

THE INFLUENCE OF CONSUMER PERSONAL CHARACTERISTICS TO PERSONAL ATTITUDES ON PURCHASING COUNTERFEIT GOODS IN MANADO

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ABSTRACT

Shopping or buying a pirated product is a phenomenon that is common in consumer behavior and a lot going on in Indonesia. Because it is usually seen behavior of buying and selling activities of pirated products that the community will eventually assume that buying pirated products is normal and not a violation. In Manado last few years is rife with online transaction or online shopping is unfortunately much dominated by counterfeit products. This research aims to (1) analyze the influence of personal characteristics to their attitude on purchasing counterfeit goods, (2) identify which factor of personal characteristics that have the most significant influence to the attitude on purchasing counterfeit goods in Manado. This research applied multiple linear regression analysis with 100 respondents as sample of the research taken from people in Manado as consumers of counterfeit product. Occupation and economic situation, lifestyle, and personality has a significant effect to customer's attitude and age and life-cycle stage has no significant effect to customer's attitude. Lifestyle is the most influencing factor to the customer's attitude on purchasing counterfeit goods in Manado. Manufacturers and marketers can work to adding counterfeit issue in the advertising program, and convince people that buying counterfeit goods is not good and will only embarrass themselves.

Keywords: *personal characteristics, consumer attitude*

INTRODUCTION

Shopping or buying a pirated product is a phenomenon that is common in consumer behavior and a lot going on in Indonesia. Because it is usually seen behavior of buying and selling activities of pirated products that the community will eventually assume that buying pirated products is normal and not a violation. Over the course of globalization and technological advances, product counterfeiting is getting easier to do, so piracy and circulation of counterfeit products in the era of globalization and technological advances such as the current increased and become a serious problem for the manufacturer. Technological advances, especially in the field of industrial / production are not used to develop ideas and create new products that are innovative, but misused to pursue instant profit by producing counterfeit products.

Consumers usually do not realize that the actual buying and using counterfeit products have impact and serious consequences both in terms of the economic standpoint and the standpoint of users of the product. From the standpoint of the economy, will hurt state revenues through taxes, and would be detrimental to employers in terms of income. From the consumer side, endangering the health and safety of users of products from consuming products that often does not conform to the standards of the original product. One characteristic of counterfeit products is the price much cheaper than the price of the original product. Generally, counterfeiting can be described as cheating practice by attaching trademark. The objects of interest in counterfeiting are usually luxury brand goods, ranging from clothes, jewellery, watches to electronic gadgets, in addition to other types of counterfeits which include pharmaceuticals and currencies. Counterfeit products may seem temptingly cheap, but they are neither a small nor a harmless business. The causes of product counterfeiting are; the limitation of the availability of the genuine products in fulfilling the market's demand; the producers and the retailers did not pay taxes for the counterfeiting products.

The consumer characteristics often influence consumer purchases. The phenomenon of counterfeit goods in Indonesia make the researcher interested in analyzing is consumer personal characteristics, such as age and life-cycle stage, occupation and economic situation, lifestyle and personality influence their decision on purchasing counterfeit goods.

Research Objectives

The objectives of this research are to analyze of :

1. Age and life cycle stage consumer attitude on purchasing counterfeit goods.
2. Occupation and economic situation to consumer attitude on purchasing counterfeit goods.
3. Lifestyle influence to consumer attitude on purchasing counterfeit goods.
4. Personality to consumer attitude on purchasing counterfeit goods.
5. Personal characteristics that have the most significant influence to the attitude on purchasing counterfeit goods.

THEORETICAL FRAMEWORK

Marketing

Kotler and Armstrong (2012:29) define Marketing is the process by which companies create value for customers and build strong relationship in order to capture value from customer in return. The marketing process involved five steps. The first four steps create value for customer. First, marketers need to understand the market place and customer needs and wants. Next, marketers design a customer-driven marketing strategy with the goal of setting, keeping, and growing target customer. In the third step, marketers construct a marketing program that actually delivers superior value. All these steps form the basis for the fourth step, building profitable customer relationship and creating customer delight. In the final step, the company reaps the rewards of strong customer relationships by capturing value from customers.

Consumer Characteristics

Kotler, et al (2005:139) divided the consumer characteristics into four factors as follow:

1. Cultural Factors

Culture is the set of basic value, perception, wants and behaviors learned by a member of society from family and other institution. Culture is the most basic cause of a person's wants and behavior. Every group or society has a cultural influence on buying behavior may vary greatly from country to country, or even neighborhood to neighborhood.

2. Social Factors

A consumer's behavior also is influenced by social factors, such as the consumer's small groups, family, and social roles and status.

3. Personal Factors

A consumer's decisions also are influenced by personal characteristics such as the consumer's age and life cycle stage, occupation and economic situation, lifestyle, Personality.

4. Psychological Factors

A consumer's buying choices are further influenced by four major psychological factors: motivation; perception; learning; and beliefs and attitudes.

Consumer Attitude

Schiffman and Kanuk (2007:232) in consumer behavior, an attitude is a learned predisposition to behave in a consistently favorable or unfavorable way with respect to a given object.

Counterfeiting

Kotler and Keller (2006:234) the counterfeiter duplicates the leader's product and package and sells it on the black market or through disreputable dealers. Counterfeiting refers to the imitation of something with the

intent to deceive. As a general rule, people use the term specifically to refer to people who replicate currency in the hopes of passing it off as legal tender. However, a variety of things can be counterfeited, from designer handbags to legal documents.

Previous Research

Several literatures are used in the supporting of the research. They provide the grand concept and link between the previous research and this research. Previous empirical research on the relationship between customer satisfaction and loyalty has largely neglected the issue of moderator variables. In a consumer-durables context the authors analyze the moderating effect of selected personal characteristics on the satisfaction–loyalty link. The empirical findings, which are based on multiple-group causal analysis, show that the strength of the relationship between customer satisfaction and loyalty is strongly influenced by characteristics of the customer. Specifically, variety seeking, age, and income are found to be important moderators of the satisfaction–loyalty relationship.

Conceptual Framework

This research starts from the theory of consumer characteristics, which is defined as any distinctive characteristics or circumstances typical to customers within a given market segment that allows marketers to distinguish one group of customers from another. It is divided into 4 factors, but this research only analyzed the personal factors. These factors is separated into 4 different types of factors: Age and life-cycle stage, occupation and economic situation, lifestyle, and personality. Those 4 types of personal factors are selected to be added in the framework as the independent variable.

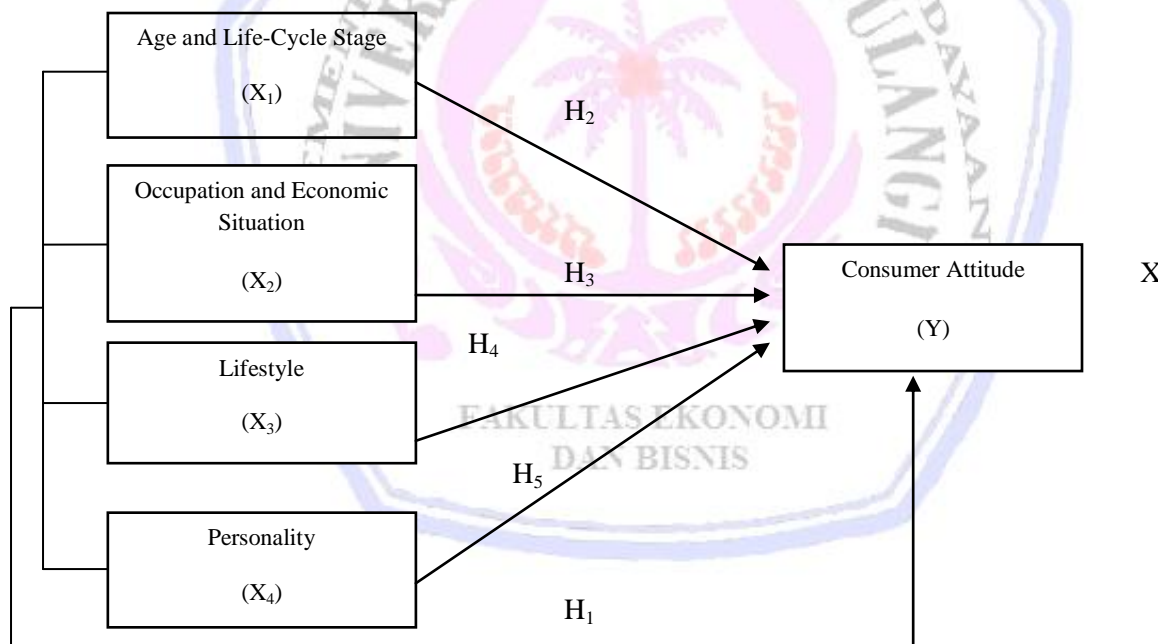


Figure 1. Conceptual Framework

Sources: Theoretical Framework

Research Hypothesis

- H₁: Consumer age and life cycle stage influence the consumer attitude in purchasing counterfeit goods.
- H₂: Consumer occupation and economic situation influence the consumer attitude in purchasing counterfeit goods.
- H₃: Consumer lifestyle influences the consumer attitude in purchasing counterfeit goods.
- H₄: Consumer personality influences the consumer attitude in purchasing counterfeit goods.
- H₅: Consumer personal characteristics influence the consumer attitude in purchasing counterfeit goods.

RESEARCH METHOD

Type of Research

This research uses causal type of research. This type of research also determines if one variable causes another variable to occur or change. This research is to investigate the Consumer Personal Characteristics which consists of Age and Life-Cycle Stage, Occupation and Economic Situation, Lifestyle, and Personality to Consumer Attitude on Purchasing Counterfeit Goods.

Place and Time of Research

Place of research explains the location of research, e.g. company, university, etc. The study was conducted in Manado between February until April 2014.

Population and Sample

The population in this research is the people who buy counterfeit goods. The sample of this research is the buyers of counterfeit goods as many as 100 customers or respondents. The sampling design is convenience sampling that is considered as the best way of getting some basic information quickly and efficient.

Data Collection Method

The researcher gets primary data from the result of questionnaires. Questionnaires are distributed to respondents so they can respond directly on the questionnaire. There were two sections in the questionnaire that should be filled by the respondents. The first section asked about respondent's identities and the second section asked about things that related with the variables.

Data Analysis Method

Validity and Reliability Test

The validity of questionnaire, Pearson Product Moment is used. An instrument measure is valid if the instrument measure what ought to be measured. Reliability test is established by testing for both consistency and stability of the answer of questions. Alpha Cronbach is reliable coefficients that can indicate how good items in asset have positive correlation one another (Sekaran, 2006:177).

Multiple Regression Analysis Model

Cooper and Schindler (2001:767) stated that multiple regression analysis is a technique to observed value of more than one X to estimate or predict corresponding Y value. Multiple regressions is a descriptive tool used to (1) develop a self-weighting estimating equation by which to predict values for a dependent variable from the values of independent variables, (2) control confounding variables to better evaluate the contribution of other variables, or (3) test and explain a causal theory. The formula of multiple regression models in this research is shown below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

- Y = Consumer Attitude
- α = The Constant, When
- β = The Regression Coefficient of Each Variable
- X_1 = Age & Life-Cycle Stage
- X_2 = Occupation & Economic Situation
- X_3 = Lifestyle
- X_4 = Personality
- e = error

RESULT AND DISCUSSION

Result

Validity and Reliability Test

Comparing correlation index in Pearson Product Moment with significance level of 5%, it can be seen valid or not a research instrument. If probability of correlation is less than 0.05 (5%) then the research instrument is stated as valid. The purpose of reliability test is to check the consistency of a measurement instrument. The reliability test in this research uses Alpha Cronbach. A result of reliability test generated by using statistical software SPSS 17.0, and it is showed in table 4.1. if Alpha is less than 0.6 then it is unreliable. The interpretation of Alpha Cronbach (Sekaran, 2003:311) is:

- a. <0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable.
- b. 0.7 indicates that the data is acceptable
- c. 0.8 indicates good internal consistency or consider that the data result is reliable.

Moreover, it shows that the instrument is acceptable because the Alpha Cronbach coefficient has a value of 0.851; it proves that the data is up to standard and can move forward to the next step.

Result of Classic Assumption

Tabel 1. Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
1. (Constant)		
Age and Family Life Cycle	.425	2.351
Occupation and Economic Situation	.855	1.169
Lifestyle	.402	2.488
Personality	.496	2.015

a. Dependent Variable: Attitudes
 Source: Data Processed, 2014

Heteroscedasticity

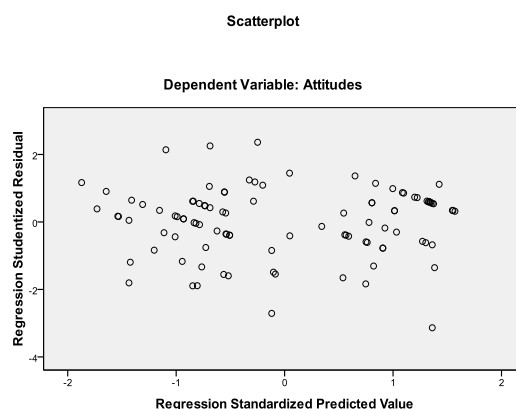


Figure 2. Heteroscedasticity
 Source: Data Processed, 2014

The pattern of the dots is spreading and does not create a clear pattern, and the dots are spreading above and below 0 (zero) in the Y axis, thus this proves that the model is free from heteroscedasticity

Normality

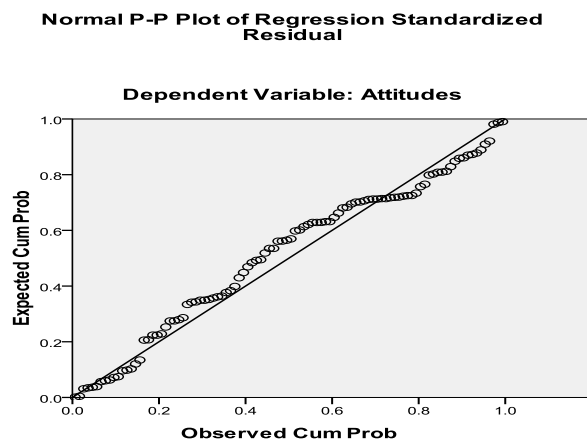


Figure 3. Normality
Source: Data Processed, 2014

The data that is represented by dots are spreading near the diagonal line and spreading follows the direction of the diagonal line. This proves that the model has passed the Normality Test.

Multiple Regression Analysis

Table 2. Multiple Regression Result

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1. (Constant)	4.577	1.133		4.039	.000
Age and Life Cycle Stage	.156	.105	.155	1.492	.139
Occupation and Economic Situation	-.011	.081	-.010	-.010	.890
Lifestyle	.321	.084	.407	3.816	.000
Personality	.255	.086	.285	2.966	.004

a. Dependent Variable: Attitudes
Source: Data Processed, 2014

Multiple Linear Regression model is used to determine the effect of several independent variables on a dependent variable. The computation was done by using the SPSS 17.0 software. The computerized calculation ensures the accuracy of the analysis. From the result in the table 4.3, the model is defines as:

$$Y = 4.577 + 0.156 X_1 + 0.011 X_2 + 0.321 X_3 + 0.255 X_4 + e$$

1. Constant (a) 4.577 shows the effect of relationship between Age and Life-Cycle Stage (x_1), Occupation and Economic Situation (x_2), Lifestyle (x_3), Personality (x_4) to the Customers Attitude (Y). It means if all independent variables are equal to zero then the Customers Attitude (Y) is predicted to be 4.577.
2. Consider other variables are constant or equal to zero, if there is one unit increasing in X_1 (Age and Life-Cycle Stage) then the Customers Attitude (Y) will increase 0.156.

3. Consider other variables are constant or equal to zero, if there is one unit increasing in X_2 (Occupation and Economic Situation) then the customers attitude (Y) will decrease 0.11.
4. Consider other variables are constant or equal to zero, if there is one unit increasing in X_3 (Lifestyle) then the customer attitude (Y) will increase 0.321.
5. Consider other variables are constant or equal to zero, if there is one unit increasing in X_4 (Personality) then the Customers Attitude (Y) will increase 0.255.

Multiple Coefficient of Determination (R^2)

Table 3. Table R and R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.752 ^a	.566	.547	1.65653

a. Predictors: (Constant), Personality, Occupation and Economic Situation, Age and Life Cycle Stage, Lifestyle

b. Dependent Variable: Attitudes

Source: Data Processed, 2014

The coefficient of determination (R^2) measures how far the ability of a model in explaining variation of dependent variable. The value of coefficient of determination is between 0 and 1. The coefficient of determination (R^2) of 0.566 shows that the linear relationship in this model is able to explain the customer participation (Y) for 56.6% while the rest 43.4% is explained by other factors not discussed in this research. Since independent variables used in this research is more than two variables then *adjusted* R_{square} is preferably used. In this case *adjusted* R_{square} is 0.547. Meaning 54.7% variation of dependent variable can be explained by four independent variables, while 45.3% is explained by other causes.

F-Test

F test is used to determine the whole effect of all independent variables to dependent variable. This test is done by comparing the F_{count} with F_{table} . If F_{count} is higher than F_{table} , H_0 is rejected and H_1 is accepted.

Tabel 4. F-Test Result

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	339.673	4	84.918	30.946	.000 ^a
Residual	260.687	95	2.744		
Total	600.360	99			

a. Predictors: (Constant), Personality, Occupation, and Economics Situation, Age and Life Cycle Stage, Lifestyle.

b. Dependent Variable: Attitudes

Source: Data Processed, 2014

The level of significant of 0.05 ($\alpha = 0.05$) and degree of freedom (df) of 4; 95, the F_{table} from F distribution table is $F_{4; 95; 0.05} = 2.467$, while F_{count} from Table 4.7 is 30.946. The result is $F_{count} > F_{table} = 30.946 > 2.467$. Since the F_{count} is greater than F_{table} , H_0 is rejected and H_1 is accepted. So, it obviously shows that there is linear relationship in this multiple regression model. Based from the F-test result, is obtained that $F_{count} > F_{table} = 30.946 > 2.467$. It is absolutely describe that independent variable simultaneously influences the dependent variable. Therefore, hypothesis 1 is accepted.

T-Test

T-Test is used to determine the partial effect of each independent variable to dependent variable. T-test value is obtained by comparing value of T_{count} with T_{table} . If T_{count} is higher than T_{table} , then H_0 is rejected and H_1 is accepted. The values of each variable are shown on the table 4.10 below:

Tabel 5. T-Test Result

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	4.577	1.133		4.039	.000
Age and Family Life Cycle	.156	.105	.155	1.492	.139
Occupation and Economic Situation	-.011	.081	-.010	-.139	.890
Lifestyle	.321	.084	.407	3.826	.000
Personality	.255	.086	.285	2.966	.004

a. Dependent Variable: Attitudes

Souce: Data Processed, 2014

The partial influence for each independent variable will be explained as follows.

1. Age and Life-Cycle Stage(X_1) to Customers attitude (Y)

Reject H_0 if $t_{count} > t_{table}$ or Accept H_0 if $t_{count} < t_{table}$

On Table 4.9 t_{count} of Age and Life-Cycle Stage is 1.492. Since there is a level of significant 5%, then the t_{table} will be $t_{95; 0,05} = 1.984$. Comparing the t_{count} with t_{table} : $1.492 < 1.984$

Since the t_{count} is smaller than t_{table} , H_0 is accepted and H_1 is rejected. Thus, age and life-cycle stage has no significant effect to customer's attitude toward purchasing counterfeit goods.

2. Occupation and Economic Situation(X_2) to Customers attitude (Y)

Reject H_0 if $t_{count} > t_{table}$ or Accept if $t_{count} < t_{table}$

On Table 4.9, t_{count} of Occupation and Economic Situation is -0.139. Since there is a level of significant 5%, the t_{table} will be $t_{95; 0,05} = 1.984$ (-1.984). Comparing the t_{count} with t_{table} : $-0.139 < -1.984$

Since the t_{count} is smaller than t_{table} , H_0 is accepted and H_1 is rejected. Thus, Occupation and Economic Situation has no significant effect to customer's attitude on purchasing counterfeit goods.

3. Lifestyle(X_3) to Customers attitude (Y)

Reject H_0 if $t_{count} > t_{table}$ or Accept if $t_{count} < t_{table}$

On Table 4.9 t_{count} of Lifestyle is 3.816. Since there is a level of significant 5%, then the t_{table} will be $t_{95; 0,05} = 1.984$. Comparing the t_{count} with t_{table} : $3.816 > 1.984$.

Since the t_{count} is greater than t_{table} , H_0 is rejected and H_1 is accepted. Thus, Lifestyle has significant effect to customer attitude on purchasing counterfeit goods.

4. Personality(X_4) to Customers attitude (Y)

Reject H_0 if $t_{count} > t_{table}$ or Accept if $t_{count} < t_{table}$

On Table 4.9 t_{count} of Personality is 2.966. Since there is a level of significant 5%, then the t_{table} will be $t_{95; 0,05} = 1.984$. Comparing the t_{count} with t_{table} : $2.966 > 1.984$.

Since the t_{count} is greater than t_{table} , H_0 is rejected and H_1 is accepted. Thus, integrity has significant effect to customer attitude on purchasing counterfeit goods.

Discussion

It describes that two variables such as lifestyle and personality influence customers attitude partially while age and life-cycle stage and occupation and economic situation do not influence customer attitude on purchasing counterfeit goods. After analyzing by the T test, it can be concluded that from four variables only two variables were accepted, while other variable is rejected. Therefore, hypothesis 2 is rejected.

Research finding, there are some factors that influence the the attitude on purchasing counterfeit goods in Manado. F-Test result shows that there is a linear relationship in this multiple regression model. It is described that independent variables (Age and Life-Cycle Stage, Occupation and Economic Situation, Lifestyle, Personality) simultaneously influences the customer attitude as dependent variable.

Lifestyle and personality are all factors which influence customer attitude on purchasing counterfeit goods. The result of T-test shows that the independent variables such as Lifestyle and Personality partially have significant influence to Customers attitude, but the other two variables (Age and Life-Cycle Stage, Occupation and Economic Situation) have no effect or no significant relationship with the customer attitude.

The result shows that lifestyle is the most influencing factor to customer attitudes on purchasing counterfeit goods. Besides personality, age and life-cycle stage, occupation and economic situation, lifestyle is also very influential on customer attitude on purchasing counterfeit goods in Manado. Lifestyle is the most influential because no matter what kind of job the people have, how old, and however their personality, if they already have the living pattern of buying counterfeit goods, it will be hard to change that lifestyle. It is also supported with the fact that counterfeit goods is sell everywhere in Manado, and people in Manado just look at it as normal situation. As supporting analysis, the researcher finds it is important to observe the demographic analysis of the research. Firstly, by looking at the gender analysis, the number of respondents in this research was 56% female and 44% male. Ang, et al (2001) stated that "males were inclined to have a more favourable attitude towards piracy than females. This is because of the fact that males were inclined to consider quality over aesthetics in their buying decisions". Women will choose price over quality when they find the goods have similar functions. This data also proves the research finding that the higher income, the less people would want to buy counterfeit goods. Consequently, in general, the researcher believes that analysis of the demographic characteristics can explain the research findings of the influential factors and the ones insignificant to the decision making process.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The final conclusions of this research are:

1. Independent variables are simultaneously influence customer's attitude on purchasing counterfeit goods in Manado as dependent variable.
2. Age and life-cycle stage, occupation and economic situation, lifestyle, and personality are not influence customers attitude partialy.
3. Lifestyle factor has the highest coefficient of regression as much as 0.705 meaning that 70.5% of this factor influencing customers attitude.
4. All independent variables (age and life-cycle stage, occupation and economic situation, lifestyle, personality) influence customers attitude as dependent variable.

Recomendation

The result means that buying counterfeit goods are most people lifestyle now. Because from buying counterfeit goods people can get same goods, same function, and sometimes same quality (for movies or musics) with lower prices. Manufacturers and marketers can work to change consumer behavior through shaping attitudes with some strategies, such as:

1. Adding counterfeit issue in the advertising program, and convince people that buying counterfeit goods is not good and will only embarass themselves.
2. Try lowering the price or produce the same design but in the lower price version, so that people in middle-lower economic class can afford that and not buying the counterfeit version.

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