may or may not intend to purchase counterfeit products (Zhan & He, 2012). As the Chinese economy approaches a new phase in development, many foreign (Western) brands have penetrated the Chinese market to take advantage of the newly-developed middle class consumers. Since then, Chinese consumers' attitudes and purchase intentions toward name brands and country of origin have changed significantly. Chinese consumers who adhere to the concept of the importance of social image in their buying behavior prefer foreign (Western) brands which are perceived to have higher status. Chinese consumers' perceptions of luxury and prestige are well depicted in common Chinese phrases associated with Chinese consumption patterns such as "guanxi" (networking), "liwu" (gift/bribe), and "mianzi" (social status) (Feng et al., 2011). According to Li and Su (2006) Chinese consumers purchase luxury products to achieve and maintain a certain social status. Moreover, Chinese consumers regard prestige as being of greater importance than other achievements in

life, such as educational attainment and career advancement. The Chinese buying philosophy that is based on social image makes brand establishment an important feature in buying decisions. Social scientists have dubbed Chinese buying behavior as "face consumption," which is otherwise defined as "the motivational process by which individuals try to enhance, maintain, or save self-face, as well as show respect to others' face through the consumption of products" (Li & Su, 2006, p. 4). In addition, globalization and capitalism have shifted Chinese consumers' values from traditional ethics based on solidarity to values more materialistic and individualistic in nature (Jin & Kang, 2011).

Materialism and Ethics' Cause Chinese Consumers' Buying Behaviors

The Oxford English Dictionary defined the meaning of materialism as "devotion to material needs and desires, to the neglect of spiritual matters; a way of life, opinion, or tendency based entirely upon material interests (Stevenson & Lindberg, 2010, p.1743)." As interpreted by Richins and Dawson (1992), materialism can be categorized into three themes that include acquisition centrality, acquisition as pursuit of happiness, and possession-defined success. The concept of acquisition centrality suggests that the process of acquiring goods and the possession of these goods is a major factor in one's life. In a similar vein, the acquisition as the pursuit of happiness concept suggests that materialism is the benchmark to achieving the ultimate satisfaction in life. In addition, the possession-defined success concept suggests that people tie their level of achievement in life with the number and quality of material possessions that they accrue. All three traits explain how consumers use materialism to define their success and happiness based on the quality, quantity, and values of material objects they possess.

Based on the level of materialism, Richins (1994) reported that consumers with high materialism have a tendency to consume higher value branded products and show or wear them

in public in order to derive more pleasure and fulfill their materialistic satisfaction. In addition, purchasing expensive products will enable materialistic consumers to boost their self-esteem (Liao & Wang, 2009). Unfortunately, it has also been reported that materialistic consumers with lower financial capability might choose to ignore ethical values and purchase counterfeit products to satisfy their social-status needs (Kozar & Marcketti, 2011).

The rapid economic growth and modernization in China have gradually shifted the values in society from traditional based Confucian values to more Westernized values such as individualism and materialism (Mariotheradical, 2012; Wang, 2010). Several research studies have revealed that Chinese urban young adults have a very high level of materialism in comparison to Hispanic and American young adults (Eastman, et al., 1997; Podoshen et at., 2011). Traditionally, Chinese ethics have consisted of five different conceptions including Confucianism, Mohism, Daoism, Legalism, and Chinese Buddhism (Norden, 2011). All of these five different ethical values have played a significant role in Chinese daily life in the past centuries. However, globalization and capitalism have shifted the Chinese traditional values and ethics to become more materialistic and individualistic in nature (Littlejohn, 2016; Norden, 2011).

Several social science researchers have studied how materialism impacts marketing efforts and consumer behavior (Druvasula & Lysonski, 2010; Jin & Kang, 2011). For example, a study by Kozar and Marketti (2011) revealed that American consumers had less interested in purchasing counterfeit apparel products, when they hold less materialistic values. Moreover, other studies have also verified the significant relationship between consumers' level of materialism and purchase attitudes toward counterfeit products (Budiman, 2012; Faria, 2013). Jin and Kang (2011) reported that Chinese consumers have a high level of materialism, which as a

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result, cause them to have higher favorable attitudes toward US apparel brands. Besides materialism, ethical values also play a significant role in the formation of people's behavior and attitudes toward their final purchase decision-making (Ajzen, 2005). Consumers with high ethical values are less interested in purchasing illegal products, because their ethical values influence their conscience consideration (Chaudhry & Stumpf, 2011; Shoham at al., 2008).

Chinese Consumers' Attitudes toward Foreign (Western) Brand Products

Besides the "face consumption" brand recognition that has become a social status attribute to Chinese consumers (Jap, 2009; Li & Su, 2006), marketing has played a role in enhancing the Chinese consumers' awareness of foreign (Western) brands which are considered more prestigious than China's domestic brands. In the domestic market, domestic brand products only accounted for 32.8% of the market share in 2011, while foreign (Western) brand products, including American and European brands, retained more than 64% of market share (Sohu, 2010).

Research conducted by the International Trade Center (2011) found that foreign (Western) brands in all apparel categories including menswear, womenswear, children's wear, casual wear, sportswear, and underwear have dominated the Chinese marketplace and left China's domestic apparel brands lagging. Today, Chinese consumers have a higher intention to purchase foreign (Western) brand products, which include products from South Korea, Japan, the United States, the United Kingdom, and France (Tian & Dong, 2011). A survey by An et al. (2008) showed that more than 75% of consumers from Beijing and Shanghai preferred to purchase foreign (Western) brand products more than domestic brand products. There are various motivations behind Chinese consumers' preferences for foreign (Western) apparel brands including perceived higher-quality, a greater diversity of choice and function, more attractive product design, and better brand recognition (Deloitte, 2010). However, foreign (Western)

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apparel brands are more expensive than the domestic apparel brands in China. Hence, this creates a dilemma for the consumer with budget constraints. Therefore, the purchase of counterfeit apparel has become a "win-win" scenario for budget constrained Chinese consumers. These consumers now save money while keeping their face and social status by purchasing and wearing counterfeit luxury apparel (Asia News Monitor, 2015).

Chinese Consumers' Attitudes toward China's Domestic Apparel Brands

As noted above, foreign (Western) brands are very popular among Chinese consumers because of a better reputation for quality and innovation than domestic brand products. In contrast, China's domestic apparel brand goods have less market share today and only are targeted in the lower quality finished product marketplace (HKTDC, 2014). As a result, many of China's domestic apparel brands, which could not compete with the well-established foreign (Western) brands, have been forced to file bankruptcy or close down their retail stores. Bo-si-deng, for example, is one of the top domestic apparel brands in China which closed 5,033 retail stores in 2014. In addition, many of the Chinese domestic apparel brands such as Tebu, Metersbonwe, and Seven Wolves have experienced performance and net income decline and high leftover inventory as Chinese consumers increasingly demand foreign (Western) brand products (Zhang, 2015).

The aggressive marketing strategies by foreign (Western) brands combined with the Chinese consumers' preferences toward foreign (Western) products directly impacts the expansion of foreign (Western) brands in the Chinese marketplace while increasingly making it more difficult for China's domestic brands to compete for market share. More than 70% of Chinese consumers do not trust China's domestic products because of their perceived inferior quality (*Sun News*, 2012). There also have been health safety issues associated with China's

domestic brands such as melamine found in baby milk and aromatic amine overused in apparel (*Sun News*). Moreover, an evaluation of China's domestic brands report conducted by Huanqiu (2015) showed that from 2014 to 2015, Chinese consumers' positive impression toward China's domestic products declined from 68.1% to 54.8%, which directly resulted in China's domestic product sales declining from 55.9% to 47.2%. It is clear that the inability of China's domestic brands in fulfilling the Chinese consumers' wants and needs has resulted in more favorable attitudes towards foreign (Western) brands.

Apparel Market Segments in Today's China

More than 500 million Chinese consumers in their 20s and 30s have enjoyed a better education and living conditions than their parents (Zhang et al., 2016). They are far more brand savvy and have greater exposure to foreign (Western) brand products. Reports show that the consumption level for individuals between the ages of 20 to 49 are rising in China and they are now the largest Chinese consumer group for foreign (Western) brand apparel, electronic gadgets, and automobiles (Durvasula & Lysonski, 2010; KPMG, 2014; Qiu, 2011). Moreover, a report from Gao (2015) stated that 68% of apparel brand consumers in China are between the ages of 20 and 49 years old.

The younger Chinese consumer segment, under the age of 20, is even more acceptant to foreign (Western) brands and new innovations (Ye et al., 2012). Even though these younger consumers do not earn much disposable income to buy foreign (Western) products, their aspiration for foreign (Western) made products is growing fast due to their exposure to global apparel trends and news (Qiu, 2011). The peer-to-peer influence also further intensifies their passion for fashion forward apparel products. The peer influence perspective is one of the main

considerations for younger Chinese consumers' shopping decisions, especially when it comes to apparel and electronic purchases (Qiu, 2011).

However, the younger Chinese consumers' purchasing power varies depending on the regional level of economic development. Chinese regional economic development is uneven between the Far East region and the inner continent West region (Cui & Liu, 2000). The far East region of China is much more prosperous and economically advanced than the interior West region. The Eastern and Southern cities such as Shanghai, Guangzhou and Chengdu have grown faster than any other cities in inland China for the past 20 years. As a result, the citizens of the Eastern coastal region have accrued higher income and purchasing power in China over time (Deloitte Development, 2009). East and South China are also known as growth engine regions in China, which attract the most direct foreign (Western) investment. The South and East regions of China are also the main export hub of the country. According to one report, Eastern China citizens are "the most innovative and cosmopolitan, setting trends in fashion and lifestyles" (Giele, 2009, p. 5). The level of education in the Southern and Eastern regions of China are also more advanced than that of the other regions (Cui & Liu, 2000).

As such, because disparities in economic development may influence the Chinese consumer's decision-making, this study will collect data from Shanghai (representing East China), Guangzhou (representing South China), Wuhan (representing Central China), and Chengdu (representing Southwest China).

Statement of the Problem

Although there is increasing research on Chinese purchase behavior, there are few empirical studies analyzing Chinese consumers' attitudes towards foreign (Western) and China's domestic apparel brands and counterfeit apparel products. Moreover, little research exists on the

Chinese cultural perspective of face-saving (Mianzi) and how it can strategically alter consumers' attitudes toward counterfeits and Western and China's domestic apparel brands. In addition, while existing studies have shown that personal demographics and psychographic factors often influence consumers' sustainable purchase decision making (Chaudhry & Stumpf, 2011; Jap, 2009; Kozar & Marcketti, 2011; Li & Su, 2006; Liao &Wang, 2009; Shoham at al., 2008; Tian & Dong, 2011), further research is needed on Chinese consumers' perception about knowledge of counterfeit apparel products and attitudes toward counterfeit apparel goods. Understanding the behavior of Chinese consumers is important as China now maintains the largest marketplace in the world.

Purpose of Study

The major purpose of this study is to conduct a quantitative research to investigate the impacts of the Chinese consumers' attitudes, perceived knowledge, face-saving values, materialistic and ethical values on their apparel purchasing decisions. As a part of the statistical analysis, the independent variables of the present study include the Chinese consumers' face-saving values (Mianzi), materialistic values, ethical values, perception about knowledge of counterfeits apparel products, attitudes toward foreign brands, and attitudes toward China's domestic brands. Whereas, the dependent variables comprise of materialism values, attitudes toward counterfeit apparel products, attitudes toward China's domestic brands, and attitudes toward foreign brands.

Utilizing Schiffman & Kanuk's Tricomponent Attitude Model (2010), the present study intends to predict the relationship between consumers' perception about knowledge of counterfeits, consumers' attitudes toward foreign apparel brands, and consumers' attitudes toward China's domestic apparel brands. In addition, the researcher also employs Vaske and

Donnnelly's Value-Attitude-Behavior Model and Shalom H. Schwartz's (2012) Theory of Basic Values to investigate the relationship between materialism, ethical values, face consumption, and consumers' attitudes toward counterfeit apparel products, foreign apparel brands and China's domestic apparel brands. Therefore, the objectives of the present study include:

1) To examine Chinese consumers' general level of perception about knowledge of counterfeit apparel products and their attitudes toward counterfeit apparel products.

2) To examine the relationship between Chinese consumers' perception about knowledge of counterfeit apparel products and their attitudes toward counterfeit apparel products.

3) To measure Chinese consumers general level of materialism and ethical values.

4) To study Chinese consumers' attitudes toward China's domestic apparel brand and foreign apparel brand product.

5) To explore the relationships between attitudes toward counterfeit apparel products and attitudes toward China's domestic apparel brand and their attitudes toward foreign (Western) apparel products.

6) To explore the relationships between Chinese consumers' level of materialism and attitudes toward China's domestic apparel brand products, foreign (Western) apparel brand products, and counterfeit apparel products.

7) To explore the relationship between Chinese consumers' ethical values and their attitudes toward counterfeit apparel products.

8) To explore the relationship between Chinese consumers' face-saving values and materialism.

9) To explore the relationships between Chinese consumers' face-saving values and their attitudes toward foreign (Western) apparel brand products and counterfeit apparel products.

Significance of the Study

This study will also benefit students and instructors in global supply chain, social responsibility, and marketing strategy studies, when they comprehend the results of the meta-analysis and statistical investigation in this manuscript regarding the factors that sustain counterfeit occurrences in China. Moreover, the present study will also be beneficial to the Chinese domestic retail industry and business practitioners in corporate training in the area of product development and marketing strategies. The result of this study will also serve as a reference for other scholars on the subject of counterfeit, sustainability, and ethical responsibility in the fashion industry. Additionally, the researcher, through this manuscript, contributes to the academic and scientific discussion on whether it is the consumer, government, academia, fashion manufacturers, or society at large who are responsible the most in the anti-counterfeit eradication efforts. And for the researcher, the present study is crucial as the basis for future research aspiration in the area of sustainability education in China.

Definitions and Terms

1) **Counterfeit product:** Counterfeit products are imitations of the genuine brand products without authorization from the copyright holders, and are sold on the black market. Counterfeit products in the fashion industry consist of illegitimate merchandise which possess the appearance of quality identical to the authentic products. Some products, such as knockoff products and grey market products are also recognized as counterfeit products (Kunz & Garner, 2011).

2) **Shanzhai product:** "Shanzhai" refers to high quality clone products sold at a lower price range than the authentic one. Shanzhai producers mostly are contractors which also produce the authentic products under license. However, many of these contractors re-produce the products without consent and violate the licensing agreement with the original label (Li, 2010). To avoid being caught by the authorities, Shanzhai products sometimes appear without the brand name or with a misspelled version of the original brand name. For example, IVIKE/NAIK is the Shanzai version of Nike's products and ADIDOS is the Shanzhai version of ADIDAS (Sinha, 2012).

3) **Materialism**: Materialism is described as people fully indulging in the needs and desires of material objects, which directly leads to the neglect of spiritual life (Richins & Dawson, 1992).

4) **Face (Mianzi) Consumption**: "Face" is a Chinese traditional culture value and can be a source of shame. Face consumption describes Chinese people's active consumption of material objects, including apparel, homes, furnishings, and cars. The comparisons made to others will help the Chinese individual to maintain their personal reputation in public (Jap, 2010).

5) **Ethical Value:** Ethical value is described as people's value of a standard of morality (Longman Dictionary, 2016)

Chapter 2 - Review of Literature

Many foreign and domestic apparel brand companies have realized the benefits of stepping into China's apparel market because they are the largest consumer population in the world with substantial spending power (Jin & Kang, 2011). For this reason, in this chapter, China's apparel industry development and China's domestic and foreign apparel market segments will be explained. An overview of the counterfeit apparel market in China will also be explained. Moreover, in this chapter, Chinese consumers' attitudes toward domestic and foreign apparel brands, and counterfeit apparel products will be outlined. Chinese consumers' perception about knowledge of counterfeit and attitudes toward policies created by China's government regarding counterfeit goods will be reported. Also, consumers' materialism and ethical values causes and effects on consumers' buying behaviors will be discussed. The theoretical framework guiding this study and the research hypothesis will be addressed.

Apparel Industry Development in China

Before 1979, it was not possible for Chinese consumers to have access to any apparel brands because the lack of domestic production and government rations on clothing resulted in a limited supply of goods (Huaxia Cloth Coupons Collectors Association, 2008). After the Chinese government opened up its economic policy in 1979, however, private businesses were allowed to operate in the areas of services and light industry (Vogel, 2011). At the same time, China's government decreased tariff rates and extended domestic retail and distribution markets, which helped attract and provide more opportunity to foreign apparel brand retailers interested in opening new businesses in China's developing cities. Since that time, China has enjoyed an influx of foreign investment due to continued economic reform (Alon et al., 2012). As a result, the textile and apparel industry in China has experienced dramatic growth, paving access for

many foreign apparel brand retailers to enter the Chinese domestic market. Moreover, in 2001, China became a member of the World Trade Organization (WTO) (Ha-Brookshire, 2015). This not only established a new export entrance into China, but also built up a trade relationship between China and the United States and European countries. As a result, China increased its exports from $1.5 billion apparel and textile products in 2002 to more than $30 billion to the United States in August 2015 (Office of Textile and Apparel, 2015). Besides the United States, China also exported more than $50 billion apparel and textile products to Europe in 2013 (World Trade Organization, 2014).

Besides the export market, the retail market in China has also grown rapidly, fueled by increasing consumer demand and spending power. Even through the global economic crisis in 2008, China's domestic apparel retail markets still experienced a profit increase of 18.8% in 2009 compared with 2008 (Alon at al., 2012; Knappe, 2011). In fact, in 2013, the total retail sales of apparel and textiles in China's domestic apparel market gained 12% growth compared with 2012, which was worth more than $191 billion. Over time, China has also become the largest apparel market in the world, with more than 1.3 billion apparel consumers (HKTDC, 2014).

China's Apparel Retail Market Segment

Today, China has the largest apparel manufacturing and apparel retail market; and it also remains the fastest growing market in the world. A report conducted by the Fung Business Intelligence Centre (2014) claimed that China's domestic apparel retail market reached total sales of $187 billion in 2013, which was an increase of 11.6% compared to 2012. China's current apparel retail market makes up more than 30% of the global fashion market and expects to keep growing for the next 10 years with more foreign apparel brands stepping into China's domestic

apparel market place (Pure Shanghai, 2016). The report from the Fung Business Intelligence Centre (2014) also stated that department stores and specialty stores are the two major selling channels for apparel distribution, which accounted for 36.3% and 29.7% of China's retail market share in 2013. Mid- to high-end apparel products mostly sold by department stores contributed more than 50% of total revenue of department-store sales. Specialty stores are also high preference stores for many apparel brand owners because of easy control of products' prices and store layout designs. In 2013, more than 584,800 apparel retail stores opened in China. In addition, online retailing is the coming retail channel for apparel products in China, which contributed more than $69 billion in sales revenue in 2013. In 2014, many foreign apparel brands – including Hugo Boss, ZARA, Topshop, and Burberry – opened online stores on Taobao, which is the most popular online shopping website in China (Fung Business Intelligence Centre, 2014)

China's Domestic Apparel Brand Market Segment

From 1990 to 2010, many domestic apparel brands enjoyed support from Chinese consumers. One of the examples is Metersbonwe, a top domestic apparel brand that has sold casual style clothing in China since 1995 (Fung Business Intelligence Centre, 2014). In 2004, Metersbonwe had sales exceeding more than $400 million in apparel products in China. However, since 2012, Metersbonwe has closed more than 200 stores in China, resulting in a revenue decrease of more than 30%. In recent years Chinese domestic apparel brands have had a longer fashion cycle than foreign apparel brands, and as such, they have lost their market share in China. Bo-si-deng, for example, closed 5,033 retail stores in 2014 as their fashion line had become out-dated faster than foreign brands due to their inability to catch up with foreign brand's fast changing fashion trends (Zhang, 2015). Other Chinese domestic apparel companies affected by the foreign competition include Giordano and Jeanswet, which closed more than 250

stores in 2012. All of the struggling domestic apparel brands have lost their market shares to foreign brands such as ZARA, H&M, Uniqlo, and Gap, which have shorter inventory lead times; for instance, ZARA and Gap launch new styles monthly (China Finance, 2014; World Global Style Network, 2015). In order to maintain the size of market share in China's domestic apparel market, many domestic apparel brands have started partnering with foreign apparel brands. For example, Semir is a famous domestic apparel brand found in Zhejiang, China. Since 2013, Semir has cooperated with Minibanda and Sarabanda, Italian luxury children's wear brands, in penetrating the Chinese market (Zhejiang Semir Clothing Co, 2013).

China's Foreign Apparel Brand Market Segment

Since 2003, more than 361,795 foreign apparel brands have opened stores in China, while retailers have closed stores in other countries such as the United States (HKTDC, 2014; China Central Net, 2011). For example, while Wal-Mart is closing five stores a week in California, Texas, Oklahoma, and Florida, it opens more than 411 stores in China annually (BBC, 2014; Peterson, 2015). Hence, foreign brands make up more than 62% of the total product sales in the Chinese market today (An et al., 2008; Hinner, 2007; Interbrand, 2012). Foreign sportswear brands in China, such as Nike and Adidas, represented about 17% of the total Chinese sportswear market in 2010 (Moody, 2010). Taking advantage of a growing middle class in China and the impressive economic growth among consumers, it was previously reported that H&M opened more than 400 new stores in China in 2015, with continued plans to extend 100 new stores annually in the future (Hansegard & Burkitt, 2013). In addition, Forever 21 plans to open more than 50 new stores by 2017 (Chang, 2015; Forever 21, 2015), ZARA opened 60 stores in 2015 (Chang 2015; CallieMac, 2015), and Uniqlo is expected to open 100 new stores in China every year (Pfanner & Landers, 2015). Additionally, Gap opened more than 100 stores located in

25 cities in China by the end of 2015; while the firm closed 175 stores across North America (Chang, 2015; Gap Inc, 2014; Malcolm, 2015).

The luxury brand market in China increased by 12% in 2009, while decreasing in the United States by 16%, Japan by 10%, and Europe by 8% (Li et al., 2012). For example, GUCCI has increased its retail stores in China from only four stores in 2004 to 46 stores in 2011, and opened 10 more new stores in China in 2012 (The China Time, 2011). Following the success of GUCCI, Louis Vuitton and Burberry also decided to relocate and extend the number of stores in China's urban areas (Wen, 2012). Louis Vuitton opened more than 40 stores in central cities and in the western region in China in 2012 (Rapoza, 2013); Burberry also enlarged its network from only 50 stores in 2010 to 75 stores today, and it is expected that Burberry stores in China will reach 100 by the year 2020 (Olivier, 2014).

The above data shows that there is a large presence of foreign apparel brands now in the Chinese domestic apparel marketplace. As outlined in the next section, Chinese consumers hold different attitudes toward foreign apparel brands as compared to domestic apparel brands. As income levels rise, Chinese consumers have increased their demand for quality and style in apparel products. Chinese consumers trust foreign apparel brands because of positive brand image, good quality services, product quality, and comfort (Pure Shanghai, n.d.). As a result, more than 75% of consumers from Beijing and Shanghai prefer to purchase foreign brand products instead of domestic brand products (An et al., 2008). Also, almost 70% of consumers from Shanghai, Chengdu, Hefei, Luoyang, Shaoguan, and Xinmin prefer purchasing foreign apparel brand products rather than purchasing domestic apparel brand products, despite the fact that domestic brands offer lower prices than foreign apparel brand products (Deloitte, 2014).

Moreover, the young Chinese consumers are well-versed in foreign apparel brand products and names because they have very high yearning toward Western popular culture (Qiu, 2011).

According to the Theory of Planned Behavior, consumers' attitudes are a major factor impacting consumers' purchase behaviors. Existing studies also have reported a significant relationship between consumers' attitudes and purchase decision-making toward a brand (Cheng et al., 2011; Kim & Karpova, 2010; Lee & Yoo, 2009; Phau & Teah, 2009). Therefore, as part of this study, it is necessary to examine Chinese consumers' attitudes toward both foreign and Chinese domestic apparel brands.

Chinese Consumers' Attitudes toward Apparel Brands

Consumers' attitudes define their beliefs, feelings, and behavioral intentions. These three main components are strongly interdependent and together can affect the consumers' psychological reaction toward an object (Ajzen, 2005). Many market researchers have tested Chinese consumers' attitudes toward foreign brand products. Several surveys conducted by Boston Consulting Group (2015) in Beijing and Shanghai showed that 38% of Chinese consumers have a positive attitude toward foreign brands and 37% of middle-class consumers have a high preference toward foreign brands. Another survey conducted by Magni and Atsmon (2010) showed that more than 52% of Chinese consumers have a favorable attitude toward foreign brands because of a greater diversity of choice and function. Many social scientists dubbed the Chinese buying behavior as "face consumption," which is defined as "the motivational process by which individuals try to enhance, maintain, or save self-face, as well as show respect to others' face through the consumption of products" (Li & Su, 2006, p. 4). Jin and Kang (2011) also showed that the "face consumption" culture directly increased Chinese consumers' favorable attitudes toward United States' apparel brands, such as Levi's jeans.

Therefore, the Chinese buying philosophy that is based on social image makes brand establishment an important feature in a buying decision. This also is a major reason motivating Chinese consumers to have a high preference for purchasing foreign apparel brand products, which helps them maintain their social status and build up a positive personal image in the public.

A recent survey regarding Chinese attitudes toward foreign apparel brand products found that between 65% and 85% of Chinese consumers prefer big-name foreign brand products because they believe foreign brands are more reliable than domestic brands (Designind, 2013). Young consumers are among the largest demographic of foreign brand consumers in China. They purchase more than 50% of foreign brand products sold in the country (Bruno & Booker, 2012; Lendrevie & Lindon, 2005). Also, many Chinese youth consumers have a modern perspective and like to follow foreign culture and lifestyle. Therefore, buying foreign brands has been a symbolic expression of their youthful thinking, an attitude that bolsters foreign brands' sales in the country (Lendrevie & Lindon, 2005).

Globalization also plays a significant role in influencing Chinese consumers' aspiration for Western lifestyles, which are considered by many in China as more advanced and modern. For example, Chinese consumers believe that foreign medications heal diseases faster than traditional Chinese herbs (Boston Consulting Group, 2015). Foreign baby formula milk has also become the first choice for Chinese parents because it is assumed to be safer and have greater nutritional content than domestic brands (*BBC News*, 2014). In general, Chinese middle-class consumers believe that their social status and self-concept (Mian-Zi) will increase if they use foreign products (Jap, 2010).

Compared to foreign apparel brand products, the Chinese domestic apparel brand products mostly focus on lower quality finished products. Even worse, many Chinese domestic apparel brand products have been reported for illegally over using aromatic amine in apparel products, which is a chemical dye that cause a variety of malignant diseases (*Sun News*, 2012). These types of issues create negative brand associations among consumers, therefore, it is possible that consumers would actually rather purchase counterfeit apparel products over Chinese domestic brands. According to previous studies, Chinese consumers may believe counterfeit products to be less harmful to them and cheaper than the original foreign apparel brand products (Amine & Magnusson, 2007; Stravinskiene et al., 2013; World Health Organization, 1999).

The Apparel Counterfeit Industry in China

The Demand of Counterfeit Apparel Products in China

As previously explained, "face consumption" is one of the main consumption patterns driving Chinese consumers during their shopping. The "face" factor has encouraged Chinese consumers to have a high preference for foreign apparel that are mostly high-end products with high prices. However, not all Chinese consumers are able to afford a high price foreign apparel brand product. Therefore, Chinese consumers with limited budgets may have a high preference toward purchasing counterfeit products when they have felt a loss of "face" (Faria, 2013). Therefore, purchasing counterfeit apparel is the most efficient solution to meet Chinese consumers' purchase goals, which is not only to be able to save money, but also to be able to keep their face and social status in public by using counterfeit luxury apparel (Asia News Monitor, 2015). Consumers' interest in counterfeit products has caused the demand of

counterfeit products to increase over time in China, more so than in the United Kingdom and United States (Bian & Moutinho, 2009).

Previous studies have found that counterfeit demand among consumers is the main factor that stimulates counterfeit trade and causes the existence of the counterfeiting phenomenon to get stronger. In China, consumers between the ages of 30 and 40 with low education have a high preference for purchasing counterfeit accessories and apparel (Ng & Lui, n.d.). Phau and Teah's study (2009) showed that over 74% of consumers aged 20 -35 with an annual income around $6,732, had purchased counterfeit products in the past. A different study found that 73% of 802 respondents had consumed counterfeit products from different markets, including Hong Kong, Macau, and mainland China (Brown, 2013). This group's ages were from 19 to 34, and they had spent a minimum of $16 to purchase counterfeit brand clothing every month in Hong Kong (Brown, 2013). In addition, consumers from Hong Kong consider purchasing counterfeit products to be a hobby rather than a preference (Ng & Lui, n.d.). Consequently, the market for counterfeit products tends to be Generation Y and Z consumers, whose ages are from 18 to 40. Also, Ng and Lui (n.d.) found that teenagers were the largest consumers of counterfeit products in Hong Kong.

There must be demand for counterfeit products for supply of such goods to exist in the marketplace (Ambrazeviciute et al., 2013; Bian & Veloutsou, 2007; World Health Organization, 1999). Many studies have focused on the supply chain of counterfeit products in order to solve the problem of counterfeit trade. Researchers have offered suggestions, such as strengthening law enforcement and punishments for counterfeit producers, using sophisticated technology to improve the quality and functionality of genuine products, and increasing the genuine brands' information technology security protection from counterfeit supply chains (Chaudhry &

Zimmerman, 2013; KPMG, 2013). In reality, the supply of counterfeit products has not been narrowed, but has rapidly increased.

Chinese Consumers' Attitudes toward Counterfeit Products

A consumer's attitude is explained as the impact of consumers' considerations and preferences on their intentions toward a specific object, such as a product, a brand, a design, or a retailer (University of Southern California, 2001). Consumers' attitudes toward counterfeit products differ by country (Penz et al., 2009), knowledge, and personal gratification. Also, the buyers and non-buyers of counterfeits hold different attitudes toward counterfeit products. Many studies have shown that non-buyers of counterfeits have a negative attitude toward purchasing counterfeit products because they know the difference between counterfeits and genuine products in terms of material and safety (Ang et al., 2001; Penz & Stottinger, 2005; Wang et al., 2005). Many Chinese buyers also consider the "Shanzhai" (knockoff) products to be counterfeits, which have also violated intellectual property rights. Many Chinese consumers believe that the "Shanzhai" phenomenon and development are not sustainable because they only rely on plagiarism (Li & Luo, 2013). Also, consumers who have higher personal gratification find counterfeit products undesirable because of their inferior quality (Ang et al., 2001; Wang et al., 2005). No matter how similar "Shanzhai" are to the original products, non-buyers never take a chance to purchase or use counterfeit products that could destroy their personal reputation in public (Li et al., 2012). Moreover, consumers with a high awareness of the law have a strong negative attitude toward counterfeit products. These consumers thoroughly understand the side effects of counterfeit trade and are responsible consumers (Li & Seaton, 2015).

In contrast to negative attitudes toward counterfeit products, more than 50% of Tencent social media users stated that they supported the development of "Shanzhai" and purchased

"Shanzhai" products. Tencent is a popular social media in China, it is dubbed as the Chinese version of Facebook. Tencent users had considered "Shanzhai" to be an innovation of the products' development, therefore, buyers were willing to openly discuss their purchases and use of "Shanzhai" products (Li et al., 2012). Similarly, consumers who possessed a lower standard of morality believed that the supply of counterfeit products was more heavily involved in illegal trade than the demand of counterfeit products themselves (Bian & Veloutsou, 2007). Chinese consumers purchase counterfeit products because counterfeit products are able to offer an acceptable style and quality, so that they can classify themselves and conform to social status expectations in public (Jiang & Cova, 2012). Novelty seeking consumers have an especially strong interest in "Shanzhai" products and consider "Shanzhai" a low risk to their safety. These consumers believe that "Shanzhai" products are new and unique products to upgrade their social status among their peers because the "Shanzhai" products are very similar to the original products (Casola et al., 2009; Li et al., 2012; Phau & Teah, 2009).

The existing research reveals that price, market, and personality influence the Chinese consumers' attitudes toward counterfeit products (Kramer, 2006). Besides, many researchers believe that consumers' perception about knowledge regarding counterfeits also has a strong effect on consumers' attitudes toward counterfeits (Hanzaee & Ghafelehbashi, 2012; Kozar & Marcketti, 2008; Polfer, 2013)

Chinese Consumers' Perception about Knowledge of Apparel Counterfeit Goods

In the past 10 years, low price has been the feature that attracts consumers to purchase counterfeit products (Kramer, 2006). As a result, consumers believe that low-price items must be counterfeit products (Matos, Ituassu, & Rossi, 2007). A survey of 100 people over the age of 15 conducted in Hong Kong found that 92% of participants believed that lower-price clothing must

be counterfeit because of inferior quality and cheaper material (Phau et al., 2001). In addition, consumers perceived that only genuine products have a delicate package and barcode (Li, 1995). A survey conducted by Faria (2013) stated that Chinese consumer were familiar the available counterfeit products resources and selling location in China. In Faria's (2013) study showed, Chinese consumers only based on the comparison of styles and the quality of raw materials to identify the different between counterfeit and genuine products.

Although a previous study showed that Chinese consumers are able to distinguish authentic apparel products from counterfeits through the overall packaging and raw material quality, Chinese consumers still have difficulty identifying between counterfeit and genuine products if the packaging is removed (Bian & Veloutson, 2007). The durability and quality of counterfeit products are continuing to improve to standards similar to that of genuine products, using innovations in science and technology (Chen et al., 2009; Liang, 2010). Also, the result of this technology is making counterfeit products seem nearly genuine, which makes it difficult for consumers and experts to distinguish between true and false products (Chen et al., 2009; Zhou, 2009). Therefore, consumers are faced with all of these counterfeit products and cannot clearly know whether the products are counterfeited or not (Bian & Veloutsou, 2007; Bloch et al., 1993). Moreover, high technology and limited brand information have directly caused Chinese consumers not to know if the product is counterfeit when they purchase it (Ang et al., 2001; Bian & Moutinho, 2008 & 2009; Goh, 2014; Li et al., 2012; Liang, 2010; Ye et al., 2012).

Regarding the consumers' perception about knowledge of counterfeits, Kozar and Marcketti (2008) successfully demonstrated a significant relationship between American college students' perceived knowledge and attitudes toward counterfeit apparel products. For instance, those college students that held a stronger negative attitude toward counterfeit products

understood the negative impacts of counterfeit trade through ethical educational programs. The students also believed consumers' committed a crime of purchasing counterfeit products. In addition, research conducted by Bian and Moutinho (2011) agreed that consumers have a less favorable attitude toward counterfeit products when they have more knowledge about the counterfeit. At the same time, Hanzaee and Ghafelehbashi (2012) also found that knowledge about counterfeits not only helps consumers to identify a product's authenticity, but also decreases their favorable attitudes toward counterfeit products. However, these studies did not focus on Chinese consumers. It is possible that many Chinese consumers have limited perception about knowledge of origin of the brands and specification of the products, especially if the product is in a foreign language.

Chinese consumers who purchased counterfeit products acknowledged that the product is counterfeited. A study by Cheung and Prendergast (2006) showed that more than 1,000 of 1,152 Chinese consumers admitted that they had purchased counterfeit products within the past six months and recognized that the product was counterfeited. More than one-third of Chinese consumers insist on purchasing counterfeit products even when they know the product is a counterfeit with inferior quality (Li & Seaton, 2015; Phau et al., 2001; Tom et al., 1998). Besides, consumers' knowledge about Intellectual Property Rights (IPR) directly impacts whether consumers consider the products counterfeited or not. A survey from a high school in Zhejiang, China, showed that more than 29% of 77 students believed that IPR had no association with the customers; over 40% of the students believed that IPR had little impact on them; and 18% of the students had no concept of IPR. As a result, more than 45% of the students believed that counterfeit products had not violated the IPR of the trademark products, and 37% of the students responded with "do not know" (Cao et al., 2005).

The Supply Dimension of Counterfeit Apparel Products in China

Given the demand among Chinese consumers for counterfeit fashion goods, it should come as no surprise that the supply of counterfeit goods in the Chinese marketplace has increased over time. Yiwu, which is a city five hours away from Shanghai, has more than 40,000 wholesale shops that sell 100,000 products every month, 90% of which are counterfeit (United States-China Economic and Security Review Commission, 2006). It is not only Yiwu; four more counterfeit wholesale markets, which are located in Wuhan, Shandong, Shijiazhuang, and Shenyang, sell most of the counterfeited products to global markets (60 Minutes, 2004). Besides, e-businesses have also become an easy channel that sells counterfeit products through an online system.

The marketplace for counterfeit products now comprises of online retailers such as Taobao, whose market share is over 50% of the total counterfeits sold in China (China Daily, 2013). In December 2013, Hangzhou police arrested a 28-year old woman who had sold more than $3 million worth of counterfeit luxury brand handbags in six months through the Taobao online store (CCTV, 2013). Taobao is a Chinese online shopping website similar to eBay and Amazon and is very popular for the Chinese. However, more than 63% products that are sold from Taobao are counterfeit (*Apple News*, 2015). The administrative law enforcement in 23 provinces and four municipalities in China seized more than $272 billion worth of counterfeit products between 2012 and 2013 (CCTV, 2013). In 2014, one of the Chinese law enforcement departments, the China Nationwide Industrial and Commercial System, seized more than 130,000 counterfeit apparel products, which were worth more than $140 million (Tian, 2015).

The prime victims of counterfeits are the owners of luxury brand products. Counterfeits have destroyed brand reputation by damaging the brand image, equity, and customer loyalty, and

causes the brand to lose value (Wilke & Zaichkowsky, 1999). For example, Louis Vuitton has been rebuilding its brand image since consumers lost interest in the brand due to confusion about whether they are purchasing a counterfeit or a genuine Louis Vuitton product (Phau & Prendergast, 2001). The inferior quality of counterfeit products can potentially lead to a negative perception of luxury products' brand image, as counterfeit products deceive consumer into thinking that the product is authentic (Cademan et al., 2012). The worst problem with counterfeit products is that they ruin the luxury brands' values and images by connecting them to the counterfeit luxury brand industry. At the same time, the country's image is damaged by counterfeiting, as China has become an international crime country that produces and sells counterfeit products (Bian & Veloutsou, 2007). The ramifications of counterfeit products have affected China's government due to being robbed of tax revenue. In 1998, China's government lost more than $3.8 billion tax revenue from $20 billion in counterfeit products (Litke, 2013). Today, even though all law enforcement departments have been strongly cracking down on counterfeit trade in China, China's government has lost more than $39 billion of tax revenue due to the proliferation of counterfeit trade in China (Hegang Government, 2015).

In China, counterfeit products can be produced by a small unit, such as a family, or by large manufacturing companies. In 2013, one family in Chengdu City produced more than 2,300 pairs of counterfeit luxury shoes, which included Prada, Chanel, and more than 13 other luxury brands. These counterfeit shoes' retail prices were between $29 and $51. They were sold online for a total sales revenue of more than $800,000 (Shoes Information, 2013). Also, in Jiangxi, China, a small illegal factory was shut down by police because it had produced more than 12,000 counterfeit pairs of Nike shoes that were worth more than $126,984 (Fleming, 2006). Moreover,

60 Minutes news (*CBS News*, 2004) reported that the city of Yiwu in China had a wholesale market in which more than 90% of the products were counterfeit.

On the retail side, there have been all different kinds of large operations selling counterfeit merchandise in places such as Hong Kong, China, Taiwan, and other provinces in China. Big cities such as Shanghai have become the main places for buying counterfeit products (Litke, 2013). Further, Mong Kok Street in Hong Kong (Chen et al., 2013), Luo Hu Plaza in Shenzhen (Litke, 2013), and Huimei Clothing Market and Baiyun World Leather Trading Center in Guangzhou (City Weekend, 2014) are common places where counterfeits are traded openly. The variety of counterfeit products in the Chinese domestic market has expanded to consist of not only luxury brands, but also food, wine, medications, electronics, and auto parts.

The Crackdown of Counterfeit Trade in China

More than 75% of total counterfeit products were made and exported from China from 2008 to 2010 (World Customs Organization, 2015). The existing research shows that China has directly built the biggest and most favorable environment to produce and supply a large amount of counterfeit products in the world (Yao, 2006). The Chinese counterfeit industry can potentially destroy the value, reputation, equity, and consumer loyalty of genuine brands (Wilke & Zaichkowsky, 1999). At the same time, the counterfeit industry has tainted China's reputation internationally. China has become the international crime center that produces, uses, and sells the highest number of counterfeit products in the world. Based on a counterfeit case studies conducted by Ang et al., (2001) and Podoshen and Andrzejewski (2012), if Chinese counterfeit trading does not stop, it is possible that the counterfeiting phenomenon will become an investment risk for foreign investors and brands. Therefore, the Chinese government and communities have a clear intent to start cracking down on the supply chain of counterfeit trade.

In 1987, China joined the International Consumers' Federation and the Consumers' Association, in which the State Council in China approves legislatures to protect consumers' and products' legitimate rights (International Consumers, n.d.). In 1995, China also signed the United States-China Intellectual Property Rights Accord (Prohaska, 1996). The People's Republic of China Consumer Protection Law has been slowly coming into effect since 1994 and was updated in 2013. All of the above legislations are intended to deter trading activities that involve online purchasing of counterfeit goods (Xinhua News Agency Beijing, 2013). In 2011, the Chinese Brand Network Beat False Center (CBNBFC) was established (2014). It is the first registered governmental center that commits to provide free guidelines to domestic and foreign brands in combatting counterfeits, trademark infringement, and imitation of products traded through an online platform (Baidu, 2015). In 2013, Taobao signed an agreement to combat counterfeiting online with the International Anti-Counterfeiting Coalition, although Taobao still remains a major counterfeit supplier in the marketplace today (International Anti-Counterfeit Coalition, 2013), an issue that clearly needs more attention.

Aside from the legal platform, customs agencies, police agencies, and other supervision departments that are located in different provinces and cities across the country have also strengthened efforts on cracking down on counterfeit trade. According to a report by Barboza (2012), the Chinese government has been involved in more than 10,000 counterfeit crackdown actions between 2012 and 2014, and over 6,000 anti-counterfeit programs and guest educational lectures have been ran in cities across China. For example, the supervision department in Shanghai has investigated more than 16,000 counterfeit Levi's jackets and jeans producers in March 2014. The quality supervision department in Fujian also ransacked counterfeit sports

footwear enterprises and confiscated hundreds of pairs of sports shoes in February 2014 (General Administration of Quality Supervision, n.d.).

Genuine brand owners and designers have started to use new protection techniques to combat counterfeiting as well. This means not only registering trademarks with customs officers, but also using innovative technology to make their products unique, which reduces the chances of counterfeiting. For example, since 2013, Brother Industries Company used the DuPont Anti-Counterfeit Solution program known as DuPont™ Izon®, a 3D security program to protect the brand owner against forging (DuPont, 2015). Both legislators and brand owners recognize the dangers and costs of counterfeits and have used much of their force to stop the supply of counterfeits using increased legislation. Unfortunately, because of the status of the counterfeit trade market, the demand for specific counterfeit products has kept increasing and constantly exceeds supply (Stravinskiene et al., 2013; World Health Organization, 1999). In addition, according to Norum and Cuno (2011), the supply of counterfeit products would not exist if consumers stopped purchasing counterfeit products However, many factors influence consumers' preferences toward purchasing counterfeit products.

Materialism and Ethical Values on Chinese Consumers' Buying Behavior

As noted previously, Chinese consumers want to avoid losing face to their social group, because of cultural norms (Jiang & Cova, 2012). The buying philosophy of the Chinese is based on social image, making brand establishment an important feature. A survey conducted by Bian & Company (2013) showed that more than 50% of 40,000 Chinese households heavily shop by the products' brand name because of the social impact of brand recognition. Brand status and face consciousness have increased consumers' materialism level, which becomes a major factor in influencing consumers' attitudes toward counterfeit products (Chan & Prendergest, 2007; Bai

et al., 2008; Phau & Teah, 2009; Taromina & Cong, 2010). Therefore, it is significant to understand the concept of materialism and ethics and explore the relationship between consumers' materialism and ethical values to their attitudes toward counterfeit apparel products.

According to Richins and Dawson (1992), materialism can be categorized into three themes that include acquisition centrality, acquisition as pursuit of happiness, and possession-defined success. The concept of acquisition centrality suggests that the process of acquiring certain goods and the possession of these goods is the main goal in life of these individuals. On the other hand, the acquisition as the pursuit of happiness concept suggests that materialism is the benchmark to achieve the ultimate satisfaction in life. Possession-defined success is a concept in which people tie their level of achievement in life with the number and quality of goods that they possess. These three traits explain how consumers use materialism to define their success and happiness based on the quality, quantity, and value of their possessions. Schaefer, Hermans, and Parker (2004) have noted that Chinese teenagers between the ages of 14 and 17 years old had a lower score of materialism than Japanese teenagers. However, because of rapid economic growth and modernization in China, these Chinese teenagers have gradually shifted their values in society from traditionally based Confucian values to more Westernized values, such as individualism and materialism (Mariotheradical, 2012; Piron, 2006; Wang, 2010). Previous studies have found that Chinese consumers who live in urban areas have a higher degree of materialism than Chinese consumers who live in suburbs (Chen et al., 2006; Podoshen et al., 2011). Moreover, several researchers of Urban Studies reveal that urban Chinese young adults have a high score on materialism in comparison to Hispanic and American urban young adults (Eastman et al., 1997; Podoshen et al., 2011).

Analyzing the impact of consumers' materialism to consumers' attitudes of an object, Richins (1994) reported that to derive more pleasure and fulfill their materialistic satisfaction, consumers with high materialism tend to consume high-value and branded products and show or wear them in public. In addition, purchasing expensive products will enable materialistic consumers to boost their self-esteem (Liao & Wang, 2009). For this reason, researchers have been able to analyze the significant relationship between materialism and consumers' attitudes toward luxury products (Chen, 2012). This phenomenon is well depicted by the growth of the Chinese luxury brands market which increased by 12% in 2009 (Li et al., 2011). Therefore, economic growth and increasing domestic consumption of foreign (Western) apparel brands and luxury brand products in China have likely contributed to the materialistic values of Chinese consumers (Hudder & Pandeaere, 2012; Phau & Teah, 2009).

Unfortunately, it has also been reported that materialistic consumers with lower financial capability might choose to ignore ethical values and purchase counterfeit products to satisfy their social-status needs (Kozar & Marcketti, 2011). Therefore, materialism can also result in consumers purchasing illegitimate products such as counterfeit products (Ahuvia, 2005; Cuno, 2008). Furnham and Valgeirsson (2007) agreed that consumers with higher levels of materialism are more willing to purchase counterfeit products. Therefore, consumers' ethics potentially have a cause-effect relationship with their decisions to buy counterfeit goods (Deng, 2015; Deng, 2014; Frerichs, 2008; Forte, 2004; Jun et al., 2012; Moores & Chang, 2006).

Moores and Chang (2006) have used the model of Perceived Behavioral Control to analyze consumers' ethical decision making. The results showed that 75% of 243 American students with a high score of ethical values had less purchase intention toward counterfeit software. Additionally, research conducted by Matos, Ituassu, and Rossi (2007) showed that

consumers feel less guilty about purchasing counterfeit items when they have lower ethical standards. Therefore, existing studies have confirmed a significant relationship between consumers' ethical values and materialistic values and purchase behavior of counterfeit products (Kozar & Marcketti, 2011; Matos, Ituassu, & Rossi, 2007; Moores & Chang, 2006). The next section of this paper will address the theoretical underpinnings of this study.

Statement of the Problem

Deficiencies in the Existing Research

Despite increasing captivation in Chinese purchase behavior research, there is still a deficiency in empirical studies analyzing the relationships between the Chinese consumers' attitudes toward foreign and China's domestic apparel brands and counterfeits apparel products. Moreover, there have only been a few scholars who have conduct meta-analysis on the Chinese cultural perspective of face-saving (Mianzi) and how it can strategically alter consumers' attitudes toward counterfeits and China's domestic apparel brands. In addition, the existing studies have shown that personal demographics and psychographics factors influence consumers purchase decision making toward foreign apparel brands, China's domestic apparel brands, and counterfeit apparel goods (Chaudhry & Stumpf, 2011; Jap, 2009; Kozar & Marcketti, 2011; Li & Su, 2006; Liao &Wang, 2009; Tian & Dong, 2011). Nevertheless, none of these studies took into account how the regional economic development disparities in China have influenced Chinese consumer's decision-making. In addition, the existing studies did not focus on the largest Chinese consumers' market with the ages between 18 and 64 years old. Acknowledging such deficiencies, the researcher has decided to dedicate the present study to close the gap in the existing body of knowledge.

Theoretincal Framework Overview

As part of this study, Schiffman & Kanuk's (2010) Tricomponent Attitude Model, Vaske and Donnnelly's (1999) Values-Attitudes-Behavior Model, and Schwartz's (1994 & 2012) Theory of Basic Human Values provided a framework for examining the relationship among the primary variables, including the relationship between materialism, ethics, and the counterfeit purchasing intentions among Chinese consumers. The relationship between Chinese consumers' perceived knowledge and attitudes toward counterfeits.

Tricomponent Attitude Model

Ajzen (1998) explains that an attitude from the consumer behavior context as a learned predisposition of negative or positive beliefs, feelings or behaviors toward a subject, person, or idea. There exists a general agreement among researchers that attitudes are not a natural born characteristic, but rather influenced by collected experiences and information toward a product, brand, or event (Schiffman & Kanuk, 2010; Solomon, 2009). Therefore, people's perceived knowledge as an unnatural born factor influences their attitudes toward an object. According to the concepts of the Tricomponent Attitude Model, attitudes consist of three major components: cognitive, affective and conative (Schiffman & Kanuk, 2010). The first part of the Tricomponent Attitude Model is the component of cognitive, which consists of a consumer's perceived knowledge and beliefs toward an object. Schiffman and Kanuk (2010) have explained that humans' attitudes about an object are influenced by various related information. This information includes individuals' perceived knowledge and perceptions of an object. The second part of the Tricomponent Attitude Model is the component of affective attitudes that focus on a consumer's emotions or feelings toward a specific product or brand. Consequently, Schiffman and Kanuk (2010) believed people's emotions and feelings are a method to change their attitudes

toward an object. Finally, the last component of Tricomponent Attitude Model is conative, which explains the behavior or tendency of an individual to respond with a specific action toward an object. Figure 2 further summarizes Schiffman & Kanuk's (2010) Tricomponent Attitude Model.

There have been only several existing studies which adopt the Tricomponent Attitude Model to analyze consumers' behaviors (Duffert, 2015; Liou et al., 2015, Polfer, 2013). For example, Polfer (2013) analyzed how personal values and perceived knowledge can have an impact on the consumers' attitudes toward a product. Other researchers examined how consumers' attitudes influence purchase intention toward a product (Duffert, 2015; Liou et al., 2015). Polfer (2013) stated that American consumers with a higher perception about knowledge of counterfeit apparel products have stronger negative attitudes toward counterfeit products. As part of the current study, the research intends to strengthen the theoretical contribution of the Tricomponent Attitude Model by implementing the model to evaluate the relationship between the Chinese consumers' perception about knowledge of counterfeit apparel products and consumers' attitudes toward counterfeit products. The present study will also serve as the foundation for the researcher's future study on Chinese consumers' purchase intention of counterfeit apparel products.

In Polfer's study (2013), American consumers' perception about knowledge of counterfeit apparel products was referred to as the cognitive component, whereas, the American consumers' attitudes toward counterfeit apparel products was referred to as the affective component in the Tricomponent Attitude Model. The present study aims at examining the relationship between the Chinese consumers' perception about knowledge of counterfeit apparel products and their attitudes toward counterfeit apparel products. Therefore, the dependent and independent variables in the present study are nearly in parallel to the Tricomponent Attitude

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Model. The researcher considers the Chinese consumers' perception about knowledge of counterfeit apparel products as the cognitive component of the Tricomponent Attitude Model. It is proposed that consumers' attitudes toward counterfeit apparel products are influenced by their perception about knowledge of counterfeit apparel products. In the present study, the affective component of the Tricomponent Attitude Model translates to consumers' attitudes toward counterfeit apparel products.

As part of this study, the researcher focuses on analyzing the Chinese consumers' psychological feature, such as attitudes and personal values. Moreover, there is no existing research which adopts the Tricomponent Attitude Model to analyze various impacts between Chinese consumers' attitudes toward foreign apparel brands, China's domestic brands, and counterfeit apparel products. Therefore, it is hypothesized that the Chinese consumers' attitudes toward foreign apparel brands and China's domestic brands might influence the Chinese consumers' attitudes toward counterfeit apparel products. In this case, the cognitive element of the Tricomponent Attitude Model translates to the Chinese consumers' attitudes of foreign apparel brands and China's domestic apparel brands.

Due to the dynamics of the present study, the researcher is only adopting two components of the Tricomponent Attitude Model (cognitive and affective), because the variables of this study only represent two of the components within the Tricomponent Attitude Model (cognitive and affective). The model provides a basis for understanding the relationship between Chinese consumers' perception about knowledge of counterfeits, attitudes toward foreign apparel brands and China's domestic apparel brands, and their attitudes toward counterfeit apparel products.
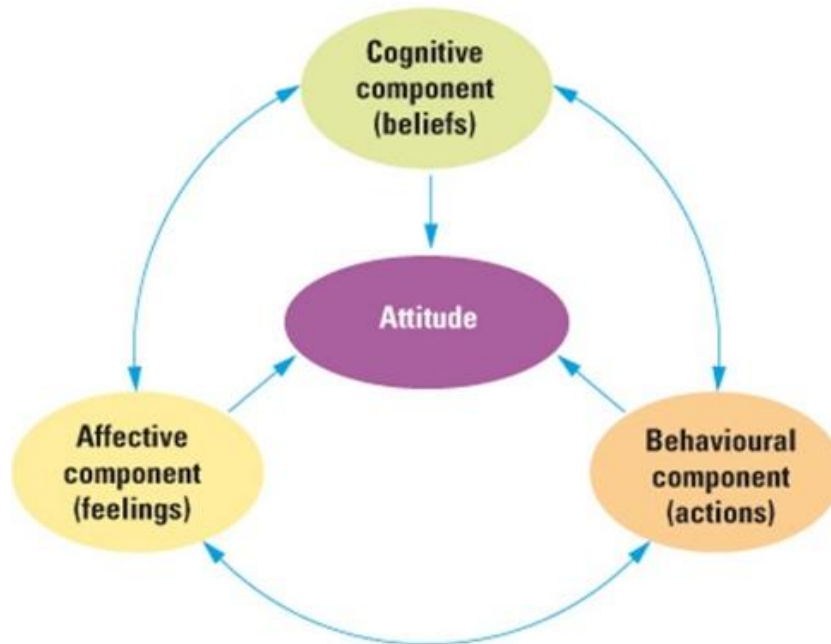
Figure 1. Tricomponent Attitude Model.

Source: John Grivas and Linda Carter (2013)

Values-Attitudes-Behavior Model

In order to understand the relationship between the Chinese consumers' personal values, attitudes toward counterfeit apparel products, domestic apparel products, and foreign apparel products, the researcher have applied the Values-Attitudes-Behavior Model, which was originally developed by Vaske and Donnelly (1999). The Values-Attitudes-Behavior Model explains how values influence attitudes, which is used in order to better predict consumers' behavior or behavioral intention. In this model, Vaske and Donnelly stipulate that personal values predicts attitudes and in turn attitudes facilitates the relationship between values and behavior. In other words, the Vaske and Donnelly model explains drivers of an individual's actions. Because the nature of values in social cognition is abstract, value characteristics are adaptable. As an abstract, values serve as the framework from which attitudes and behavior are developed. Hence, the effect of values and attitudes on the individual's choice of possession and

buying intentions of counterfeits or legitimate goods is significant. Figure 3 demonstrates the relationship between Values, Attitudes, and Behavior.

The Values-Attitudes-Behavior Model was originally used in the research of natural resources and environmental study. Vaske and Donnelly (1999) applied the Values-Attitudes-Behavior Model to prove human's bio-centric/anthropocentric values affect their attitudes toward wild land preservation. The researchers specified that the bio-centric/ anthropocentric values translated to the component of value in the Values-Attitudes-Behavior Model, while the attitude of wild land preservation translated to the attitude component (Vaaske & Donnelly, 1999). Prior studies have also successfully implemented the Values-Attitudes-Behavior Model in evaluating the consumer's behavior (Hansen, 2008; Jayawardhena, 2004; Mai & Olsen, 2013). Jayawardhena (2004) and Hansen (2008) both adopted the Values-Attitudes-Behavior Model to prove the impacts of consumers' personal values on their attitudes toward specific products. Jayawardhena (2004) found that consumers who held stronger personal values increased their favorable attitudes toward online products. In addition, Hansen (2008) also specified that consumers with a higher level of personal values tended to have positive attitudes toward e-shopping. In both Jayawardhena's (2004) and Hansen's (2008) studies, consumers' personal values as an independent variable in the studies was classified as the Values component in the Values-Attitudes-Behavior Model, while consumers' attitudes toward online product/ online grocery products as a dependent variable was classified as the Attitudes component in the Values-Attitudes-Behavior Model.

In the present study, the researcher only adopts two components of the Values-Attitudes-Behavior Model which provides a theoretical foundation to examine the relationship between the Chinese consumers' face-saving values, materialistic values, ethical values, and attitudes toward

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counterfeit and foreign apparel products. The independent variables include face-saving values, materialistic values, and ethical values, which represent the Value component in the Value-Attitude-Behavior Model. Whereas, the Chinese consumers' attitudes toward counterfeit products and foreign apparel brands as the dependent variables, embody the Attitudes component in the Values-Attitudes-Behavior Model.

Figure 2. Vaske and Donnnelly Values-Attitudes-Behavior Model

Theory of Basic Human Values

Ozsoy and Vatan (2007) stated that values are able to shape peoples' thoughts, and determine their cognitive functions and decision making–processes. Values are also vital in explaining the evolution of cultural groups and society over time. Schwartz (1994 & 2012) specified that values constitute beliefs that serve as the guidelines for evaluation of actions, policies, people, and events. In the consumer behavior context, beliefs, whether positive or negative, toward an object or idea is a component of the consumers' attitudes (Perner, 2010). Therefore, the concept of values and attitudes affect and shape each other. Attitudes toward circumstances influence the behaviors of an individual, and values originated from the individual's life experiences shape these attitudes (Schwartz, 2012). Consequently, individual's actions and behaviors stem from their values and attitudes. In addition, behavior mostly depends on attitudes and attitudes depend on values (Bektas & Nalcaci, 2012; Tokmak, 2009).

Materialistic value is a multidimensional value which includes the pursuit of happiness and possession-defined success (Richins & Dawson, 1992). Individuals with materialistic values tend to obtain more possession to satisfy one's social status ambition (Fitzmaurice & Comegys,

2006). Previous research by Goldsmisth, Flynn, and Clark (2012) also confirms the positive relationship between materialism and status. Therefore, consumers with a strong materialistic values prefer products that can symbolize financial success and prosperity. Due to the societal association of luxury products and wealth, materialistic individuals have a strong desire to obtain luxury products to reflect greater success in life (Richins, 1994; Sun et al., 2014). The present body of perceived knowledge endorses the relationship between materialism and conspicuous consumption of luxury products, which also confirms the notion of materialistic values as possession-defined success (Gil et al, 2012; Podoshen & Andrzejewski, 2012; Sun et al, 2014; Wong, 1997).

Schwartz (1994) developed the Theory of Basic Human Values to study the Human's values subsequent influence on attitudes toward an object and personal behavior (Schwartz, 1994). The directional components of the theory include Values, Attitudes, Behavior Intention, and Behaviors. Schwartz (1994) believed human's personal values would be the priority factor that provides the judgment to influence their attitudes toward an object. Therefore, Values is the first component in the Theory of Basic Human Values which subsequently followed by Attitudes, Behavioral Intentions, and Behaviors. Each of the components influence the other in a subsequent manner, in which Values of an individual will influence the Behavioral Intention followed by the other components. Figure 4 illustrates Schwartz's theory.

Schwartz's (1994 & 2012) Theory of Basic Human Values has been used in the social sciences disciplines, explaining human behavior and attitudes toward ideas or objects (Puohiniemi 1995；Schwartz, 2012). Puobiniemi (1995) has applied the Theory of Basic Human Values to investigate the structural impact of consumers' values on their pro-environmental attitudes. In addition, previous research on consumers' psychology employed the Theory of

Basic Human Values to demonstrate that consumers with strong materialistic values tended to demonstrate a negative personal attitude of social judgement (Alberto Chavez Rojas, 2014). Zhou, Thogersen, Ruan, and Huang (2013) also specified that the Theory of Basic Human Values provided them with a strong theoretical framework to explain how the Chinese consumers with a strong self-transcendence value tended to have a more favorable attitude toward organic food.

However, none of the existing research addressed all together the impacts of Chinese consumers' face-saving values, materialistic values, and ethical values toward any apparel brands and products. Also, Schwartz, who is created in developing the Theory of Basic Human Values, strongly influenced the researcher to analyze the influences between values (face-saving values, materialistic values, and ethical values) and human's attitudes of objects (Schwartz Shalom, personal communication, Aug. 23, 2016). Therefore, it is imperative for the researcher to adopt two components of the Theory of Basic Human Values (Values and Attitudes) to examine the relationship between the Chinese consumers' value of face-saving, materialism, ethics as the independent variables, and consumers' attitudes toward counterfeit products, foreign apparel brands and China's domestic apparel brands as the dependent variables. The independent variables in this study translate into the Values component in the Theory of Basic Values, whereas, the dependent variable represent the Attitudes component.
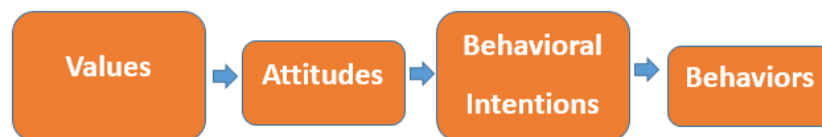
Figure 3. Shalom H. Schwartz's Theory of Basic Human Values Model

Ten Motivational Values Model

The present study utilizes the Values-Attitudes-Behavior Model and Basic Value Theory to analyze one of the most influential values in the Chinese buying philosophy, such as face-saving values and materialism value. Furthermore, Schwartz (1994) developed a Ten Motivational Values Model, which is an extension value model from the Theory of Basic Human Values Model. Ten Motivational Values Model derived the ten motivational types of values that are based on the most basic human needs. These ten motivational values include Self-Direction, Stimulation, and Hedonism which belong to the Openness to Change dimension, and Achievement and Power which belong to the Self-Enhancement dimension. These two dimensions are located on the left side of the Ten Motivational Values Model (see Figure 5). The other five motivational values include Universalism and Benevolence which belong to the Self-Transcendence dimension, and Security, Conformity, and Tradition which belong to the Conservation dimension. These two dimensions are located on the right side of the Ten Motivational Values Model, which opposes the Openness to Change dimension and the Self-Enhancement dimension of the Ten Motivational Values Model (Schwartz, 1994). For these ten motivation values categorized into four different dimensions, Schwartz (1994 & 2012) stated that the relationship of these values is conflicts, if the one dimensions located 180° from one another dimensions. For example, the relationship between the dimensions of Self-Enhancement and Openness to Change conflict with the Conservation and Self-Transcendence dimensions. Comparatively, Schwartz (1994 & 2012) also stated that Conservation and Self-Enhancement are adjacent in the circle. Therefore, Conservation and Self-Enhancement are related positively. Figure 5 elaborates further Schwartz's Ten Motivational Values Model. As related to the current study, there is no existing research that adopts the Ten Motivation Values Model to examine the

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positive relationship between Conservation and Self-Enhancement. Schwartz recommends more researchers to broadly examine the positive relationship between Conservation and Self-Enhancement in the Ten Motivation Values Model (Schwartz Shalom, personal communication, Aug. 23, 2016). This significantly encourages the researcher to verify the positive relationship between Conservation and Self-Enhancement.

Schwartz (1994 & 2012) defined the Tradition in the Conservation dimension as, "Tradition value is respect, commitment, and acceptance of the customs and ideas that one's culture or religion provides" (p 6). In Chapter 2, an explanation of face-saving as a traditional culture, values, personality traits, and sense of shame often existing among the Chinese was provided. As a result, it is appropriate to assume that the face-saving values belongs to the Tradition value located in the Conservation dimension of the Ten Motivational Values Model. Face-saving (Mianzi) demands social respect during interpersonal interactions, which also reflects the individuals' self-esteem (Ting-Toomey & Kurogi, 1998; Sun, et al, 2014). As the foundation of prestige, individuals with strong Mianzi aspiration tend to pursue materialism to enhance their reputation and social status (Lin et al, 2013; Sun ecdxvsf t al., 2014; Zhang & Cao, 2010). Therefore, in the present study the researcher stipulates that the face-saving concept is a cultural value that can boost materialism. In the same time, the previous research related to the topic of materialism has confirmed that materialism is extremely self-focused (Belk, 1985; Burroughs & Rindfeisch, 2002; Fournier & Richins, 1991; Richins & Dawson, 1992). Even more, Burroughs and Rindfeisch (2002) adopted Schwartz's Ten Motivational Values Model to confirm that materialism should be located in the Self-Enhancement dimension. Therefore, it is appropriate to adopt components of Schwartz's Ten Motivational Values Model as the theoretical foundation of this study. As the present study focuses on the relationship between

materialism as a dependent variable and face-saving values as the independent variable, the researcher is adopting the Conservation and Self- Enhancement components of the Ten Motivational Values Model.
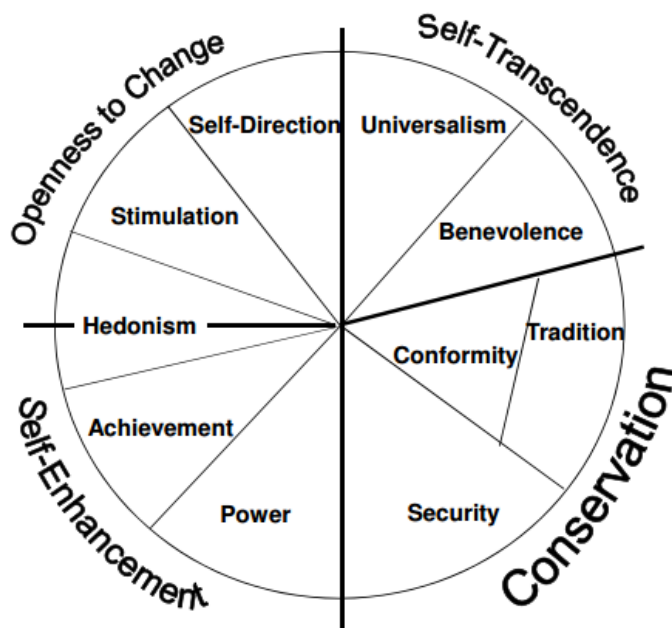
Figure 4. Shalom H. Schwartz's Ten Motivational Values Model
Source: Shalom H. Schwartz's (1994)

Therefore, the Chinese consumers' perception about knowledge of counterfeit apparel products are well represented in the cognitive component of the Tricomponent Attitude Model. The Chinese consumers' attitude toward of foreign (Western) apparel brands and attitudes of China's domestic apparel brands are theoretically depicted in the affective component of the Tricomponent Attitude Model. Consequently, Chinese consumers' attitude of counterfeit apparel products supposedly can be classified in the attitudes component of the Tricomponent Attitude Model. Therefore, the Tricomponent Attitude Model helps the researcher analyze the relationship between Chinese consumers' attitudes of counterfeit apparel products and their

perception about knowledge of counterfeit apparel products and their attitudes of China's domestic and foreign apparel brands.

Similarly, the researcher applies Chinese consumers' face-saving values, materialistic values, and ethical values into the values component in the Value-Attitude-Behavior Model and the Theory of Basic Values. Chinese consumers' attitude of counterfeit apparel products, foreign (Western) apparel brands, and China's domestic apparel brands are reasonably located in the attitudes components in Value-Attitude-Behavior Model and Theory of Basic Values. As a result, the Value-Attitude-Behavior Model and Theory of Basic Values assist the researcher to examine the relationships between Chinese consumers' face-saving values, materialistic values, ethical values and their attitudes of counterfeit apparel products, China's domestic apparel brands, and foreign (Western) apparel brands.

In the same way, Chinese consumers' materialistic values has been confirmed in the Self-Enhancement component in the Ten Motivational Values Model. Face-saving value as one of the traditional value, has existed since ancient period in China. Thus, the researcher considered face-saving value as a tradition value that belongs to the Conservation in the Ten Motivational Values Model. Proportionately, the Ten Motivational Values Model helps the researcher examine the relationship between Chinese consumers' materialistic values and their face-saving values.

Hypotheses

Regarding consumers' perception about knowledge of counterfeits, Kozar and Marcketti (2008) successfully found a significant relationship between American college students' perception about knowledge of counterfeit apparel products and attitudes toward counterfeit apparel products. Specifically, they found that students had more perception about knowledge of counterfeits held stronger negative attitudes regarding the purchasing of counterfeits. Research

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conducted by Bian and Moutinho (2011) added that consumers in the United Kingdom had less favorable attitudes toward counterfeit products when they had more perception about knowledge of counterfeits. In addition, Hanzaee and Ghafelehbashi (2012) found that a knowledge about counterfeits not only helped Iranian college students to identify a product's authenticity, but also decrease their favorable attitudes toward counterfeit products. Therefore, in order to examine the relationship between Chinese consumers' perception about knowledge of counterfeit apparel products and attitudes toward counterfeit apparel products, the first hypothesis as part of this study includes the following:

- **Hypothesis 1:** Chinese consumers with a higher perception about knowledge of counterfeit apparel products have a stronger negative attitude toward counterfeit apparel products compared to Chinese consumers with a lower perception about knowledge of counterfeit apparel products.

Research has shown that more than 52% of Chinese consumers have a favorable attitude toward foreign (Western) brands, due to foreign (Western) products' greater diversity of choice, function, and perceived reliability (Magni & Atsmon, 2010). Moreover, Jin and Kang (2011) also showed that the "face consumption" culture directly increased Chinese consumers' favorable attitudes toward US apparel brands. As previously reported, China also has the largest counterfeit market and supply chain in the world, most of which are imitations of luxury foreign apparel brands (Getrth, 2011; MacLeod, 2011). In addition, both buyers and non-buyers of counterfeits hold different attitudes toward counterfeit products (Penz et al., 2009). Chinese consumers believe that counterfeit products have very similar quality and characteristics to the original products, hence, counterfeits can boost their social status among their peers in public as

much as the authentic products at a cheaper cost (Casola et al., 2009; Jiang & Cova, 2012; Li et al., 2012; Phau & Teah, 2009).

Utilizing a component of the Influential Factors of Consumer Behavior Model, many researchers have found a significant relationship between consumers' attitudes and purchase decision-making (Bian & Veloutson, 2007; Kozar & Marcketti, 2008; Penz et al., 2009). Therefore, in the present study, Chinese consumers' attitudes toward foreign (Western) apparel products will be a focus of investigation. Since none of the existing studies has addressed the relationship between Chinese consumers' attitudes toward foreign (Western) apparel products and counterfeit apparel products, the second hypothesis proposes that:

- **Hypothesis 2:** Chinese consumers with more favorable attitudes toward foreign (Western) apparel brands will have more favorable attitudes toward counterfeit apparel products compared to Chinese consumers with less favorable attitudes toward foreign (Western) apparel brands.

In the previous section, a survey regarding Chinese consumers' attitudes indicated that consumers' positive attitudes toward domestic brands decreased from 68.1% in 2014 to 54.8% in 2015 (Huanqiu, 2015). Moreover, more than 70% of Chinese consumers do not trust domestic products because of their perceived inferior quality (*Sun News*, 2012). It is clear that the inability of domestic brands to fulfill Chinese consumers' expectations has resulted in more favorable consumer attitudes toward foreign (Western) brands. While some Chinese consumers believe that counterfeit products have substandard quality in comparison to genuine products (*Sun News*, 2012), Chinese consumers are also known to hold favorable attitudes toward counterfeits when they believe that counterfeit products are very similar to the authentic products (Li et al., 2012; Zhang & Kim, 2012). As there is no existing research that has studied the relationship between

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Chinese consumers' attitudes toward domestic apparel brands and counterfeit apparel, it is worthwhile to examine the relationship between Chinese consumers' attitudes toward domestic products and their attitudes toward counterfeit products:

- **Hypothesis 3:** Chinese consumers with more favorable attitudes toward China's domestic apparel brands will have less positive attitudes toward counterfeit apparel products compared to Chinese consumers with less favorable attitudes toward China's domestic apparel brands.

Face refers to a social psychological framework of favorable self-worth that people expect others to respect in public (Goffman, 1967; Ting-Toomey & Kurogi, 2001). Face values have been a longstanding concept in the Chinese traditional culture, emphasizing on the importance of maintaining one's social status by accumulating possessions that symbolize wealth (Zhang, 1996; Zhang & Cao, 2010). At the same time, research conducted by Jap (2010) showed that due to a strong endorsement of traditional face-saving value, Chinese consumers tend to believe that the best way to show their high level of social status and wealth is through purchasing foreign (Western) luxury apparel products. As a result, Chinese consumers with high face consciousness predictably have a high willingness to spend money on material wealth to enhance their level of social status and reputation (Lin et al., 2013). Also, many researchers have found that face-saving value is a significant factor influencing Chinese consumers' purchase decision making (Jap, 2010; Jin & Son, 2014; Lin et al., 2013; Zhang & Cao, 2010). Regarding consumers' consumption values, Jap (2010) successfully found a relationship between Chinese consumers' face-saving values and their consumption values and purchase behaviors toward global apparel fashion products. Therefore, in order to examine the relationship between Chinese face-saving

value and attitudes toward foreign (Western) apparel brands, the following hypothesis will be tested:

- **Hypothesis 4:** Chinese consumers with a higher level of face-saving values hold a stronger positive attitude towards foreign (Western) apparel brands as compared to Chinese consumers with a lower level of face-saving values.

Chinese consumers intentionally purchase foreign luxury brand products to maintain and upgrade their social status in public (Jap, 2010). Nevertheless, foreign luxury brand products tend to have much higher price tags than mainstream products. At the same time, most of the counterfeit products sold in the Chinese market are imitations of luxury brands, sold at a much lower price. Consequently, influenced by face-saving value, Chinese consumers are more willing to purchase counterfeit products when they have limited financial support (Jap, 2010; Lin et al., 2013; Zhang & Cao, 2010). Therefore, it is possible that face-saving values influence Chinese consumers' attitudes toward counterfeit apparel products. Thus in the present study, the following hypothesis will be tested:

- **Hypothesis 5:** Chinese consumers with a higher level of face-saving values hold more positive attitudes toward counterfeit apparel products as compared to Chinese consumers with a lower level of face consumption.

Righins and Dawson (1992) explained that materialism is a value that describes consumers' happiness and successes by the ownership and acquisition of material products. Research conducted by Faria (2013) showed that because of strong face-saving values, Chinese consumers have more concern about the brand status of products in comparison to people from other countries. This directly increases the Chinese consumers' materialism level and causes Chinese people to have a higher score of materialism in comparison to other societies (Eastman

et al., 1997; Podoshen st at., 2011). As face-saving value has a significant impact on Chinese consumers' materialism, it is important to have a further examination of the relationship between Chinese consumers' face-saving values and materialistic values. Therefore, the following hypothesis will be tested:

- **Hypothesis 6:** Chinese consumers with a higher level of face-saving values hold stronger materialistic values as compared to Chinese consumers with a lower level of face consumption.

Richins (1994) reported that consumers with high materialistic tendencies typically consume products with highly recognizable brands, in order to derive more pleasure and fulfill their materialistic satisfactions. In addition, globalization and capitalism have shifted the Chinese traditional values and ethics to become more materialistic and individualistic. Counterfeit products are normally made of inferior quality materials. Nevertheless, Chinese consumers with positive attitudes toward counterfeit products are still willing to purchase them, as long as the products can boost their reputation and social status in public (Bian & Roll, 2007). Numerous studies have verified the significant relationship between consumers' materialistic values and purchase attitudes toward counterfeit products (Faria, 2013; Jun et al., 2012; Triandewi & Tjiptono, 2013). A study conducted by Faria (2013) revealed that there was a positive relationship between Chinese consumers' materialism and their attitudes toward counterfeiting, showing the strong impact of a consumers' level of materialism. The findings from this research study were that Chinese consumers had strong concerns about the brand status of products, because of the high social comparison in a "save face" culture. At the same time, brand status and face consciousness have increased consumers' materialism levels, which becomes a major influence on consumers' attitudes toward counterfeit products (Chan & Prendergest, 2007; Bai et

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al., 2008; Phau & Teah, 2009; Taromina & Cong, 2010). Jun, Liang, Qiong, and Jian (2012) found that the individual's values of materialism have a positive correlation with consumers' attitudes toward counterfeit products. Studies conducted by Phau, Sequeria, and Dix (2009) and Richins (1994) showed that level of consumer materialism is reflected by the amount of consumption. Therefore, in order to explore the relationship between Chinese consumers' materialism and attitudes toward counterfeit apparel products, the following hypothesis will be tested:

- **Hypothesis 7:** Chinese consumers with higher levels of materialistic values will have more favorable attitudes toward counterfeit apparel products compared to Chinese consumers with lower levels of materialistic values.

In fact, it is possible that materialism not only influences consumers' attitudes toward counterfeit goods, but foreign (Western) apparel brands as well. As Jin and Kang (2011) reported, Chinese consumers with a higher level of materialism value held more favorable attitudes toward foreign (Western) apparel brands. However, Jin and Kang's (2011) research only focused on Shanghai, Beijing, and Guangzhou consumers at shopping malls. As materialism has a significant impact on consumers' attitudes toward products, it is vital to further analyze the relationship between Chinese consumers' materialistic values and their attitudes toward foreign (Western) apparel products and domestic apparel products. Therefore, the following hypothesis will be tested:

- **Hypothesis 8:** Chinese consumers with higher levels of materialistic values will have more favorable attitudes toward foreign (Western) apparel brands compared to Chinese consumers with lower materialistic values.

Many top domestic apparel brands have been closing between 200 and 5,000 stores in China's domestic apparel market during the past two years, because of limited and short turn over style. Therefore, the domestic apparel brand market is dwindling in China, because of the large number of foreign (Western) apparel brands entering the marketplace and possessing a higher reputation for reliability and innovation for Chinese consumers. As part of a previous study, it was reported that Chinese consumers had skin reactions when using domestic apparel brands (Shen & Zhou, 2013). As a result of such negative perceptions, Chinese consumers' positive impressions toward domestic products has potentially declined. As there is no existing research studying the relationship between Chinese consumers' materialism and their attitudes toward domestic apparel brands, the following hypothesis will be tested:

- **Hypothesis 9:** Chinese consumers with higher levels of materialism will have stronger negative attitudes toward China's domestic apparel brands compared to Chinese consumers with less materialistic values.

Previous research has outlined the growth of materialistic values among Chinese consumers given the significant economic growth and higher domestic consumption over recent years (Lu & Lu, 2010; Muncy & Eastman, 1998; Richins & Dawson, 1992). Unfortunately, materialistic consumers with lower financial capability might choose to ignore ethical values and purchase counterfeit products to satisfy their social-status needs (Kozar & Marcketti, 2011). Therefore, consumers' ethics can potentially have a cause-effect relationship with consumers' purchase decision-making of counterfeit apparel (Deng, 2015; Deng, 2014; Frerichs, 2008; Forte, 2004; Jun et al., 2012; Moores, & Chang, 2006).

Drawing from aspects of the Influential Factors of Consumer Behavior model (Kotler and Armstrong, 2015), many researchers have found a significant relationship between consumers'

ethics and attitudes toward counterfeit products (Matos et al., 2007; Moores & Chang, 2006). A study conducted by Matos, Ituassu, and Rossi (2007) found that consumers felt less guilty purchasing counterfeits when they possessed lower ethical standards. Conversely, consumers with higher scores of ethical values were less inclined to purchase counterfeit products (Moores & Chang, 2006). In order to fulfill one of the main objectives of this study, the relationship between Chinese consumers' ethical values and their attitudes toward counterfeit apparel products will be explored:

- **Hypothesis 10:** Chinese consumers with higher ethical values will have less favorable attitudes toward counterfeit apparel products compared to Chinese consumers with lower ethical values.

Chapter 3 - Methodology

Though a survey research design, the purpose of this study aimed at understanding the factors impacting Chinese consumers' apparel purchasing decisions and examining their knowledge and attitudes toward counterfeit apparel products. Moreover, this study explored the relationship between materialism among Chinese consumers and their attitudes toward counterfeit apparel products, domestic apparel brands, and foreign (Western) apparel brands. Additionally, the relationship between participants' ethical values and their attitudes toward counterfeit apparel products was analyzed.

This chapter discusses the methodology used for this study. The first section describes the sample of participants. The second section explains the instrumentation that includes the seven scales for analyzing Chinese consumers' perceived knowledge and attitudes toward counterfeits apparel products, foreign (Western), and China's domestic apparel brands. The measures used to analyze participants' materialistic and ethical values are also being described. The procedures of data collection and methods for ensuring validity and reliability are outlined. In addition, the statistical analysis that were employed in testing the hypothesis and analyzing the demographic variables in this study. Differences in responses by age, educational, and income level among participants are also explored.

Population of Interest

The population of interest for this study includes Chinese males and females between the ages of 18 and 64 and living in four representative cities including Shanghai, Guangzhou, Wuhan, and Chengdu. Shanghai, as one of the tier one city that to be considered the fashion capital and has largest fashion consumers market among all mainland cities. Similarly, Guangzhou, as the third largest textile market and garment industry where has shared 25% of the

clothing production. Besides, Wuhan as a sub-provincial city locates central China, where has most traditional apparel and textile industries and top retail market in China. The last but most important location, Chengdu, where is the fastest economic grown city in Western China. Based on these reasons, Shanghai, Guangzhou, Wuhan, and Chengdu have significant be selected as representative cities for this study (EUSME Center, 2011; Finpro, 2015; Kingdom of the Netherlands, 2014).

Pre-Test

Before pretesting the survey, a master's student studying education and working within an English Language Program translated the survey items from English to Mandarin. The Mandarin statements were then translated back to English by an instructor who also worked within an English Language Program. This process secured the content validity of the survey. After the translation was complete, the researcher conducted an online pre-test of the survey through Qualtrics by requesting 25 mainland Chinese volunteers in the targeted regions to complete the questionnaire and leave comments at the end, including any misunderstandings of words in statements or instructions. The researcher made modifications to survey items based on the feedback from the pretest, which suggested that some of questions in Chinese Consumers' Ethical Values were not suitable and were hard to understand for Chinese consumers. Subsequently, the following statements were removed from the measure. 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'.

The responses collected from the pre-test participants were not included in the final sample.

Instrumentation

In order to collect data, the research utilized online and paper survey that was delivered by SOJUMP survey agent company. There were a total of 63 statements that were divided into seven scales. Additional demographic questions were used. There three qualifying questions stated after the survey cover page, "Are you between the ages of 18 and 64? Where do you currently live in China? Where were you born in China? Participants who answered "No", or "Other Cities" would not be considered a qualify survey for the study. All the scales in the survey were place on a Likert-scale system ranging from (1) strongly disagree to (5) strongly agree. It took approximately 10 minutes for participants to complete the questionnaire.

Chinese Consumers' Perception about Knowledge of Counterfeit Apparel Products

To measure Chinese consumers' perceived knowledge about counterfeit products, the scale items utilized by Marcketti and Shelley (2009) were adopted. This scale evaluated consumers' perceived knowledge about counterfeits. It included these original three statements: 'I am familiar with counterfeiting.', 'I am perceived knowledgeable about counterfeiting.', and 'I am familiar with efforts to stop counterfeiting.' Marketti and Shelley (2009) reported the reliability of this scale as acceptable with an α value of 0.81. Additional items related to Chinese consumers' perception about knowledge of counterfeit goods were also included in the questionnaire. Specifically, four additional statements originally developed by Smith and Park (1992) were used. The original scale included four statements that focus on perception about knowledge of a product, which includes: 'I feel very knowledgeable about this product', 'If a friend asked me about this product, I could give them advice about different brands.', 'I feel very

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confident about my ability to tell the difference in quality among different brands of this product.', and 'I am very confident in my ability to compare the features of this product.' The researcher converted the context of the statements from 'counterfeiting' and 'this product' to 'counterfeit apparel' to satisfy the purpose of this study. Therefore, the newly converted statements included: 'I am familiar with counterfeiting.', 'I am familiar with efforts to stop counterfeit apparel.', 'I feel very knowledgeable about counterfeit apparel.', 'If a friend asked me about counterfeit apparel, I could give them detailed advice about different options.', 'I feel very confident about my ability to tell the difference in quality among of counterfeit apparel products.', and 'I am very confident in my ability to compare the features of counterfeiting.' The reliability of this scales is acceptable with an α value of 0.80. Many researchers have adopted this scale to successfully analyze consumers' perception about knowledge of a brand's product (Bian & Moutinho, 2011; Li, et al., 2002; Smith & Speed, 2005). Since the computed variable to be used to analyze Chinese consumers' perception about knowledge of counterfeit apparel products has been modified by incorporating two different scales, it was necessary to run a Chronbach's analysis to make sure all the items fit together for the purpose of this study. The response categories for the scale ranged from 1 which is "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Attitudes toward Counterfeit Apparel Products

To measure Chinese consumers' attitudes toward counterfeit apparel products, the researcher used an attitudinal scale that was adopted by Marcketti and Shelley (2009) and Polfer (2013). The original scale included three statements that focus on attitudes of counterfeit apparel and counterfeits in general. The four statements are: 'I would be proud to own a counterfeit apparel item.', 'I would buy a counterfeit apparel item if no one could tell it was counterfeit.',

and 'I like counterfeits.' The researcher only modified the first statement because the word 'proud' in the original question is too strong and sensitive for Chinese participants, as it is often translated as national pride or nationalism in Mandarin. Hence, the researcher replaced the word 'proud' used in the statement to 'smart'. The statement became: 'I am a smart consumer because I own a counterfeit apparel product'. Also, the research modified the word in 'counterfeit' from the last original statement to 'counterfeit apparel products' to meet the subjective of this study. Marcketti and Shelley (2009) and Polfer (2013) reported the reliability of this scale as acceptable with an α value between 0.89 and 0.90. There were a total of four statements with a five -point Likert-type scale to measure Chinese consumers' attitudes toward counterfeit apparel products.

Chinese Consumers' Attitudes toward Foreign (Western) Apparel Brands

To measure Chinese consumers' attitudes toward foreign (Western) apparel brands, the researcher used an attitudinal scale developed by Karami, Siahpoush, and Olfati (2013) which was originally used to measure Iranian students' attitudes toward Iranian clothes. The original scale includes five statements. For the purposes of this study, the original items were converted to the context of this study. Therefore, in each statement, instead of referring to 'Iranian clothes' the items were modified to 'foreign apparel brands'. Consequently, the newly converted statements include: 'I feel well when I use foreign apparel.', 'I feel comfortable when I use foreign apparel brands.', 'I feel satisfied wearing foreign apparel brands.', 'Foreign apparel brands are luxurious.', and 'Foreign apparel brands are reliable.' Karami, Siahpoush, and Olfati (2013) reported the reliability of the scale as acceptable with an α value at 0.93. The scale ranged from 1 which is "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Attitudes toward Chinese Domestic Apparel Brands

The items used to measure participants' attitudes toward China's domestic apparel brands are similar to the items used to measure Chinese consumers' attitudes toward foreign (Western) apparel brands. For example, the researcher used a modified version of the attitudinal scale developed by Karami, Siahpoush, and Olfati (2013) which was originally used to measure Iranian students' attitudes toward Iranian clothes. For the purposes of this study, the five converted items included: 'I feel attractive when I use Chinese apparel.', 'I feel comfortable when I use Chinese apparel brands.', 'I feel satisfied when using Chinese apparel brands.', 'Chinese apparel brands are luxurious.', and 'Chinese apparel brands are reliable.' Karami, Siahpoush, and Olfati (2013) reported the reliability of the scale as acceptable with an α value at 0.93. The scale ranged from 1 which is "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Face-saving Values

To measure Chinese consumers' face-saving level, the researcher adopted a face-saving scale developed by Ting-Toomey and Oetzel (2001) which was originally used to measure Asian consumers face-saving values level. This scale was developed in four-point Liker-type scale with 34 statements. In order to fit the Chinese participants' characteristics, the researcher only adopted the four significant statements. These statements were 'I was concerned with not bringing shame to myself.', 'I was concerned with protecting my self-image.', 'I was concerned with not appearing weak in front of the other person.', and 'I was concerned with protecting my personal pride.' Chuang et al., (2011) also adopted these four statements and reported the reliability of this scale as acceptable with an α value 0.83. In order to keep it consistent with the other scales, the researcher adjusted this face-saving scale accordingly from four point to five

points Liker-type scale. This scale ranged from 1which is "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Level of Materialism

In this study, the Richins and Dawson's (1992) materialism scale was utilized; this scale has been widely used to evaluate Chinese consumers' level of materialism (Chen, 2012; Durvasula & Lysonski, 2007; Podoshen et al., 2010; Sun et al., 2014; Watchrauesringkan & Dyer, n.d; Winzar, n.d; Zhang & Kim, 2012). Therefore, there were a total of 11 statements that were developed by Richins and Dawson's (1992), including statements such as 'I admire people who own expensive homes, cars, and clothes,' and 'Some of the most important achievements in life include acquiring material possessions.' A five-point Likert-type scale ranging from 1 "strongly disagree" to 5 representing "strongly agree" was used for this study. Richins and Dawson (1992) reported the reliability of this scale as acceptable with an α value of 0.81.

Chinese Consumers' Ethical Values

The Muncy-Vitell (1992) consumer ethics scale was included in the questionnaire to examine Chinese consumers' ethical values and implications. The Muncy-Vitell (1992) scale includes four categories with 16 questionnaires, the first section being "actively benefiting from an illegal activity", which is the illegal activities initiated by consumers. The questionnaire statements included 'Changing price tags on merchandise in a retail store.' and four different statements. The second category was "passively benefiting", when consumers enjoy the benefit of a seller's mistakes, which start with questionnaire statements including 'Getting too much change and not saying anything.' and three different statements. The third category was "deceptive 'legal' practices", when consumers understand that their behaviors are illegal but choose to look the other way, which start with questionnaire statements including 'Stretching the

truth on an income tax return' and other two different statements. The last category was "no harm/indirect harm", when consumers' illegal behaviors are considered less harmful than a serious crime, such as murder. The questionnaire statements included 'Using computer software or games that you did not buy.' and other two additional statements. Deng (2014) adopted the Muncy-Vitell (1992) ethics scale to measure Chinese consumers' ethical values and reported a coefficient alpha of 0.92. In addition, Jun et al., (2012), who also used the same scale, found that consumers' ethics have a positive relationship with their counterfeit purchase intentions, and reported a coefficient alpha of 0.77. A five point Likert-type scale was used in measuring Chinese consumers' ethical values as part of this study.

Demographic Variables

For this study, participants were from Shanghai, Guangzhou, Wuhan, and Chengdu. These cities, located in the Eastern and Southern China, share the largest market in China with more than 70% of total industry sales (Yang, 2011). Also, Chinese consumers ages 18 to 64, who are more than 80% of total population, with $37211 per-consumer spent in 2014 (Trading Economics, 2016). As a result, Chinese consumers currently residing in these four cities ages up to 18 is a largest consumer population with substantial spending power qualified as participants for this study.

In order to accurate collect Chinses consumer's demographic information, there were total in seven standard demographic questions on the last page of survey. These questions include current living and born location, gender, age, educational level, monthly income level, and monthly spending on new clothing and accessories. See Table 1. explains the demographic items measured in the instrument.

Table 1

Demographic Questionnaires

Finally, please answer a few statements about yourself by clicking the appropriate answer.

1. Where do you currently live in China?

2. Where were you born in China?

3. What is your sex?
   ☐ Male   ☐ Female

4. What is your age?
   ☐   ☐

5. What is your current or highest level of education?
   ☐ Middle School   ☐ High School
   ☐ Some College   ☐   Bachelor's Degree
   ☐ Master's Degree
   ☐ PhD

6. What is your **monthly** income?
   ☐   Less than ¥ 1000 ($159)   ☐   ¥1088 - ¥ 2000 ($160 - $317)
   ☐   ¥ 2003 - ¥ 3000 ($318 - $441)   ☐   ¥ 3012 - ¥ 4000 ($443 - $588)
   ☐   ¥ 4012- ¥ 5000 ($590 - $735)   ☐   ¥ 5025 - ¥ 6000 ($739 - $882)
   ☐   More than ¥ 6120 ($900)

7. What is your average **monthly** spending on new clothes and accessories?
   ☐ Less than ¥ 300 ($50)   ☐   ¥ 350 - ¥ 500 ($51 - $80)
   ☐ ¥ 550 -800 ($85 - $242)   ☐   ¥ 850 - ¥ 1000 ($135 - $160)
   ☐   More than ¥1000 ($160)

Procedure

A cover page with a brief introduction was included as part of the questionnaire. It clearly explained the purpose of the research project and the rights of participants regarding anonymity and confidentiality. Although the terms "Shanzhai" and "A Products" are similar in terms of representing a counterfeit good, these terms are oftentimes used more frequently to cover the

negativity of using or buying counterfeits by consumers. Therefore, it was necessary to provide the definitions and examples of counterfeit apparel products that includes "Shanzhai" and "A Products" on the cover page. This helped participants fully understand the context of counterfeit products in the present study. At the bottom of the cover page, the researcher's contact information was provided.

In the present study, participants were sought by utilizing SOJUMP, a survey-distribution company. SOJUMP (2015) is a creditable survey company that has successfully collected more than 20 million reliable surveys for more than 16,000 business and 1,200 higher education institutions. SOJUMP distributed the questionnaire to the sample population by paper and through online Qualtrics survey link. The research expect in total 750 paper survey finished by the people who did not have internet access and 750 online survey be collected for this study. It was confirmed that SOJUMP could distribute the questionnaire in Mandarin to participants in China. Only participants from Shanghai, Guangzhou, Wuhan, and Chengdu, with ages between 18 and 64 were sought to participate in this study. The participants received the questionnaire from SOJUMP as physical copies or online Qualtrics survey link.

Validity and Reliability

In order to increase the validity of the study, the researcher ran a pre-test before starting the data collection to be sure participants could understand the instructions and wording of the questionnaire in Mandarin. Also, all of the scales being used in the present study met the Cronbach's alpha standard for reliability which considers a scale to be reliable if the α value is at least 0.70 (Creswell, 2014; Pallant, 2013).

Data Analysis

Multiple data analysis procedures were used to interpret the collected data, which included descriptive analyses for all the individual items of each measure, including means, distribution, standard deviations, as well as the demographic variables. The researcher used the Statistic Package for Social Science (SPSS 14) to analyze the reliability of the summed variables. If 'a' was lower than 0.70 the items of the summed scales were examined to determine if particular items did not fit within each measure (Creswell, 2014). Simple linear regression analyses were performed to test the hypotheses of the study. The regression analysis enabled the researcher to determine whether there was a significant relationship ($p < .001$) between the independent and dependent variables included in each research hypothesis.

Summary of Pre-test Result

As mentioned above, a pre-test was completed before the data was collected. As a result, there were 25 volunteers in total who took this survey. According to the feedback of these 25 volunteers, some of questions in Chinese Consumers' Ethical Values were not suitable and were hard to understand for Chinese consumers. These questions 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'. As a result, all of the scales were tested by Statistic Package for Social Science (SPSS 14) to analyze the reliability. The 'a' 0.95 for the Chinese Consumers' perception about knowledge of Counterfeit Apparel Products scale, 0.77 for the Chinese Consumers' Attitudes toward Counterfeit Apparel Products scale, 0.81 for the Chinese Consumers' Attitudes toward

Foreign (Western) Apparel Brands scale, 0.95 for the Chinese Consumers' Attitudes toward

Chinese Apparel Brands scale, 0.84 for the Chinese Consumers' Face-saving Values scale, 0.80

for the Chinese Consumers' Level of Materialistic Values scale, and 0.97 for the Chinese

Consumers' Ethical Values. Therefore, all of above scales were ready to use to this research.

Chapter 4 - Findings

The results of this study include an examination of the relationship between Chinese consumers' attitudes, perception about knowledge of counterfeit apparel products, materialistic values and ethical values toward China's domestic apparel brands, foreign (Western) apparel brands, and counterfeit apparel products. There are three sections presented in this chapter including an analysis of data collected by SOJUMP Survey Company. The first section is a summary of participants' demographic characteristics. The second section presents the results of data analysis that includes the reliability of the research variables. The last and most important section presents the examination and results of all the hypotheses tested as part of this research project.

Demographics

Table 1 shows the summary of demographic profiles among participants in this study. A total of 1,339 participants took the survey that was delivered by SOJUMP Survey Company. There were 97 participants who did not qualify for the study because they chose "other" for both questions of 'Where do you currently live in China?' and 'Where were you born in China?' Also, there were 43 participants that only partially finished the survey or provided the same answer for all questions. As a result, as shown in Table 2, there were a total of 1,199 participants who qualified for this study. Among the participants, they resided in Guangzhou, Shanghai, Chengdu, and Wuhan, China, where have shared more than 2/3 of total Chinese industry market. The participants for this study were 61.92% (n=741) female and 38.09% (n=458) male with ages ranging from 18 to 64. Participants between the ages 18-29 years old represented over half of the participants in this study; 66.24% (n =793), while the second largest age group (30-39) was 23.39% (n =280). For the educational level, 39.18% (n =469) of the participants had received a

technical college degree while 41.01% (n =491) of the participants had received a bachelor's

degree. Only 8.35% (n =100) of the participants held a master's degree and 1.16% (n =14) of the

participants had a PhD degree. The majority of the participants for this study, 25.89% (n =310),

earned an income level of more than $900 (￥6120) in monthly. The second largest group based

on income was between $318 and $441(￥2003-￥3000) at 16.04% (n =192). The third largest

income group among participants was between $443 and $588 (￥3012-￥4000) at 15.87% (n

=190).

Table 2

Demographics of Study Participants (n = 1,199)

Variable	n	Percent of Participants
Sex		
Female	741	61.92
Male	456	38.09
Age		
18-29	793	66.24
30-39	280	23.39
40-49	30	2.50
50-59	66	5.51
60-64	11	0.91
Education Level		
Middle School	10	0.83
High School	114	9.52
Some College	469	39.18
Bachelor's Degree	491	41.01
Master's Degree	100	8.35
PhD	14	1.16
Income Level		
Less than$159 (¥ 1000)	174	14.53
$160-$317 (¥1088 - ¥ 2000)	94	7.85
$318 - $441 (¥ 2003 - ¥ 3000)	192	16.04
$443 - $588 (¥ 3012 - ¥ 4000)	190	15.87
$590 - $735 (¥ 4012- ¥ 5000)	115	9.60
$739 - $882 (¥ 5025 - ¥ 6000)	121	10.10
More than$900 (¥ 6120)	310	25.89
Monthly Spending on New Clothes and Accessories		
Less than Less than ¥ 300 ($50)	281	23.47
¥ 350 - ¥ 500 ($51 - $80)	362	30.24
¥ 550 -800 ($85 - $126)	188	15.70
¥ 850 - ¥ 1000 ($135 - $160)	152	12.69
More than ¥1000 ($160)	213	17.79

With regards to examining Chinese consumers' general apparel purchasing behavior, participants were asked to indicate how much they spend on new clothing and accessories monthly. 30.19% (n =362) of the participants reported spending between $51 and $80 (￥350-￥500) for new clothes and accessories monthly; approximately 20% of the sample, 23.50% (n =281), reported spending less than $50 (￥315) a month for new clothing and accessories. Table 2 reports the remainder of the sample and their monthly spending behavior on apparel and accessories purchases.

Reliability and Descriptive Statistics of Measures

Chinese Consumers' Perception about Knowledge of Counterfeit Apparel Products

The scale of consumers' perception about knowledge of counterfeit apparel products was originally developed by Marcketti and Shelley (2009) and Smith and Park (1992) with a total of seven statements. The measure consisted of a 5-point Likert scale ranging from 1 which is "strongly disagree" to 5 representing "strongly agree." Through the SPSS program, the analysis of Chronbach's alpha value for the computed variable was 0.89. This is considered an acceptable reliability and is consistent with Marcketti and Shelley (2009) which was 0.81, and the alpha value found reported by Smith and Park (1992) which was 0.80. Table 3 reports the mean scores for each of the items in the scale. The summed mean variable for this scale was 2.3 (n =1,199, M =2.28, SD =5.10). This shows that the participants perceived themselves to have very low levels of perception about knowledge of counterfeit apparel products.

Table 3

Descriptive Statistics for Chinese Consumers' Perception about Knowledge of Counterfeit
Products (n =1,199)

Items of the scale	Mean	SD
I am familiar with counterfeit apparel.	2.38	0.92
I am very confident in my ability to compare the features of counterfeiting.	2.35	0.96
I feel very confident about my ability to tell the difference in quality among of counterfeit apparel products versus non-counterfeit apparel products.	2.29	0.98
I am familiar with efforts to stop counterfeit apparel.	2.29	0.97
I am very confident in my ability to identify counterfeit apparel products.	2.28	0.97
If a friend asked me about counterfeit apparel, I could give them detailed advice about different options.	2.24	0.88
I feel very knowledgeable about counterfeit apparel.	2.12	0.90

Scores were based on a 1-5 scale, with 1 representing "strongly disagree" to 5 representing

"strongly agree."

Chinese Consumers' Attitudes toward Counterfeit Apparel Products

The scale measuring Chinese consumers' attitudes toward counterfeit apparel products

was adopted from Marcketti and Shelley (2009) and Polfer (2013), consisting of three

statements. The instrument was measured on a 5-point Likert scale ranging from 1 "strongly

disagree" to 5 "strongly agree." Through the SPSS program, the research analysis of

Chronbach's alpha for the computed variable was 0.84 for this scale. This is consistent with

previous reliabilities that were reported by Marcketti and Shelley (2009) with an acceptable

value of 0.89 and Polfer (2013) with the value of 0.90. Table 4 shows the computed mean score

for the summed mean variable was 2.9 (n =1,199, M =2.87, SD =3.47). As a result, participants

were mostly unsure regarding their attitudes toward counterfeit apparel products.

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Table 4

Descriptive Statistics for Chinese Consumers' Attitudes toward Counterfeit Apparel Products (n =1,199)

Items of the scale	Mean	SD
I would buy a counterfeit apparel product if no one could tell it was counterfeit.	3.16	1.32
I am a smart consumer because I own a counterfeit apparel product.	2.93	1.24
I like counterfeit apparel	2.52	1.42

Scores were based on a 1-5 scale, with 1 representing "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Attitudes toward Foreign (Western) Apparel Brands

In this study, the scale measuring Chinese consumers' attitudes toward foreign (Western) apparel brands was originally developed by Karami, Siahpoush, and Olfati (2013) with a total of five statements. The variables were measured on a 5-point Likert scale ranging from 1 which is "strongly disagree" to 5 representing "strongly agree." After running the SPSS program, the research analysis of Chronbach's alpha value was 0.93 for this scale. This is also the same as previous reliabilities that were reported by Karami, Siahpoush, and Olfati (2013) with a 0.93 reliability level. The statement "I feel comfortable when I wear foreign (Western) apparel brands" had the highest mean score of 3.73 (SD =1.10). This showed that the participants were approaching an attitude level of agreement toward foreign (Western) brands. Table 5 shows the computed mean score for the summed mean variable for this scale was reported as 3.7 (n =1,199, M =3.67, SD =4.92). As such, participants generally met an attitude level of agreement toward foreign (Western) apparel brands.

Table 5

Descriptive Statistics for Chinese Consumers' Attitudes of Foreign (Western) Apparel Brands (n =1,199)

Items of the scale	Mean	SD
I feel comfortable when I wear foreign (Western) apparel brands.	3.73	1.10
I think foreign (Western) apparel brands are more reliable than Chinese apparel brands.	3.72	1.05
I feel very good when I wear foreign (Western) apparel brands.	3.71	1.13
I feel satisfied wearing foreign (Western) apparel brands.	3.69	1.01
I think foreign (Western) apparel brands are luxurious as compared to Chinese apparel brands.	3.53	1.23

Scores were based on a 1-5 scale, with 1 representing "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Attitudes toward Chinese Apparel Brands

For this study, the items used to measure participants' attitudes toward Chinese domestic apparel brands are similar to the items used to measure Chinese consumers' attitudes toward Chinese domestic apparel brands, which were originally developed by Karami, Siahpoush, and Olfati (2013) with a total of five statements. The five statements in this scale were measured using a 5-point Likert scale ranging from 1 which is "strongly disagree" to 5 representing "strongly agree." Through the SPSS program, the researcher found the value of Chronbach's alpha, which was 0.89 for this scale. This was consistent with the previous reliability that was reported by Karami, Siahpoush, and Olfati (2013) with a 0.93 reliability level. As reported in Table 6, the computed mean score for the summed variable was 2.5 (n =1,199, M =2.45, SD =4.22). Therefore, participants overall had negative attitudes toward Chinese domestic apparel brands.

Table 6

Descriptive Statistics for Chinese Consumers' Attitudes toward Chinese Domestic Apparel Brands (n =1,199)

Items of the scale	Mean	SD
I feel comfortable when I wear Chinese apparel brands.	2.61	1.09
Chinese apparel brands are dependable.	2.53	0.96
I feel satisfied when I wear Chinese apparel brands.	2.50	1.01
I feel attractive when I wear Chinese apparel brands.	2.49	1.02
Chinese apparel brands are luxurious.	2.12	0.96

Scores were based on a 1-5 scale, with 1 representing "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Face-saving Values

In this research, the scale used to measure Chinese consumers' face-saving level was originally developed by Ting-Toomey and Oetzel (2001) with a total of four statements. The instrument contained a 5-point Likert scale ranging from 1 which is "strongly disagree" to 5 representing "strongly agree." After running the SPSS program, the value of Chronbach's alpha was reported as 0.82 for this scale. This achieves consistency with the previous reliability that was reported by Ting-Toomey and Oetzel (2001), which was a value of 0.83. As reported in Table 7, the computed mean score for the summed variable was 4.0 (n =1,199, M =4.02, SD =2.60). Therefore, this result shows that the participants had a lot of concern toward their face-saving values by having a very strong face-saving level. This result is the same as Li and Su (2007), which showed that Chinese consumers have a strong face maintenance culture.

Table 7

Descriptive Statistics for Chinese Consumers' Face-saving Values (n =1,199)

Items of the scale	Mean	SD.
I am concerned with protecting my personal pride.	4.22	0.65
I am concerned with protecting my self-image.	4.12	0.74
I am concerned with not bringing shame to myself.	3.93	0.86
I am concerned with not appearing weak in front of other people.	3.81	0.94

Scores were based on a 1-5 scale, with 1 representing "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Level of Materialism

Richins and Dawson's (1992) materialism scale includes 18 statements to examine Chinese consumers' level of materialism. Through the SPSS program analysis, a Chronbach's alpha score of 0.75 was found. This is consistent with the previous reliability that was reported by Richins and Dawson (1992), which was a 0.8. The statement "I would not be any happier if I owned nicer things." had the highest mean score of 4.17 (SD = 0.75) in this scale. The lowest score, 2.21 (SD =1.04), was for the statement "The things I own are not all that important to me." The 18 statements in this scale were used to measure Chinese consumers' level of materialism on a 5-point Likert scale ranging from 1 which is "strongly disagree" to 5 representing "strongly agree." As a result, the computed score for this scale was reported as 3.5 (n =1,199, M =3.46, SD =8.45). Given this finding showed that the Chinese consumer had a high level of materialism. The participants in this study were mostly in agreement regarding they had

This result is the same as Deng's (2014), which found that Chinese consumers have a high level of materialism.

Table 8

Descriptive Statistics for Chinese Consumers' Level of Materialism (n =1,199)

Items of the scale	Mean	SD
I would not be any happier if I owned nicer things.	4.17	0.75
I would be happier if I could afford to buy more things.	4.12	0.82
Buying things gives me a lot of pleasure.	4.08	0.85
I like to own things that impress people.	4.06	0.80
My life would be better if I owned certain things I do not have.	3.96	0.96
It sometimes bothers me quite a bit that I cannot afford to buy all the things I would like.	3.91	1.00
Some of the most important achievements in life include acquiring material possessions.	3.89	0.98
I admire people who own expensive homes, cars, and clothes.	3.73	1.16
I like owning a lot of luxury goods.	3.61	1.19
I have all the things I really need to enjoy life.	3.55	1.16
I try to keep my life simple as far as possessions are concerned.	3.43	1.06
I enjoy spending money on things that are not practical.	3.36	1.23
I usually buy only the things I need.	3.12	1.30
I do not pay much attention to the material objects other people own.	2.96	1.13
The things I own say a lot about how well I am doing in life.	2.87	1.22
I put less emphasis on material things than most people I know.	2.74	1.16
I do not place much emphasis on the amount of material objects people own as a sign of success.	2.61	1.17
The things I own are not all that important to me.	2.18	1.04

Scores were based on a 1-5 scale, with 1 representing "strongly disagree" to 5 representing "strongly agree."

Chinese Consumers' Ethical Values

The Muncy-Vitell (1992) consumer ethics scale includes 11 statements to examine

consumers' ethical values. After running the SPSS program, the value of Chronbach's alpha

0.94. This result exceeded the previous reliability that was reported by Jun et al., (2012), which

was 0.77. The 11 statements in this scale were based on a 5-point Likert scale ranging from 1

which is "strongly disagree" to 5 representing "strongly agree." The statement "I think it is fine to use computer software or games that I did not buy" had the highest score of 3.67 for this scale. As a final point, the computed mean score for the summed variable for this was reported as 3.00 (n =1,199, M =2.98, SD =11.71). To conclude, the participants had a moderate level of ethical values as found in this study.

Table 9

Descriptive Statistics for Chinese Consumers' Ethical Values (n =1,199)

Items of the scale	Mean	SD
I think it is fine to using computer software or games that you did not buy.	3.64	1.22
I think it is okay not saying anything when the waitress miscalculates the bill in your favor.	3.38	1.48
I think it is fine to lying about a child age in order to get a lower price.	3.25	1.52
I don't see any problem in spending over two hours trying on different dresses and not purchasing any.	3.07	1.20
I think returning damaged merchandise when the damage is your own fault.	3.06	1.46
I think it is okay to use an expired coupon for merchandise.	3.02	1.40
I think it's okay to tape a movie off the television.	2.96	1.41
I think drinking a can of soda in a supermarket without paying for it.	2.71	1.49
I think it is okay to give misleading price information to a clerk for an un-priced item.	2.60	1.35
I think it is okay to change price tags on merchandise in a retail store.	2.47	1.28
I think it is okay to report a lost item as stolen to an insurance company in order to collect the money.	2.19	1.29

Scores were based on a 1-5 scale, with 1 representing "strongly disagree" to 5 representing "strongly agree."

Hypothesis Flowchart
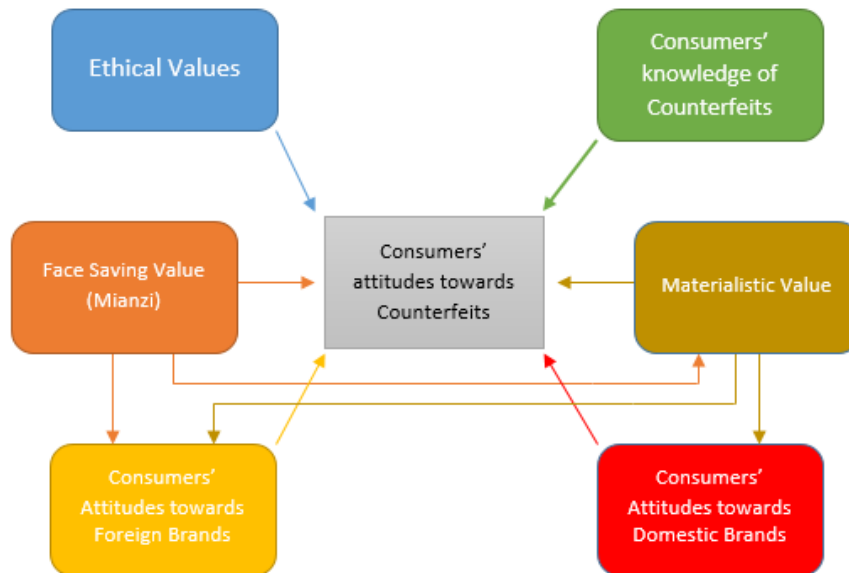
Figure 5. Hypothesis Flowchart

Results of Hypotheses Testing

To test the hypotheses, the researcher utilized simple linear regression with the computed variables for investigating the relationships between the independent and dependent variables.

Perception about Knowledge of Counterfeit and Attitudes toward Counterfeit Products

Hypothesis 1: Chinese consumers with a higher perception about knowledge of counterfeit apparel products have a stronger negative attitude toward counterfeit apparel compared to Chinese consumers with a lower perception about knowledge of counterfeit apparel products.

A simple linear regression was calculated to test the relationship between Chinese consumers' perception about knowledge of counterfeits and attitudes toward counterfeits. The regression results show a significant inverse relationship between perception about knowledge of

counterfeits and attitudes toward counterfeit apparel products. This finding indicates that Chinese

consumers with more perception about knowledge of counterfeits held stronger negative

attitudes toward counterfeits than those with perception about knowledge of counterfeits.

Therefore, Hypothesis 1 is supported (see Table 10). The result of this finding indicates that

increasing Chinese consumers' perceptions of perception about knowledge of counterfeit apparel

product, it would stimulate their negative attitudes toward counterfeit apparel products. This

result was found to be consistent with previous researchers that found a positive relationship

between consumers' perception about knowledge of counterfeit products and negative attitudes

toward counterfeit products (Bian &Moutinho, 2011; Hanzaee & Ghafelehbashi, 2012).

Table 10

Linear regression analysis predicting the relationship between the Chinese consumers'
perception about knowledge of counterfeit apparel products and attitudes toward counterfeit
apparel products, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	236.26	236.26	206.53	0.00	0.15
Residual	1197	1369.35	1.14			
Total	1198	1605.61				

Predictor	B	SE B	β	t	p
Knowledge of Counterfeit	-0.61	0.04	-0.38	-14.37	0.00

Note: Significant if p < 0.001

Attitudes toward Foreign (Western) Brands and Attitudes toward Counterfeits

Apparel Products

Hypothesis 2: Chinese consumers with more favorable attitudes toward foreign (Western)

apparel brands will have more favorable attitudes toward counterfeit apparel products compared

to Chinese consumers with less favorable attitudes toward foreign (Western) apparel brands.

Simple linear regression was used to analyze the relationship between Chinese consumers' attitudes toward foreign (Western) apparel brands and their attitudes toward counterfeit apparel products. A significant negative relationship was found, therefore, the results of the regression analysis support Hypothesis 2 (see Table 11). The results of Hypothesis 2 indicated that the Chinese consumers with a positive attitude toward foreign (Western) brands would have more favorable attitudes toward counterfeit apparel products. In fact, contemporary Chinese consumers mostly have a strong positive attitude toward foreign (Western) apparel brands (Magni & Atsmon, 2010). Therefore, because Chinese consumers tend to want foreign (Western) brands but are financially constrained to purchase the legitimate brand, they have more positive attitudes toward counterfeit apparel products which allow them to still "possess" foreign (Western) brands. Table 11

Table 11

Linear regression analysis predicting the relationship between the Chinese consumers' attitudes toward foreign (Western) apparel brands and attitudes toward counterfeit apparel products, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	290.02	290.02	263.88	0.00	0.18
Residual	1197	1315.59	1.10			
Total	1198	1605.61				

Predictor	B	SE B	β	t	p
Attitudes towards Foreign Apparel Brands	0.50	0.03	0.43	16.24	0.00

Note: Significant if p < 0.001

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Attitudes toward Chinese Domestic Brands and Attitudes toward Counterfeit

Apparel Products

Hypothesis 3: Chinese consumers with more favorable attitudes toward Chinese domestic

apparel brands will have less positive attitudes toward counterfeit apparel products compared to

Chinese consumers with less favorable attitudes toward domestic apparel brands.

A linear regression test was used to explore the relationship between Chinese consumers'

attitudes toward Chinese domestic apparel brands and their attitudes toward counterfeit apparel

products. The regression result was negative which indicated that Chinese consumers with a

stronger positive attitude toward Chinese domestic brands are more likely to hold negative

attitudes toward counterfeit apparel product. Therefore, the results of the regression analysis

support Hypothesis 3 (see Table 12). The result of Hypothesis 3 is an original finding that

contributes to the Chinese consumer behavior research, whereas prior research only confirmed

the ability of counterfeit producers to closely imitate foreign (Western) high-end brand products

in terms of design and quality as the major contributor to the increase of counterfeit attitudes (Li

et al., 2012; *Sun News*, 2012; Zhang & Kim, 2012).

Table 12

Linear regression analysis predicting the relationship between the Chinese consumers' attitudes
toward China's domestic apparel brands and attitudes toward counterfeit apparel products, n =
1,199.
-

Source	*df*	*SS*	*MS*	*F*	*p*	*Adjusted R²*
Regression	1	219.09	219.09	189.15	0.00	0.14
Residual	1197	1386.52	1.16			
Total	1198	1605.61				
Predictor	*B*	*SE B*	*β*	*t*	*p*	
Attitude towards Domestic Apparel Brands	-0.51	0.04	-0.37	-13.75	0.00	

Note: Significant if $p < 0.001$

Face Consumption and Attitudes toward Foreign (Western) Apparel Brands

Hypothesis 4: Chinese consumers with a higher level of face-saving values hold a stronger positive attitude towards foreign (Western) apparel brands as compared to Chinese consumers with a lower level of face-saving values.

A simple linear regression was calculated predicting the relationship between Chinese consumers' level of face-saving values and their attitudes toward foreign (Western) apparel products. A significant positive relationship was found, which indicated that the Chinese consumers with a stronger positive attitude of foreign (Western) apparel brands have a higher level of face-saving values. Therefore, the regression results support Hypothesis 4 (see Table 13). The result of Hypothesis 4 is found to be consistent with previous studies, which reported a positive relationship between the "face consumption" culture and the Chinese consumers' favorable attitudes toward Western apparel brands (Jin & Kang, 2011). This is because, overall, Chinese consumer strongly believed the important and necessary of purchasing and wearing foreign (Western) brand apparel products properly in the public, which in order to maintain and keep their face/reputation in a higher level (Jin &Kang, 2011; Li, 2007).

Table 13

Linear regression analysis predicting the relationship between the Chinese consumers' level of face-saving values and attitudes toward foreign (Western) apparel products, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	112.10	112.10	127.84	0.00	0.10
Residual	1197	1049.62	0.88			
Total	1198	1161.71				

Predictor	B	SE B	β	t	p
Face Saving Values	0.47	0.04	0.31	11.31	0.00

Note: Significant if p < 0.001

Face Consumption and Attitudes toward Counterfeit Apparel Products

Hypothesis 5: Chinese consumers with a higher level of face-saving values hold more positive attitudes toward counterfeit apparel products as compared to Chinese consumers with a lower level of face consumption.

A simple linear regression was calculated to examine the relationship between Chinese consumers' level of face-saving values and attitudes toward counterfeit apparel brands. A significant relationship was found (see Table 14), indicating that Chinese consumers with a high level of face-saving values held more positive attitudes of counterfeit apparel products as compared to consumers with lower face-saving values. Therefore, the regression results support Hypothesis 5. In fact, face-saving values is a traditional Chinese culture trait that influences Chinese consumers desire to sustain their level of social status and reputation by purchasing counterfeit products that imitate famous foreign (Western) brand products, especially when consumers face limited financial capacity. Consequently, the finding of Hypothesis 5 not only confirmed the impact of face consumption on the Chinese consumers' attitudes toward foreign (Western) apparel brands, but also reaffirmed the relationship between the Chinese consumers'

face-saving values and their attitudes of counterfeit products bearing a "fake" Western fashion

brand.

Table 14

Linear regression analysis predicting the relationship between the Chinese consumers' level of
face-saving values and attitudes toward counterfeit apparel products, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	179.43	179.43	150.60	0.00	0.11
Residual	1197	1426.18	1.19			
Total	1198	1605.61				

Predictor	B	SE B	β	t	p	
Face Saving Values	0.59	0.05	0.33	12.27	0.00	

Note: Significant if $p < 0.001$

Face-saving Values and Materialistic Values

Hypothesis 6: Chinese consumers with a higher level of face-saving values hold stronger

materialistic values as compared to Chinese consumers with a lower level of face consumption.

A simple linear regression was conducted to evaluate the relationship between Chinese

consumers' levels of face-saving values and materialistic values. A significant positive

relationship was found (see Table 15), demonstrating that Chinese consumers with a higher level

of materialism also hold stronger face-saving values. Therefore, the regression results support

Hypothesis 6. The materialism scale previously discussed in this chapter, further confirmed an

overall high level of materialistic values among Chinese consumers. Thus, the result of

Hypothesis 6 is consistent with previous studies, which indicated that Chinese consumers with

strong face-saving values are also more materialistic than those less concerned with this cultural

norm (Eastman, et al., 1997; Faria, 2007; Podoshen st at., 2011).

Table 15

Linear regression analysis predicting the relationship between the Chinese consumers' level of face-saving values and materialistic values, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	48.56	48.56	268.01	0.00	0.18
Residual	1197	216.90	0.18			
Total	1198	265.46				
Predictor	*B*	*SE B*	*β*	*t*	*p*	
Face Saving Values	0.31	0.02	0.43	16.37	0.00	

Note: Significant if p < 0.001

Materialistic Values and Attitudes toward Counterfeit Apparel Products

Hypothesis 7: Chinese consumers with higher levels of materialistic values will have more favorable attitudes toward counterfeit apparel products compared to Chinese consumers with lower levels of materialistic values.

A simple linear regression was calculated to explore the relationship between Chinese consumers' values of materialism and their attitudes toward counterfeit apparel brands. A significant positive relationship was found. Therefore, the result of the regression supports Hypothesis 7 (see Table 16). This finding is consistent with existing research which showed that values of materialism was a major factor in influencing consumers' attitudes toward counterfeit products (Chan & Prendergest, 2007; Bai et al., 2008; Phau & Teah, 2009; Taromina & Cong, 2010).

Table 16

Linear regression analysis predicting the relationship between the Chinese consumers' materialistic values and attitudes toward counterfeit apparel products, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	325.67	325.67	304.56	0.00	0.20
Residual	1197	1279.94	1.07			
Total	1198	1605.61				

Predictor	B	SE B	β	t	p
Materialistic Value	1.11	0.06	0.45	17.45	0.00

Note: Significant if p < 0.001

Materialism and Attitudes toward Foreign (Western) Apparel Brands

Hypothesis 8: Chinese consumers with higher levels of materialistic values will have more favorable attitudes toward foreign (Western) apparel brands compared to Chinese consumers with lower materialistic values.

A simple linear regression was computed to examine the relationship between Chinese consumers' values of materialism and their attitudes toward foreign apparel brands. A significant positive relationship was found, indicating that Chinese consumers with more favorable attitudes toward foreign apparel brands also tend to have a higher level of materialism. Therefore, the result of the analysis supports Hypothesis 8 (see Table 17). This is consistent with previous studies, which concluded that Chinese consumers with a higher level of materialism also held more favorable attitudes toward foreign apparel brands (Jin & Kang, 2011).

Table 17

Linear regression analysis predicting the relationship between Chinese consumers' materialistic values and attitudes toward foreign (Western) apparel brands, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	196.95	196.95	244.36	0.00	0.17
Residual	1197	964.77	0.81			
Total	1198	1161.71				
Predictor	*B*	*SE B*	*β*	*t*	*p*	
Materialistic Value	0.86	0.06	0.41	15.63	0.00	

Note: Significant if p < 0.001

Materialism and Negative Attitudes toward China's Domestic Apparel Brands

Hypothesis 9: Chinese consumers with higher levels of materialism will have stronger negative attitudes toward Chinese domestic apparel brands compared to Chinese consumers with less materialistic values.

A simple linear regression was performed to examine the relationship between Chinese consumers' level of materialistic values and their attitudes toward China's domestic apparel brands. A significant negative relationship was found (see Table 17), demonstrating that Chinese consumers more materialistic in nature hold greater negative attitudes toward China's domestic apparel brands. Therefore, the regression results support Hypothesis 9.

Table 18

Linear regression analysis predicting the relationship between Chinese consumers' materialistic values and attitudes toward China's domestic apparel brands, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	56.30	56.30	84.38	0.00	0.07
Residual	1197	798.67	0.67			
Total	1198	854.97				
Predictor	*B*	*SE B*	*β*	*t*	*p*	
Materialistic Value	-0.46	0.05	-0.26	-9.19	0.00	

Note: Significant if p < 0.001

Ethical Values and Attitudes toward Counterfeit Apparel Products

Hypothesis 10: Chinese consumers with higher ethical values will have less favorable attitudes toward counterfeit apparel products compared to Chinese consumers with lower ethical values.

A simple linear regression was calculated to analyze the relationship between Chinese consumers' ethical values and their attitudes toward counterfeit apparel products. The regression result indicated a significant positive relationship which indicated that Chinese consumers with higher ethical values did not hold more negative attitudes toward counterfeit products – which indicates that Chinese consumers with higher ethical values actually have more favorable attitudes towards counterfeit apparel products. Therefore, Hypothesis 10 is rejected. Chapter Five will further explain the implications of this finding.

Table 19

Linear regression analysis predicting the relationship between the Chinese consumers' ethical values and attitudes toward counterfeit apparel products, n = 1,199.

Source	df	SS	MS	F	p	Adjusted R^2
Regression	1	433.00	433.00	442.00	0.00	
Residual	1197	1172.61	0.98			
Total	1198	1605.61				

Predictor	B	SE B	β	t	p
Ethical Values	0.55	0.03	0.52	21.02	0.00

Note: Significant if p < 0.00

Summary of Findings

Based on the findings of hypothesis testing, Chinese consumers' attitudes of counterfeit apparel products were influenced by their level of perception about knowledge of counterfeit apparel products, attitudes of foreign (Western) and China's domestic apparel brands, and their level of materistic values. Similarly, Chinese consumers' attitudes of foreign (Western) apparel brands were impacted by their attitudes of China's domestic apparel brands, materialistic values, and ethical values. However, Chinese consumers' attitudes of China's domestic apparel brands are only influenced by their level of materialistic values. In addition, the Chinese consumers' materialistic values were able to affect their level of ethical values.

Chapter 5 - Discussion

This chapter presents the discussion of findings of this study examining the major factors that impact Chinse consumers' attitudes toward counterfeit apparel products, foreign (Western) apparel brands, and Chinese domestic apparel brands. Also, a summary of results, contributions to theory, academia, and the industry, implications, and limitations of this study are presented in this chapter. A discussion of recommendations for future research is included at the end of this chapter.

Summary of Results

Previous research has reported a significant relationship between perception about knowledge of counterfeit apparel products and attitudes toward counterfeit apparel products in different societies around the world, including the United States, Iran, and the United Kingdom (Bian & Moutinho, 2011; Hanzaee & Ghafelehbashi, 2012; Kozar & Marcketti, 2008). Nevertheless, there has been a lack of existing research investigating the relationship among these variables in China. Therefore, a purpose of the present study was to extend the body of perceived knowledge evaluating the relationship between perception about knowledge and attitudes toward counterfeit apparel products in China, as reflected in Hypothesis 1

Hypothesis 1: Chinese consumers with a higher perception about knowledge of counterfeit apparel products have a stronger negative attitude toward counterfeit apparel compared to Chinese consumers with a lower perception about knowledge of counterfeit apparel products.

The data analysis of the first hypothesis confirmed a significant negative relationship between Chinese consumers' perception about knowledge of counterfeit apparel products and their attitudes toward counterfeit apparel products. As indicated, an increase in Chinese consumers' perception about knowledge of counterfeit apparel products results in their negative

attitudes toward counterfeit apparel products. There is no existing research to indicate the level

of Chinese consumers' knowledge about counterfeit apparel products. In this study, the summed

mean variable for the scale of Chinese consumers' knowledge about counterfeit apparel products

was reported as 2.3 while the scale of Chinese consumers' attitudes toward counterfeit apparel

products for the summed mean variable was reported as 3.0. This finding provides the first

indication that Chinese consumers' have a low level of knowledge about counterfeit apparel,

which may result in holding more positive attitudes toward counterfeit apparel products. This

finding is similar to Cao et al., (2005) which stated that Chinese students had less perception

about knowledge of Intellectual Property Rights (IPR), which caused them to believe that

counterfeit products had not violated the IPR of the trademark product. Within this study,

participants reported less perception about knowledge of counterfeit apparel products. Therefore,

social responsibility education aimed at expanding Chinese society's perceived knowledge

regarding the unintended social consequences of purchasing counterfeit apparel products may

potentially change Chinese consumers' appetites for counterfeit apparel products. Such a finding

is in line with existing research conducted in the United States, Iran, and the United Kingdom

(Bian & Moutinho, 2011; Hanzaee & Ghafelehbashi, 2012; Kozar & Marcketti, 2008).

Hypothesis 2: Chinese consumers with more favorable attitudes toward foreign (Western)

apparel brands will have more favorable attitudes toward counterfeit apparel products compared

to Chinese consumers with less favorable attitudes toward foreign apparel brands.

The data analysis of the second hypothesis found a significant positive relationship

between Chinese consumers' attitudes toward foreign (Western) apparel brands and attitudes

toward counterfeit apparel products. This particular result shows that, to some extent, face-

saving values may contribute to the positive attitudes toward counterfeit apparel products among

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Chinese consumers, as the face-saving values may exacerbate the aspirational desire to own foreign (Western) brand products. Because face-saving values are perceptional in nature, it requires continuous education and campaigning to influence public opinion regarding the perceived value of foreign (Western) brands as status symbols. Educational policy needs to aim at altering consumers' objectives from materialism-based to more sustainability-based, which would potentially successfully reduce Chinese consumers' overall positive attitudes toward counterfeit apparel products.

The increase in Chinese consumers' favorable attitudes toward foreign (Western) brands has taken a toll on the business viability of Chinese domestic products. Unfortunately, existing studies have found that Chinese consumers tend to hold more favorable attitudes toward counterfeits when their perceived view of China's domestic brands is low (Li et al., 2012; Zhang & Kim, 2012). Nevertheless, there is no existing research that directly investigates the relationship between Chinese consumers' attitudes toward China's domestic apparel brands and counterfeit apparel products. Hence, an empirical study further investigating the relationship between Chinese consumers' attitudes toward China's domestic apparel brands and counterfeit products in China is warranted.

Hypothesis 3: Chinese consumers with more favorable attitudes toward China's domestic apparel brands will have less positive attitudes toward counterfeit apparel products compared to Chinese consumers with less favorable attitudes toward domestic apparel brands.

The data analysis of the third hypothesis revealed a significant negative relationship between Chinese consumers' attitudes toward Chinese domestic apparel brands and attitudes toward counterfeit apparel products. Therefore, Chinese consumers with negative attitudes toward domestic brands are more likely to purchase counterfeit goods. The perceived inferior

quality of China's domestic products has persuaded Chinese consumers to purchase their foreign (Western) counterparts (*Sun News*, 2012). At the same time, the face-saving values among the Chinese exacerbate the endorsement and consumption of counterfeit foreign (Western) products (Jap, 2010). Thus, the researcher aimed at examining the relationship between face-saving values and attitudes toward foreign (Western) apparel brands.

Hypothesis 4: Chinese consumers with a higher level of face-saving values hold a stronger positive attitude towards foreign (Western) apparel brands as compared to Chinese consumers with a lower level of face-saving values.

In this study, the mean variable for the scale of Chinese consumers' face-saving level was reported as 4.3 while the scale of Chinese consumers' attitudes toward counterfeit apparel products for the summed mean variable was reported as 3.0. Within this finding show that Chinese consumers' favorable attitudes toward counterfeit apparel products are associated with the Chinese traditional culture of "face-saving values." Prior studies have concluded a positive relationship between face-saving values and attitudes toward foreign (Western) brands (Jin & Kang, 2011; Magni & Atsmon, 2010). As a result, China has become the largest counterfeit market and supply chain in the world (Getrth, 2011; MacLeod, 2011). Most of the counterfeit products circulated in the Chinese market are imitations of luxury foreign brands.

The data analysis of the fourth hypothesis showed a significant positive relationship between Chinese consumers' level of face-saving values and their attitudes toward foreign (Western) apparel products. This finding is concurrent with research conducted by Jap (2010), which stated that Chinese consumers' face-saving values positively influences their consumption behavior toward global (Western) apparel fashion products. Face-saving values are a traditional value that exist in Asian countries. As stated previously, Chinese consumers with stronger face-

saving values can directly cause them to have more concern about the brand status of products in comparison to people less concerned with this cultural norm. Therefore, the researcher predicted that the face-saving values and Chinese consumers' tendency to associate foreign (Western) apparel brands with a higher status symbol can potentially motivate them to purchase counterfeit foreign (Western) brand products when their financial resources are limited. Thus, the fifth hypothesis aimed at testing the relationship between Chinese consumers' face-saving values and their attitudes toward counterfeit apparel products.

Hypothesis 5: Chinese consumers with a higher level of face-saving values hold more positive attitudes toward counterfeit apparel products as compared to Chinese consumers with a lower level of face consumption.

The data analysis showed a significant positive relationship between Chinese consumers' levels of face-saving values and their attitudes toward counterfeit apparel products. This finding is concurrent with research conducted by Jap (2010), who successfully demonstrated that Chinese consumers have a higher preference for counterfeit products, as influenced by their face-saving values; as well as Zhang and Cao (2010), who stated that there is a positive relationship between Chinese consumers' face-saving values and their favorable attitudes toward counterfeit products. Thus, the present study also confirms the role of culture in determining an individual's purchasing behavior. 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 sustainable alternative to success and happiness. However, given the history of this cultural norm in China, testing multiple methods for modifying this norm should be a focus of further research. Existing research has shown that consumers with strong face facing values also tend to be materialistic and associate the ownership and acquisition of materials as a symbol of success

(Faria, 2013; Richins & Dawson, 1992). Therefore, the researcher recognized the importance of examining the relationship between the Chinese consumers' face-saving values and materialistic values as explored in Hypotheses 6 and 7.

Hypothesis 6: Chinese consumers with a higher level of face-saving values hold stronger materialistic values as compared to Chinese consumers with a lower level of face consumption.

Hypothesis 7: Chinese consumers with higher levels of materialistic values will have more favorable attitudes toward counterfeit apparel products compared to Chinese consumers with lower levels of materialistic values.

The data analysis revealed a significant positive relationship between Chinese consumers' levels of face-saving values and their materialistic values, and between Chinese consumers' materialistic values and attitudes toward counterfeit apparel products. According to previous research, Chinese young adults have a very high level of materialism in comparison to other countries (Eastman, et al., 1997; Podoshen et at., 2011). At the same time, Jin and Kang (2011) stated that Chinese consumers have a strong "face consumption" and a high level of materialism. With strong face-saving values and materialistic values at the same time, Chinese consumers emphasize obtaining material products to showcase their success in life. Hypothesis 6 also confirms the findings by Richins and Dawson (1992) that reported that due to strong materialistic values, Chinese consumers tend to obtain highly recognized brand products to display their wealth and social status. Research also showed that Chinese consumers are willing to purchase imitations of famous Western luxury brands that can boost their social status in public (Bian & Roll, 2007). As part of the current project, the data analysis served as another confirmation of the strong impact of consumers' levels of materialism on their attitudes toward counterfeit apparel products.

Hypothesis 8: Chinese consumers with higher levels of materialistic values will have more favorable attitudes toward foreign (Western) apparel brands compared to Chinese consumers with lower materialistic values.

The data analysis confirmed this hypothesis, concluding that there is a significant positive relationship between Chinese consumers' materialistic values and attitudes toward foreign (Western) apparel brands. This finding is concurrent with an existing study by Jin and Kang (2011), which reported that Chinese consumers with higher levels of materialistic values tend to hold more favorable attitudes toward foreign (Western) apparel brands. Today, because of rapid economic growth and modernization in China, Chinese consumers have become more individualistic and materialistic (Piron, 2006; Mariotheradical, 2012; Wang, 2010) as a result, Chinese consumers are more likely to adopt Western cultures and products (Jin & Kang, 2011). This phenomenon has taken a toll on China's domestic apparel brands' market shares as the demand for Western goods has increased in the Chinese marketplace (Shen & Zhou, 2012).

Hypothesis 9: Chinese consumers with higher levels of materialistic values will have stronger negative attitudes toward Chinese domestic apparel brands compared to Chinese consumers with less materialistic values.

The data analysis of Hypothesis 9 confirms the finding of Chinese consumers have greater attitudes of foreign (Western) apparel brand products but negative attitudes of China's domestic apparel product, while they were more materialistic (Dickson et al., 2004). The results of the linear regression revealed a significant negative relationship between Chinese consumers' values of materialism and attitudes toward China's domestic apparel brands. People who hold stronger materialistic values tend to avoid purchasing China's domestic products. A previous study noted that inferior quality and safety issues have resulted in negative perceptions about China's domestic

apparel brands (Shen & Zhou, 2009). Likewise, as discussed previously, consumers more materialistic in nature tend to gravitate more to Western brands as a sign of social status. Because of this, more than 20,000 of China's domestic apparel stores have closed down their operations in 2014 and 2015 (China Clothing Alliance, n.d.; Ebrun, 2016; *Wingshang News*, 2014).

Beside the relationship between consumers' materialism and their attitudes of counterfeit apparel product. Between materialism and ethical values, Lu and Lu (2010), Teik et al., (2013), and Vitell et al., (2001) believed that materialism and ethical judgment are related among the consumers. As a result, the studies conducted by Martin (2003), Muncy and Eastman (1998), and Rallapalli et al., (1994) confirmed a negatively relationship between consumers' materialism and their ethical standards. Therefore, the research predicts a negative relationship between Chinese consumers' ethical values and their attitudes of counterfeit apparel products, while a positive relationship between Chinese consumers' materialistic values and their attitudes toward counterfeit apparel product.

Hypothesis 10: Chinese consumers with higher ethical values will have less favorable attitudes toward counterfeit apparel products compared to Chinese consumers with lower ethical values.

Existing studies have shown a significant negative relationship between consumer ethics and attitudes toward counterfeit products (Matos et al., 2007; Moores & Chang, 2006). Matos, Ituassu, and Rossi (2007) had confirmed that consumers had lower ethical standers would lead themselves to have unfavorable attitude toward counterfeits. Also, Moores and Chang (2006) found that consumers' attitudes toward unauthorized products had significant changed from positive to negative, while their ethical judgment level was increased. Nevertheless, the data analysis of the present study found a significant positive relationship between Chinese consumers' ethical values and attitudes toward counterfeit products. Therefore, Hypothesis 10 was rejected.

In this study, the summed mean variable for the scale of Chinese consumers' ethical values was reported as 3.0 while the scale of Chinese consumers' attitudes toward counterfeit apparel products for the summed mean variable was reported as 3.0. Within this finding shows that the Chinese consumers have a moderate level of ethical values in this study. Therefore, the medium level of ethical values is negatively related to the Chinese consumers' attitudes toward counterfeit apparel products. It seems that there is a distortion between ethical values and buying counterfeit apparel products among Chinese consumers. This finding is consistent a research conducted by Teik et al., (2013) discovered that Malaysian consumers also having a high level of ethical standard while having a positive attitude toward counterfeit products. The other possible reason for this finding is that Chinese consumers, overall, lack an understanding of the negative consequences of buying counterfeit goods, because the summed mean variable of the Chinese consumers' perception about knowledge of counterfeit apparel products was only 2.3 in this study. This result opens an opportunity for future research investigating the reasons that Chinese consumers do not feel unethical when purchasing counterfeit apparel products and the most effective tools for educating consumers on the negative impacts surrounding the production and distribution of counterfeit goods.

Contributions to Theory

As part of this study, it was found that Chinese consumers' perception about knowledge of counterfeit apparel products, attitudes toward foreign (Western) apparel brands, face-saving values, materialistic values, and ethical values are major factors influencing Chinese consumers' attitudes toward counterfeit apparel products, foreign (Western) apparel brands, and China's domestic apparel brands. Several theories were used to guide this study.

Tricomponent Attitude Model

In Chapter 2, the researcher discussed how the cognitive and affective components of attitudes are used as predictors in the Tricomponent Attitude Model. While both the cognitive and affective components influence consumers' attitudes toward objects, each component represents different entities in the model. The cognitive component embodies consumer perceived knowledge and perceptions, whereas, the affective component signifies consumers' feelings and interest in a specific object. Therefore, the researcher adopted the two components (cognitive and affective) to examine three different relationships among the variables in the present study including: the relationship between Chinese consumers' perception about knowledge of counterfeit apparel products (cognitive component of the Model) and their attitudes toward counterfeit apparel products (affective component); the relationship between Chinese consumers' attitudes toward foreign (Western) apparel brands and their attitudes toward counterfeit apparel products (both affective components of the Model); and lastly, the relationship between Chinese consumers' attitudes toward China's domestic apparel brands (affective component of the Model) and counterfeit apparel products.

In the present study, the researcher utilized the cognitive element of the Tricomponent Attitude Model to represent the Chinese consumers' perception about knowledge of counterfeit apparel products. The previous study conducted by Schiffman and Kanuk (2004) concluded that a person's perceived knowledge about an object or concept (cognitive) attributes to the consumers' attitude-object processing (affective component of the Model). In addition, Polfer (2013) utilized the Tricomponent Attitude Model as a theoretical foundation to examine consumers' perceived knowledge and attitudes toward counterfeit apparel products. Polfer (2013) indicated that consumers' perception about knowledge of counterfeit apparel significantly

decreased their purchase intention of counterfeit apparel products. Therefore, as a part of Tricomponent Attitude Model, the cognitive component has provided a theoretical interconnection to support the first hypothesis testing in this research (Chapter 4), which predicted that the Chinese consumers with higher perception about knowledge of counterfeit apparel products (cognitive component of the Model) would have more negative attitudes of counterfeit apparel products (affective).

Moreover, the researcher applied the affective component of the Tricomponent Attitude Model to signify Chinese consumers' attitudes of foreign (Western) apparel brands and their attitudes of domestic apparel brands. Schiffman and Kanuk (2004) define that the consumers' positive or negative feelings, evaluation, or emotions of a specific object can influence their attitudes of objects (the affective component of the Model). Thus, the affective component of the Tricomponent Attitude Model also supported the second and third hypotheses testing in this study (Chapter 4). It was revealed that both the Chinese consumers' favorable attitudes toward foreign (Western) apparel brands and negative attitudes toward domestic brands (the affective component of the Model) would result in their favorable attitudes toward counterfeit apparel products.

Both previous research and the current study's results demonstrate that the Tricomponent Attitude Model is beneficial in predicting the relationship between counterfeit perceived knowledge and attitudes toward counterfeit apparel products. Additionally, given the results of this study, the model can be utilized further in hypothesizing the relationships among consumers' perceived knowledge, attitudes, and their actual purchasing behavior. For future research opportunities, the Tricomponent Attitude Model can also be used to investigate how the

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consumers' attitudes of an object (affective component) influence their purchasing behavior (behavioral component).

Value-Attitude-Behavior Model

The Value-Attitude-Behavior Model developed by Vaske and Donnelly (1999) is a popular model that is widely applied to research exploring the impact of values on attitudes and then, in turn, the significance of attitudes in predicting behavior. As far as is known, the Value-Attitude-Behavior Model has never been applied to examine consumers' values and attitudes toward counterfeit apparel products. However, Vaske and Donnelly stipulate that value predicts attitudes, and in turn, attitudes facilitate the relationship between values and behavior. In other words, the Vaske and Donnelly Model explains the drivers of an individual's actions. This suggests that the Value-Attitude-Behavior Model is suitable for exploring the relationships between consumers' values and attitudes. As part of this study, the element of values included Chinese consumers' face-saving values, materialistic values, and ethical values. The element of attitudes translates to Chinese consumers' attitudes toward counterfeit apparel products, China's domestic apparel brands and foreign (Western) apparel product brands. The Value-Attitude-Behavior Model was utilized given that it provides a hierarchical consumer-behavior structure for this study to examine the relationships between Chinese consumers' face-saving values, materialistic values, and ethical values and their attitudes toward counterfeit apparel products, foreign (Western) apparel brands, and China's domestic apparel brands. For example, it was found that Chinese consumers who had high materialistic values also had more positive attitudes toward foreign (Western) apparel brands and counterfeit apparel products, and more negative attitudes toward China's domestic apparel brands.

It is equally important to note that Chinese consumers who held a low level of ethical values possessed more positive attitudes toward counterfeit apparel products. These findings support that Chinese consumers' materialism and ethical values, which are representative of values and attitudes included as part of the Model, were two major factors that significantly influenced Chinese consumer's positive attitudes toward counterfeit apparel products, foreign (Western) apparel brands, and China's domestic apparel brands. Therefore, the Value-Attitude-Behavior Model is an appropriate theoretical model for future research exploring consumers' attitudes as predicted by their personal values.

Theory of Basic Values

The Theory of Basic Values, which was developed by Shalom H. Schwartz (1994 & 2012), has been widely adopted in social sciences to study human values, attitudes and behaviors toward ideas or objects (Schwartz, 2012; Weber, 1958). Schwartz (1994) stated that there must be significant causal sequences between values, attitudes, and behavior. Schwartz (1994) stated that personal values and cultural values are equally influenced by human's attitudes toward a subject, and in turn impact their purchase behaviors as a final result. Therefore, the Theory of Basic Values is as significant as the Value-Attitude-Behavior Model in examining the relationship between consumers' values and attitudes for this study.

The values component of the Theory of Basic Values represents Chinese consumers' face-saving values, materialistic values, and ethical values for this study. The attitudes component of the Theory of Basic Values represents Chinese consumers' attitudes toward counterfeit apparel products, foreign (Western) apparel brands, and China's domestic apparel brands. Seven hypotheses examined whether Chinese consumers' attitudes toward counterfeit apparel products, foreign (Western) apparel brands, and China's domestic apparel brands were

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significantly related to their face-saving values, materialistic values, and ethical values. For example, among the findings of this study, it was deduced that Chinese consumers have more positive attitudes toward counterfeit apparel products and foreign (Western) apparel brands when they have high levels of materialism and face-saving values. In contrast, Chinese consumers who have high levels of face-saving values have negative attitudes toward China's domestic apparel brands.

Ten Motivational Values Model

The Ten Motivational Values Model is the extension model of the Value-Attitude-Behavior Model, which was originally developed by Schwartz (1992). The ten personal values consist of Power, Achievement, Hedonism, Stimulation, Self-Direction, Universalism, Benevolence, Tradition, Conformity, and Security. Each of the values belongs to different quadrants in the Ten Motivational Values Model, as such Power, Achievement, Hedonism values are situated in the Self-Enhancement quadrant; whereas, Stimulation and Self-Direction values are located in the Openness to Change quadrant. Universalism and Benevolence values are positioned in the Self-Transcendence quadrant, and Tradition, Conformity, and Security values are placed in the Conservation quadrant. Schwartz (1994 & 2012) has further specified these ten basic values in a compatible with Conservation and Self-Enhancement quadrants while conflicting with Self-Transcendence and Comparatively quadrants.

As previously discussed in Chapter 3, Schwartz (1994 & 2012) determined that the traditional values are appropriately located in the Tradition sub-dimension of the Conservation quadrant in the Ten Motivational Values Model. Also, Burroughs and Rindfeisch (2002) confirmed that the suitable location of materialistic values is in the Self-Enhancement quadrant. Therefore, in this study, the researcher determined that the Chinese traditional value of face-

saving should belong to the Tradition sub-dimension in the Conservation quadrant, which has a congruent relationship with materialistic values located in the Self-Enhancement quadrant. The hypotheses testing reported in Chapter 4 further showed that the Chinese consumers would have a higher level of face-saving values (Conservation dimension of the Model) when they hold a strong materialistic values (Self-Enhancement dimension of the Model). Consequently, these two quadrants in the Ten Motivational Values Model provided a fundamental theoretical support for the variables selected for this study.

Previous research adopted the Ten Motivational Values Model to analyze the relationship between personal values and cultural values (Fung et al., 2016; Fischer, 2006; Ostroff et al., 2005; Zhang et al., 2016). However, none of these studies analyzed the relationship between personal values (materialistic values and ethical values) and cultural values (face-saving values), and human's attitudes of objects. In addition, there is no existing study that examines the relationship between the Self- Enhancement dimension and Conservation dimension in the Ten Motivational Values Model.

Therefore, following Shalom Schwartz's suggestion (Personal communication, Aug. 23, 2016), the researcher utilized the Ten Motivational Values Model as a theoretical foundation to analyze the compatible relationship between face-saving values and materialistic values. Applying the model, the researcher identified that Chinese consumers with a higher level of face-saving values (Cultural values) held stronger materialistic values (Personal values). Therefore, it is beneficial for future researchers to adopt the Ten Motivational Values Model to study the relationship between culture and personal values. Indeed, it is constructive for researchers to inspect other relevant values' relationships in the Ten Motivational Values Model; for example, in Boer and Fischer's (2013) study have specified a significant relationship between people's

strong individualism values (personal values) as an independent variable guided them to have more positive collectivism values (personal values) as dependent variables. This significant relationship also directly influences people's attitudes. Therefore, it is significant to analyze how Achievement values and Creativity values, which are Personal Values, influence Culture Values, which include Harmony values, Effort values, and Collectivism values for the future study.

Contributions to Academia

The findings of this study revealed the significant relationship among Chinese consumers' perception about knowledge of counterfeit and their attitudes of counterfeit apparel products. Chinese consumer's limited perception about knowledge of counterfeit goods has stimulated Chinese consumer's positive attitudes toward counterfeit apparel products and disseminated the existence of the domestic market for such a product. Therefore, China is in a great need to develop and enhance anti-counterfeit product educational programs, which aims at educating the consumer on how to identify counterfeit products and improve their awareness about the dangers and consequences of buying and using counterfeit products. Future research should explore the most effective methods for educating Chinese consumers on the negative consequences of purchasing counterfeit apparel goods.

Previous studies (Ang et al., 2001; Koklic, 2011; Marcketti & Shelley, 2009; Polfer, 2013) demonstrate that anti-counterfeit education has an impact on consumers' views of counterfeiting. For example, Ang et al. (2001) and Cordell et al. (1996) confirmed that American students gained perceived knowledge about the harmful effects of counterfeit trading through the anti-counterfeit educational programs. The programs included lectures on the crime of violating Intellectual Property Rights, the negative impacts on economic growth caused by counterfeit trade, and unethical consumer behaviors, such as purchase counterfeit products. Also, the anti-

counterfeit lecture conducted by Polfer (2013) was found to increase college students' negative attitudes of counterfeit apparel products.

Most consumers in previous studies had very little information related to counterfeiting before anti-counterfeit programs (Marcketti & Shelley, 2009). Therefore, educators need to develop and promote anti-counterfeit educational programs for the public, which hopefully would increase their perceptions about knowledge of counterfeiting and change consumers' views and buying habits toward counterfeit products. During anti-counterfeit educational programs, educators should firstly explain the basic definition of "counterfeit" and specifics and features of counterfeit products. In addition, educators should remind consumers with strong face consumption and materialistic values to be aware of the negative by using counterfeit products, which would cause them to lose their face in public for supporting criminal trading.

The previous studies showed that Chinese consumers have created a special nickname to describe counterfeit products known as Shanzhai, a practice associated with purchasing and using counterfeit products. Shanzhai has distorted the concept of Intellectual Property Rights of China's domestic and foreign (Western) brand owners and designers around the world, which can potentially harm the global apparel market and economic. The previous chapters discussed how the Shanzhai version of Chinese domestic and foreign (Western) apparel brands has started to emerge in the market, resulting in billions of dollars being lost. The large amount of counterfeit product consumption causes by the Chinese consumers have a low Intellectual Property Rights awareness.

Liu (2012) stated that Chinese consumers have less information regarding copyright and trademark laws than consumers in the United States. To compare with Confucian ideals, Intellectual Property Rights are still a new concept for Chinese consumers. Consequently, it is

reasonable to establish research and run lectures to educate Chinese consumers about the concept of Intellectual Property Rights and related laws. This will hopefully assist Chinese consumers in understanding the details and importance of following and respecting Intellectual Property Rights for society and their country.

In the meantime, this study found that Chinese consumers' face-saving values and materialistic values were factors which influenced their attitudes toward counterfeit apparel products, foreign (Western) apparel brands, and China's domestic apparel brands. These significant relationships contribute a strong foundation to future researchers, who are interested in investigating motivational factors, such as individual's values and culture values, which may directly or indirectly influence Chinese consumers' attitudes and purchase intentions toward counterfeit products, foreign (Western) apparel brands, and China's domestic apparel brands. Furthermore, it is beneficial for future researchers to expand the perception about knowledge of theories about consumers' behavior and psychology toward counterfeit products, foreign (Western) apparel brands, and China's domestic brands.

Moreover, this study provides an insight into the Chinese consumers' face-saving (Mianzi) culture which influences the Chinese consumers' attitudes toward various apparel brands, which include China's domestic and foreign (Western) apparel brands. With a population of more than 1.3 billion people, 56 different ethnic minorities, and more than 5,000 years of history, China provides a huge reference point for further research in the areas of Chinese cultural values including face-saving (Mianzi) values, values of relation (Guanxi), and energy values (Fengshui). Guanxi as a traditional Confucian cultural value and meaning of a network related to individual, organizations and involve in business, social, and political fields. Many studies have found that Guanxi is a critical factor to improve business relationship, environment

and profit (Bedford, 2011), consumers' unethical behavior (Liu et al., 2014), and consumers' attitudes (Gao et al., 2012). Therefore, it is significant for the future researchers to investigate the potential relationship between consumers' Guanxi values and their attitudes toward various apparel brand products.

The findings of the present study also confirmed materialistic values as the second most stronger causal factors after the face-saving values that contributes to Chinese consumers' positive attitudes toward counterfeit apparel products. Existing research stipulated that materialistic consumers tend to have lower sustainability consumption behaviors than those less materialistic (Jap, 2009). In this case, university faculty need to go through educational programs to promote socially responsible purchase behaviors as an effort to curb Chinese consumers' levels of materialism and purchase intentions toward counterfeit products.

Contributions to Industry

Within this study, the research predicts that Chinses consumers with less awareness of counterfeit apparel products while the summed mean variable for the Chinese consumers' perception about knowledge of counterfeit apparel products was reported only 2.3. The lower level perceived knowledge of counterfeit apparel products directly impacts the Chinese consumers would have difficulty in identifying counterfeit apparel products. Thus, it is imperative for luxury brand companies to register their trademark with customs officers, incorporate the use of technology to protect their trademarks (for example, embedded microchips for scanning by customs officials), and innovate their products to make them unique and difficult to be imitated, such as high quality materials and laser print technology production into products' appearance. These precautions will hopefully help Chinese consumers to differentiate the genuine brand products from the counterfeit products. It is also equally important for luxury

brand companies to build up a monitoring system to protect the production facilities from industrial espionage by counterfeit producers who target the production techniques and material sourcing of the genuine products. Continued collaboration and communication with law enforcement will possibly strengthen the effort to restrain counterfeit business activities on the black market and online world.

Nevertheless, as was previously discussed, a lower price is the main factor that encourages Chinese consumers to have a higher preference for counterfeit products when they have higher face-saving values and limited financial support. For this reason, luxury apparel brand owners should design or promote a new product line which is offered at a lower price but is consistent with product quality assurance of the genuine brand. This approach could result in a win-win solution for both Chinese consumers and luxury brands producers, as it could open a new market for the luxury brand producers targeting middle-income Chinese consumers, curtailing the Chinese consumers' attitudes and purchase intentions toward counterfeit products, and at the same time maintaining Chinese consumers' face-saving values (Mianzi) in public. For example, Georgio Armani S.P.A. has expanded its business by opening a lower price lineup known as Armani Exchange.

Another important finding of this study showed that Chinese consumers with more positive attitudes toward foreign (Western) apparel brands held more negative attitudes toward China's domestic apparel brands. Chinese consumers believe that foreign (Western) apparel brands are better in overall quality than China's domestic apparel brand products (Jin & Kang, 2011). Moreover, the previous studies showed that Chinese consumers are most likely to purchase foreign (Western) apparel brand products because of their well-known brand image (Bian & Moutinho, 2009; Jin & Kang, 2011; Pure Shanghai, 2016). For these reasons, it is

imperative that Chinese domestic apparel brands improve their quality. If they develop a better brand image, then they will possibly be able to change Chinese consumers' attitudes toward China's domestic apparel brands.

According to the data analysis and results of the present study, more than 50% of participants sometimes consider purchasing China's domestic apparel brands. Thus, in the mind of Chinese consumers, China's domestic apparel brands are still one of their purchase options. Therefore, it is better for the future researchers to focus on developing an effective business strategy to help Chinese domestic apparel brands gain more market share even though Chinese consumers have more positive attitudes toward foreign (Western) apparel brands.

Overall Implications of Study

Analysis of the data showed that Chinese consumers perceive themselves to have a low level of perception about knowledge of counterfeit apparel products. Hence, lower perception about knowledge of about counterfeits becomes a major factor that influences Chinese consumers' attitudes toward counterfeit apparel products. This result is the same as previous research conducted by Polfer (2013) which stated that consumers' perception about knowledge of about counterfeit apparel products is a main factor that is able to influence their purchase behaviors toward counterfeit apparel products. Consequently, luxury brand producers, China's government, and educators should work together to educate Chinese consumers about how to discriminate between genuine products and counterfeit products. To improve Chinese consumers' limited perception about knowledge of counterfeit products, it is beneficial to develop anti-counterfeit curriculums that include topics such as Intellectual Property Rights, product safety, and sustainable purchase behaviors.

China's government should develop and strengthen digital platforms for Chinese consumers to report counterfeit trading, such as reporting through the government's online communication system, such as the China's website for the campaign against IPR infringements and counterfeits (2017) or create governmental Weibo's (Chinese version of Facebook) homepage anonymously. These outlets would not only show the government's attention to counterfeit trading but also improve protection for Chinese consumers, who mistakenly purchase counterfeit products.

Another significant finding from this study is that Chinese consumers have more positive attitudes toward foreign (Western) apparel brands when they have a higher level of materialism. This result is the same as the research conducted by Jin and Kang (2011), which showed that the "face consumption" culture directly increased Chinese consumers' favorable attitudes toward US apparel brands. These important findings are useful in strategizing for foreign (Western) apparel brand companies about Chinese consumers' purchase behaviors. Face-saving values (Mianzi), is a value that influences Chinese consumer's attitudes toward China's domestic and foreign (Western) apparel brands. Therefore, it is a good opportunity for apparel brand owners to do further marketing research that investigates how cultural and personal values impact purchase attitudes and intentions among Chinese consumers.

In the meantime, through this study, it was found that Chinese consumers have more positive attitudes toward foreign (Western) apparel brands compared to China's domestic apparel brands. Therefore, foreign (Western) apparel brand companies should use this opportunity to strongly promote their brands and products through China's popular social media (e.g., Wechat, Youku, Aiqiyi), Chinese popular fashion magazines (e.g., Ruili, Mina), and public advertising (e.g., subways, bus stations, taxis). In addition, foreign (Western) apparel brand companies

should focus on promoting the business concept of maintaining face or improving social status when they are advertising their new products to Chinese consumers. This could potentially help foreign (Western) apparel brand companies to attract Chinese consumers who have strong face-saving values and higher levels of materialism. These are the possible ways to attract and maintain Chinese consumers' attention and intentions toward apparel brands and products.

Previous research conducted by Moores and Chang (2006) and Matos, Ituassu, and Rossi (2007) stated that consumers have lower purchase intentions toward counterfeit products when they hold higher ethical values. However, ethical values did not significantly impact Chinese consumer's attitudes toward counterfeit apparel products in this study. In fact, in the Chinese tradition, ethical values are a concept that came from the five traditional conceptions: Confucianism, Mohism, 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, filial obtained from Daoism, honesty and honor sourced from Legalism, and mercy rooted in Buddhism. Therefore, the Muncy-Vitell (1992) model does not fully measure Chinese consumers' ethical values. In order to correctly inspect Chinese consumers' ethical values, future researchers should consider developing another ethical values scale more appropriate to the Chinese culture.

Limitations and Ideas for Future Research

The major limitation of this study is that the researcher did not provide brand and product names of foreign (Western) apparel brands, Chinese domestic apparel brands, and counterfeit apparel products. The researcher only described them as "China's domestic apparel brand", "foreign apparel brand" and "counterfeit product" as options for participants. This limitation could have possibly impacted participants' responses given their interpretations or perceived

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knowledge of these variables. In future research, it might be better to classify specific apparel brands and apparel product categories. This could provide more reliable findings and better assist apparel brand suppliers and retailers to develop more effective business strategies to increase their market share in the China's domestic apparel market.

The second limitation is that the majority of participants in this study were male consumers without a college degree. Although male consumers with secondary education represent a majority of population in China, this sample from the SOJUMP survey company does not represent the general population of Chinese consumers in China. Future studies need to make sure the balance of participants' gender and focus on higher education levels that include participants with advanced degrees. Participants who have higher educations may have a higher level of perception about knowledge of counterfeits, which may cause them to have different attitudes toward different apparel brands and products.

The third limitation is that the participants in this study were limited from four developed cities in China (e.g. Guangzhou, Sichuan, Wuhan, and Shanghai). The cities chosen for this study are first and second tier cities in China. Compared to other cities, these four cities have the highest number of middle-class consumers who accept cultural changes faster and more strongly influence each other as consumers. Consequently, the researcher believes that it would be beneficial to explore various tiered cities and age levels to get a full picture of the behaviors among different segments of consumers in China. Furthermore, the previous discussion and findings of this study could potentially provide significant insights for future researchers, who could extend the topic of purchase behavior in other Asian countries including Korea, Japan, Singapore, and Vietnam.

As far as Chinese consumers' values, the researcher only adopted face-saving values, materialistic values, and ethical values as variables in this study. It is recommended for future researchers to investigate the relationships between cultural, social, and individual values, as applied to consumer psychological research. Also, the researcher only studied Chinese consumers' levels of apparel counterfeit perceived knowledge and attitudes by using the Tricomponent Attitude Model as a foundation to examine the relationship among these variables. However, it is worthwhile to test participants' perception about knowledge of foreign (Western) apparel brand products and China's domestic apparel brand products. Thus, future researchers should examine whether or not Chinese consumers' attitudes toward foreign (Western) apparel brands and China's domestic apparel brands are influenced by their perception about knowledge of China's domestic and foreign (Western) apparel brand products' quality, raw materials, country of origin, and market segments. Finally, future researchers should also examine whether or not demographic variables, including income level, gender, age, and region have a significant impact on Chinese consumers' attitudes toward many different apparel brands and products.

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Appendix A - Questionnaire (English version)

Dear Participant,

Thank you for taking the time to participate in this short survey. Your answers will assist the researcher in gaining knowledge about Chinese consumers' apparel purchase behavior as China becomes the largest retail market in the world.

This is an anonymous survey which should take approximately 10-15 minutes to complete. You will not be asked any identifying information. You have the right to not finish this survey if you are not feeling comfortable for any of these questionnaires.

If you have any questions or concerns regarding to this survey, please contact Dr. Rick Scheidt, Chair Institutional Review Board, KSU, 785-532-3224 or Shuyi Huang, research investigator, KSU, shuyihi@ksu.edu. Thank you for your time and participation.

In order to help you fully understand the concept of some of the terms used in the survey, please take a few moments to read the following statement in detail:

Counterfeit products in the apparel industry are illegitimate merchandise which possess the appearance and often quality that is identical to authentic products. Some products, such as knockoff products, "Shanzhai," and Grey Area (A) Products are also recognized as counterfeit goods.

1Are you between the ages of 18 and 64?

☐　Yes　　　　　☐　No

2. Where do you currently live in China?

☐ Guangzhou　☐Wuhan　☐　Shanghai　☐ Sichuan　☐Other Cities

3. Where were you born in China?

☐ Guangzhou　☐Wuhan　☐　Shanghai　☐ Sichuan　☐Other Cities

Please Indicate Your Level of Agreement with the Following Statements	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I am familiar with counterfeit apparel.	1	2	3	4	5
I am familiar with efforts to stop counterfeit apparel.	1	2	3	4	5
I feel very knowledgeable about counterfeit apparel.	1	2	3	4	5
If a friend asked me about counterfeit apparel, I could give them detailed advice about different options.	1	2	3	4	5
I feel very confident about my ability to tell the difference in quality among of counterfeit apparel products versus non-counterfeit apparel products.	1	2	3	4	5
I am very confident in my ability to compare the features of counterfeiting.	1	2	3	4	5
I am very confident in my ability to identify counterfeit apparel products.	1	2	3	4	5

Please Indicate Your Level of Agreement with the Following Statements	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I am a smart consumer because I own a counterfeit apparel product.	1	2	3	4	5
I would buy a counterfeit apparel product if no one could tell it was counterfeit.	1	2	3	4	5
I like counterfeit apparel.	1	2	3	4	5

Please Indicate Your Level of Agreement with the Following Statements	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I feel very good when I wear foreign (Western) apparel brands.	1	2	3	4	5
I feel comfortable when I wear foreign (Western) apparel brands.	1	2	3	4	5
I feel satisfied wearing foreign (Western) apparel brands.	1	2	3	4	5
I think foreign (Western) apparel brands are luxurious as compared to Chinese apparel brands.	1	2	3	4	5
I think foreign (Western) apparel brands are more reliable than Chinese apparel brands.	1	2	3	4	5

Please Indicate Your Level of Agreement with the Following Statements	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I feel attractive when I wear Chinese apparel brands.	1	2	3	4	5
I feel comfortable when I wear Chinese apparel brands.	1	2	3	4	5
I feel satisfied when I wear Chinese apparel brands.	1	2	3	4	5
Chinese apparel brands are luxurious.	1	2	3	4	5
Chinese apparel brands are dependable.	1	2	3	4	5

Please Indicate Your Level of Agreement with the Following Statements	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I am concerned with not bringing shame to myself.	1	2	3	4	5
I am concerned with protecting my self-image.	1	2	3	4	5
I am concerned with not appearing weak in front of other people.	1	2	3	4	5
I am concerned with protecting my personal pride.	1	2	3	4	5

Please Indicate Your Level of Agreement with the Following Statements	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I admire people who own expensive homes, cars, and clothes.	1	2	3	4	5
Some of the most important achievements in life include acquiring material possessions.	1	2	3	4	5
I do not place much emphasis on the amount of material objects people own as a sign of success.	1	2	3	4	5
The things I own say a lot about how well I am doing in life.	1	2	3	4	5
I like to own things that impress people.	1	2	3	4	5
I do not pay much attention to the material objects other people own.	1	2	3	4	5
I usually buy only the things I need.	1	2	3	4	5
I try to keep my life simple as far as possessions are concerned.	1	2	3	4	5
The things I own are not all that important to me.	1	2	3	4	5
I enjoy spending money on things that are not practical.	1	2	3	4	5
Buying things gives me a lot of pleasure.	1	2	3	4	5
I like owning a lot of luxury goods.	1	2	3	4	5
I put less emphasis on material things than most people I know.	1	2	3	4	5
I have all the things I really need to enjoy life.	1	2	3	4	5
My life would be better if I owned certain things I do not have.	1	2	3	4	5
I would not be any happier if I owned nicer things.	1	2	3	4	5
I would be happier if I could afford to buy more things.	1	2	3	4	5
It sometimes bothers me quite a bit that I cannot afford to buy all the things I would like.	1	2	3	4	5

Please Indicate Your Level of Agreement with the Following Statements	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I think it is okay to change the price tags on merchandise in a retail store.	1	2	3	4	5
I think drinking a can of soda in a supermarket is okay without paying for it.	1	2	3	4	5
I think it is okay to report a lost item as stolen to an insurance company in order to collect the money.	1	2	3	4	5
I think it is okay to give misleading price information to a clerk for an un-priced item.	1	2	3	4	5
I think returning damaged merchandise when the damage is my own fault is okay.	1	2	3	4	5
I think it is fine to lie about a child's age in order to get a lower price.	1	2	3	4	5
I think it is okay to not say anything when the waitress miscalculates the bill in my favor.	1	2	3	4	5
I think it is okay to using an expired coupon for merchandise or for merchandise that I did not buy.	1	2	3	4	5
I think it is fine to use computer software or games that I did not buy.	1	2	3	4	5
I don't see any problem in spending over two hours trying on different clothes and not purchasing any.	1	2	3	4	5
I think it's okay to tape a movie off the television that I did not purchase.	1	2	3	4	5

Finally, please answer a few statements about yourself by clicking the appropriate answer.

1. Where do you currently live in China?

   [   ]

2. Where were you born in China?

   [   ]

3. What is your sex?
   ☐ Male   ☐ Female

4. What is your age?
   ☐   ☐

5. What is your current or highest level of education?
   ☐ Middle School   ☐ High School
   ☐ Some College   ☐ Bachelor's Degree
   ☐ Master's Degree
   ☐ PhD

6. What is your **monthly** income?
   ☐ Less than ¥ 1000 ($159)   ☐ ¥1088 - ¥ 2000 ($160 - $317)
   ☐ ¥ 2003 - ¥ 3000 ($318 - $441) ☐ ¥ 3012 - ¥ 4000 ($443 - $588)
   ☐ ¥ 4012- ¥ 5000 ($590 - $735)   ☐ ¥ 5025 - ¥ 6000 ($739 - $882)
   ☐ More than ¥ 6120 ($900)

7. What is your average **<u>monthly</u>** spending on new clothes and accessories?
   ☐ Less than ¥ 300 ($50)   ☐ ¥ 350 - ¥ 500 ($51 - $80)
   ☐ ¥ 550 -800 ($85 - $242)   ☐ ¥ 850 - ¥ 1000 ($135 - $160)
   ☐ More than ¥1000 ($160)

Appendix B - Questionnaire (Chinese Version)

尊敬的参与者，

感谢您抽出宝贵的时间完成此项小调查。鉴于中国如今成为世界上最大的服装零售市场，您的答案将帮助研究者获得中国消费者服装购买行为的知识。

这是一份匿名且绝不会透漏您的任何个人信息的调查, 此调查只需要 10 - 15 分钟就能完成。如你对调查问题有所怀疑与不安，可立即放弃完成此份问卷。如果您有任何疑问或有关本次调查的关注，请联系 Dr. Rick Scheidt, 机构审查委员会主席， 堪萨斯州立大学 ， 785-532-3224 或 Shuyi Huang， 研究调查员， 堪萨斯州立大学，shuyihi@ksu.edu 。感谢您的时间和参与。

为了帮助你完全理解调查中使用的一些术语概念,请花几分钟阅读以下详细声明:

假冒产品在服装行业是非法的商品，通常和真实的产品拥有相同的外观，甚至质量。有些产品, 比如山寨产品, "Shanzhai", 灰色商品，以及 A 货将一致归类为假冒商品。

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1. 你的年龄在 18-64 岁之间吗？

1）是　　　2）不是

2. 你在中国哪个城市居住？

1）广州　　2）上海　　3）武汉　　4）四川　　5）其他

3.你出生的城市？

1）广州　　2）上海　　3）武汉　　4）四川　　5）其他

當購買新衣服，下列哪些因素，你最常考慮的？					
	从不	有时	经常	几乎	一直
触感/质地	1	2	3	4	5
材料／布料	1	2	3	4	5
重量／布料	1	2	3	4	5
服装构造	1	2	3	4	5
价钱	1	2	3	4	5
国内品牌	1	2	3	4	5
外国品牌	1	2	3	4	5
质保	1	2	3	4	5
合身	1	2	3	4	5
舒适	1	2	3	4	5
耐穿	1	2	3	4	5
好打理	1	2	3	4	5
颜色	1	2	3	4	5
款式	1	2	3	4	5
时尚风潮	1	2	3	4	5

请给出你对下列陈述的同意程度	绝对不同意	不同意	不确定	同意	绝对同意
我熟悉造假。	1	2	3	4	5
我知道如何阻止假冒产品贸易。	1	2	3	4	5
我觉得自己很了解假冒服装产品。	1	2	3	4	5
如果有朋友问我假冒服装产品信息,我可以针对不同的选项给他们详细的建议。	1	2	3	4	5
我对自己辨别假冒服装产品与非假冒服装产品之间的质量差别的能力很有信心。	1	2	3	4	5
我对自己比较假冒服装产品特征的能力很有信心。	1	2	3	4	5
我对自己鉴别假冒服装产品的能力很有信心.	1	2	3	4	5

请给出你对下列陈述的同意程度	绝对不同意	不同意	不确定	同意	绝对同意
我是一个聪明的消费者,因为我拥有假冒服装产品。	1	2	3	4	5
我会买假冒服装产品如果没人看出是伪造的。	1	2	3	4	5
我喜欢假冒服装产品。	1	2	3	4	5

请给出你对下列陈述的同意程度	绝对不同意	不同意	不确定	同意	绝对同意
当我穿国外服装时我感觉很好。	1	2	3	4	5
我觉得穿国外服装很舒适。	1	2	3	4	5
当我穿国外服装时我很满意。	1	2	3	4	5
国外的服装都很豪华/奢侈。	1	2	3	4	5
国外的服装可信赖。	1	2	3	4	5

请给出你对下列陈述的同意程度	绝对不同意	不同意	不确定	同意	绝对同意
我觉得穿中国本国服装产品很有吸引力。	1	2	3	4	5
我觉得穿本国服装很舒适。	1	2	3	4	5
我对中国服装品牌很满意。	1	2	3	4	5
中国服装品牌很豪华/奢侈。	1	2	3	4	5
国外的服装品牌可信赖。	1	2	3	4	5

请给出你对下列陈述的同意程度	绝对不同意	不同意	不确定	同意	绝对同意
我关注维护自我面子。	1	2	3	4	5
我注重维护自我形象。	1	2	3	4	5
我关注不在别人面前示弱。	1	2	3	4	5
我注重维护个人自尊。	1	2	3	4	5

请给出你对下列陈述的同意程度	绝对不同意	不同意	不确定	同意	绝对同意
我羡慕有豪宅，豪车和穿奢侈衣服的人。	1	2	3	4	5
人生中一些最重要的成就包括物质财富。	1	2	3	4	5
我不认为拥有物质是成功的标志。	1	2	3	4	5
我所拥有的物质能体现出我的生活品质很高。	1	2	3	4	5
我喜欢拥有能给人留下深刻印象的东西。	1	2	3	4	5
我不关心别人所拥有的物质。	1	2	3	4	5
我只购买我需要的东西。	1	2	3	4	5
我尽量让我的生活简单就财产而言。	1	2	3	4	5
我所拥有的物质对我而言不重要。	1	2	3	4	5
我喜欢把钱花在那些不实际的东西上。	1	2	3	4	5
购买使我很愉悦。	1	2	3	4	5
在生活中，我喜欢奢侈品。	1	2	3	4	5
相对于我认识的大多数人而言，我不太重视物质的东西。	1	2	3	4	5
我拥有能使我生活更美好的所有东西。	1	2	3	4	5
如果我能拥有一切，我的生活将会更美好。	1	2	3	4	5
拥有好的东西会让我更加开心。	1	2	3	4	5
如果我有能力购买更多的东西，我会更快乐。	1	2	3	4	5
有时，没有足够的金钱购买我所喜欢的东西让我很苦恼。	1	2	3	4	5

请给出你对下列陈述的同意程度	绝对不同意	不同意	不确定	同意	绝对同意
在零售商店偷换商品价格标签。	1	2	3	4	5
在超市喝一罐苏打水而且没有付钱。	1	2	3	4	5
向保险公司报告失物品被盗为了骗取保险费。	1	2	3	4	5
告知收银员一个有误导的价格对于一个没有明码标价的商品。	1	2	3	4	5
退换因为自己错误所损坏的商品。	1	2	3	4	5
隐瞒孩子真实年龄从而得到一个更低的价格或优惠。	1	2	3	4	5
当服务员误算你账单的时候保持沉默。	1	2	3	4	5
使用过期的优惠券购买商品。	1	2	3	4	5
使用盗版软件。	1	2	3	4	5
光试穿不购买，橱窗购物。	1	2	3	4	5
非法盗录电视电影。	1	2	3	4	5

最后，请在下列问题中选择最符合你实际情况的选项。

1. 你在中国那个城市居住？

2. 你出生的城市？

3. 你的性别是？

　　　□ Male （男）　　　　　　　　　　　□ Female （女）

4. 你的真实年龄？

5. 你的教育程度？

□ 初中　　　　　□ 高中
□ （大专/专科）　□ 学士
□ 硕士
□ 博士

6. 你一个月的零花钱/收入是多少？

□ 少于¥1000 ($159)　　　　　　□ ¥1088 - ¥2000 ($160 - $317)
□ ¥2003 - ¥3000 ($318 - $441)　□ ¥3012 - ¥4000 ($443 - $588)
□ ¥4012- ¥5000 ($590 - $735)　　□ ¥5025 - ¥6000 ($739 - $882)
□ 多于¥6120 ($900)

7. 你每月用在衣服和首饰的花费是多少？
□ 少于¥300 ($50)　　　　　　　□ ¥350 - ¥500 ($51 - $80)
□ ¥550 -800 ($85 - $242)　　　　□ ¥850 - ¥1000 ($135 - $160)
□ 多于¥1000 ($160)