Perceived Value and Purchase Intention of Counterfeit Luxury Brands: Testing the Moderation of Materialism

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Abstract

Consumption of counterfeit products is considered a serious trade phenomenon that affects the original product producers and economies all over the world. This study is aimed to explore the associations of perceived value constructs with purchase intention of counterfeit luxury brands in the Saudi market. 435 consumers were surveyed, representing the study sample. The findings of the study revealed positive associations of quality, emotional, price, and social values with purchase intention of counterfeit luxury brands. However, the moderation of materialism does not influence the relationships between perceived value dimensions and purchase intention of counterfeit luxury brands. The study findings could be a guide for businesses and government in Saudi Arabia so as to develop strategies that can reduce the trade of counterfeit brands and protect genuine luxury brands in the Saudi market.

Introduction and Research Background

Numerous brand definitions were derived from marketing literature reviews. Kotler (1997) defined the brand as: 'a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors'. In 1960, the American Marketing Association (AMA) defined the brand as: 'A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.' (Maurya & Mishra, 2012). Besides, Chernatony & Riley (1998) saw the brand as the way by which customers recognize a product, service, person, or place and it enhances the unique added value to their customers. Thus, the brand adds value to companies and customers.

Counterfeiting is an illegal business behavior undertaken by some firms that increases constantly and touches many product categories such as games, electrical equipment, pharmaceuticals and fashion (Morra, Gelosa, Ceruti, & Mazzucchelli, 2018). Counterfeiting is defined as 'the act of producing or selling a product containing an intentional and calculated reproduction of a genuine trademark.' (McCarthy, 2004). There are two main categories under

counterfeiting. The first one is called deceptive, where consumers are unaware of the existence of product imitation. The second one is called non-deceptive, in which consumers are aware that they buy unauthentic products (Grossman & Shapiro, 1988). Penz & Stoettinger (2008) saw that consumers know clearly what they buy, whether they are genuine or counterfeit.

Counterfeiting phenomenon represents a global problem for businesses and economies. Counterfeiting trade accounted for $1.2 Trillion in 2017 and is expected to reach $1.82 Trillion in 2020 (Global Brand Counterfeiting Report 2018-2020). In the last few years, trade in counterfeits and pirated goods has grown to about 3.3 percent of international trade (OCED, 2019). The countries which were influenced mostly by brand-counterfeiting activities in 2016 are the United States of America at 24 per cent of the fake products, followed by France at 17 per cent, Italy at 15 per cent, Switzerland at 11 per cent, and Germany at 9 per cent. An increasing number of counterfeit brands in Singapore, Hong Kong and emerging economies like Brazil and China are also available (OCED, 2019).

According to the International Anti-Counterfeiting Coalition (IACC), the internet and e-commerce have helped counterfeit products to expand and reach customers. Moreover, it was found that the more the brand has established success, the greater the chance others imitate (Nia & Zaichkowksky, 2000). Several negative counterfeits consequences are noticed. The most important one is the serious threat towards legitimate businesses. In fact, counterfeits damage innovations' image which threatens their growth and success (Wilke & Zaichkowsky, 1999).

Scholars state different reasons that motivate customers to buy counterfeit luxury products across different countries (Furnham & Valgeirsson, 2007; Bian & Moutinho, 2009; Yoo & Lee 2012; Fernandes, 2013; Marticotte & Arcand, 2017; Bhatia, 2018 Yanti, Martini, & Sapta, 2019). Some studies pointed out that the purchase intention for counterfeit products differs from developed and developing countries due to consumer's self-image perception and their hope to attain an ideal self-image with this type of consumption (Kaufmann, Petrovici, Filho, & Ayres, 2016; Jiang & Shan, 2018). Besides, some consumers purchase fake luxury brands because they do not manage to pay the prices of authentic brands (OCED, 1998; Tom, Garibaldi, Zeng, & Pilcher, 1998).

Accordingly, the current study is aimed to test the relationships between the perceived values and purchase intention of counterfeit luxury brands in Saudi Arabia. The findings of the study are expected to help companies, brand owners, governments and anti-counterfeiting groups to develop strategies to reduce the trade of counterfeits.

Literature Review

Purchase Intention for Counterfeit Luxury Brands

Purchase intentions (PI) are 'personal action tendencies relating to the brand' (Bagozzi, Tybout, Craig, & Sternthal, 1979). Consumer's purchase intention represents a subjective inclination towards a product, and it announces consumer behavior prediction (Fishbein & Ajzen, 1975). Zeithaml (1988) used possible to purchase, intended to purchase, and considered to purchase items to measure purchase intention. Observing the rise of counterfeit products commercialization stimulates an interesting question: what motivates consumers to buy counterfeit products? Is it for acquiring the brand name or for getting the product itself? Many studies examined the desire behind buying counterfeit products. Consumers who buy original products will not be interested in buying a counterfeit one even if they perceive their price advantage. Besides, loyalty towards genuine luxury brand enhances the re-buy process and protect from the risk that consumer will be seduced by the counterfeit price advantage (Yoo & Lee, 2012). In contrast, when consumers have

past purchase experience with luxury brand counterfeits, their future consumption of genuine products may be high because of risks perceived with counterfeit brands (Yoo & Lee, 2009). However, some extant studies confirm a negative relationship between the quality perceived with counterfeit brands and the purchase intention of original brands (Hashim, Shah, & Omar, 2018).

In fact, consumers are aware that genuine product's quality is better compared to the counterfeits. even though, some consumers continue to purchase counterfeits to satisfy their desires until they can manage to possess genuine products (Nia & Zaichkowsky, 2000). In their previous research, Eisend & Schuchert-Güler (2006) discussed factors driving customers to buy counterfeit products, particularly in a non-deceptive counterfeiting situation. They confirmed that customers are conscious that acquired products are not original due to their price or purchase location. In reality, consumers who purchase counterfeit luxury brands incline to satisfy their self-expression function (Xiao, Li, & Peng, 2018). This behavior is called misbehavior and characterized customers who have the desire to buy fake products (Albers-Miller, 1999). It is also found that social impact with value consciousness and materialism have a strong impact on the behaviors that drive customers to purchase fake products (Bhatia, 2017).

Perceived Value of Counterfeit Brands

Contradictory counterfeit brands, authentic luxury products are products that present value to consumers and their reference groups (Wiedmann, Hennigs, & Siebels, 2007). Authentic products represent unique and exclusive products associated with innovation, profession, high price, and high quality (Okonkwo, 2007). Hence, authentic products offer high perceived value and contribute in enhancing brand equity. However, perceived value is different from brand equity which is defined as 'a set of assets and liabilities linked to a brand, its name, and symbol that adds something to the value provided by a product or service to a firm and its customers.' (Aaker, 1991). In contrast, perceived value is defined as 'the results or benefits customers receive in relation to total costs which include the price paid plus other costs associated with the purchase' (McDougall & Levesque, 2000). Consumers who are interested in value prefer purchasing counterfeit brands (Ang, Cheng, Lim, & Tambyah, 2001).

Researchers attempted to determine the perceived value for buying counterfeit products. They have linked value perception to the level of quality, price, the emotion felt and, social value (Moliner, 2007). Sweeney & Soutar (2001) determined 4 dimensions of perceived value affecting the consumer's product assessment: emotional, social, price, and quality values. The emotional value is 'the utility derived from the feelings or affective states that a product generates'. The social value is 'the utility derived from the product's ability to enhance social self-concept'. The price value is 'the utility derived from the product due to the reduction of its perceived short term and long-term costs'. The quality value is 'the utility derived from the perceived quality and expected performance of the product' (Sweeney & Soutar, 2001). The main perceived value of buying counterfeit brands among customers and over countries is the price (Cordell, Wongtada, & Kieschnick, 1996; Gentry, Putrevu, Shultz II, & Commuri, 2001; Moores & Dhaliwal, 2004; Wang, 2005). However, in the Southeast Asian context, consumers tend to buy counterfeit products just for unique value while quality value, hedonic value, conspicuous value, and extended-self value don't have significant effects (Srisomthavil & Assarutb, 2018).

Extant studies have investigated the relationship between the perceived value and the intention to buy products. For instance, Dodds & Monroe (1985), Grewal, Monroe, & Krishnan (1998), and Naami, Rahini, & Ghandvar (2017) found a positive association of perceived value with purchase intention of products. As for counterfeit luxury brands, Kalyoncuoglu & Sahin (2017) and

Wiedmann et al. (2007) found a positive relationship between the perceived value dimensions and the purchase intention of counterfeit brands. Nia & Zaichkowsky (2000) attributed such a positive relationship to consumers' desire to enhance their personal images and social status.

Researchers have considered different facets of perceived value related to price (Cordell et al. , 1996; Gentry et al., 2001); self-image (Bloch, Bush, & Campbell, 1993; Yoo & Lee, 2009; Fernandes, 2013); quality (Cordell et al.,1996; Phau, Sequeira, & Dix, 2009); perceived brand personality (Bian & Mountinho, 2009); social culture (Bloch et al., 1993; Nia & Zaichkowsky, 2000; Bhatia, 2017); materialism (Furnham & Valgeirsson, 2007; Bhatia, 2017; Yanti et al., 2019); social expressions (Wilcox, Kim, & Sen, 2009) ; moral reasoning (Ang et al., 2001). In consistent with these studies, Aulia, Sukati, & Sulaiman (2016) used three components of perceived value: product-related, social-related, and personal related values. The present research considers the four dimensions of perceived value namely: emotional, social, price, and quality values, and examined their associations with purchase intention of Counterfeit luxury brands. Accordingly, the relationships between the perceived value dimensions of counterfeit luxury brands and purchase intention are hypothesized as follows:

> H1: There is a statistically significant positive relationship between quality value and purchase intention for counterfeit luxury brands.
>
> H2: There is a statistically significant positive relationship between emotional value and purchase intention for counterfeit luxury brands.
>
> H3: There is a statistically significant positive relationship between price value and purchase intention for counterfeit luxury brands.
>
> H4: There is a statistically significant positive relationship between social value and purchase intention for counterfeit luxury brands.

Materialism as a Moderator

The definition of materialism was extensively discussed over the literature. This concept represents the individual's emphasis on possessions and money for personal happiness and social status (Moschis & Churchill, 1978). Materialists care about wealth and power as they consider the main aspects of life which lead them to satisfaction (Yoo & Lee, 2009). Various scholars have attempted to build a materialism scale. Moschis & Churchill (1978) failed to construct a reliable one. Yamauchi & Templer (1982) established a scale of money attitude to measure materialism as a personality trait. The latter includes twenty-nine items categorized into four factors namely, distrust/anxiety, retention/time, power/prestige, and quality. Belk (1985) sees materialism a function of a personality trait. Belk (1984) developed a tri-dimensional scale including possessiveness, no generosity, and envy. Scott & Lundstrom (1990) constructed a scale called the possession satisfaction index. The measurement tool comprises the following five factors around possessions, public image, and money.

However, unanimity of researchers confirms that Richins and Dawson's (1992) materialism scale is the most reliable (Netemeyer, Burton, & Lichtenstein, 1995; Furnham & Valgeirsson, 2007; Swami, Chamorro-Premuzic, & Furnham, 2009; Wan, Luk, Yau, Alan, Sin, Kwong, & Chow, 2009; Lu & Lu, 2010; Sun, D'Alessandro, & Johnson, 2014; Engizek & Sekerkaya, 2015). The scale includes three dominant materialism values: acquisition centrality, happiness, and success expressing. The acquisition centrality is referred to the individual's attachment to possessions and acquisition of material goods; the happiness is referred to the belief of wellbeing when having the desirable possessions; the success expressing is referred to the belief that possession of goods is an indication of the individual success.

There are mixed results concerned with the impact of materialism on customers' willingness to buy counterfeit goods. While some studies confirmed that materialism has a positive influence on consumers' attitude and willingness to get counterfeit products (Chuchinprakarn, 2003; Furnham & Valgeirsson, 2007; Bhatia, 2017; Yanti et al., 2019), others attested that materialism does not affect either attitudes or purchase willingness towards counterfeit products (Phau et al., 2009; Ting, Goh, & Isa, 2016; Kalyoncuoglu & Sahin, 2017). Accordingly, this study is examining the role of materialism on the association of perceived value dimensions with buying intention of counterfeit brands in Saudi Arabia. Hence, the following hypotheses are developed.

H5.: Materialism moderates the relationship between consumers' perceived value and purchase intention for counterfeit luxury brands.

H5a: Materialism moderates the relationship between consumers' quality value and purchase intention for counterfeit luxury brands.

H5b: Materialism moderates the relationship between consumers' emotional value and purchase intention for counterfeit luxury brands.

H5c: Materialism moderates the relationship between consumers' price value and purchase intention for counterfeit luxury brands.

H5d: Materialism moderates the relationship between consumers' social value and purchase intention for counterfeit luxury brands.

Research Model
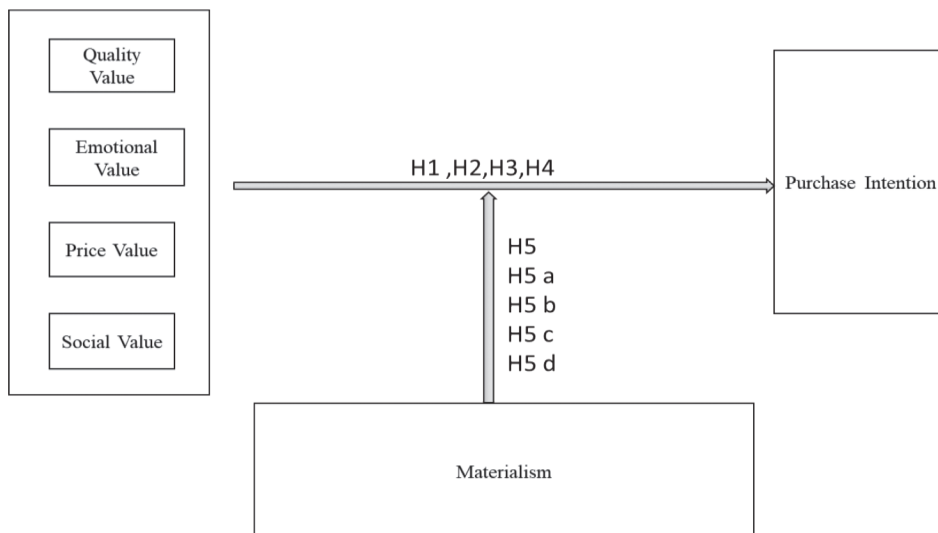
The study variables and relationships are shown in figure 1

Figure 1: Research Model

Research Methodology

A quantitative method using a questionnaire was implemented to measure the constructs needed to test the proposed hypotheses. The questionnaire includes 23 items, which measure the study variables: the perceived value of counterfeit luxury brands, materialism and purchase intention of counterfeit luxury brands, using the five-point Likert scale. The purchase intention

scale developed by Cronin, Brady, & Hult (2000) was used, while the perceived value scale was developed by Sweeney & Soutar (2001), and the materialism scale was that of Richins & Dawson (1992). The perceived value construct includes 12 items to measure the perceived value of buying counterfeit goods in terms of quality, emotion, price and social values. Materialism is measured by a scale of 9 items that measure: tangible assets as a success indicator, having tangible assets at the centre of individual's live; and considering tangible assets as important for satisfaction, and happiness in people's lives. Finally, the questionnaire includes gender, age, and income information so as to describe the study sample characteristics.

Sample Characteristics

The study sample consisted of 435 convenience sampling responses, but 35 were discarded for incomplete data. As it appears in Table 1, there is a higher rate of female respondents (52.25 per cent) than male respondents (47.75 per cent). Regarding age, 31.75 per cent were from the group of 18 and 29, 26.75 per cent were from the group of 30 and 39, 22.5 per cent were from the group of 40 and 49, and lastly, 19 per cent were above the age of 50. Moreover, the participant's income varies between the respondents. The higher ratio was 32.25 per cent, representing the group of people who earn less than 5000 Riyals ($1330) a month compared to the lower ratio which represented 6.5 percent for those who earn more than 25000 Riyals ($6650) a month.

Table 1: Sample Characteristics

Gender	Frequency	Percent
Male	191	47.75
Female	209	52.25
Total	400	100 percent
Age	Frequency	Percent
50 years and more	76	19
Between 40 and 49	90	22.5
Between 30 and 39	107	26.75
Between 18 and 29	127	31.75
Total	100	100 percent
Per month income	Frequency	Percent
25,000 and more	26	6.5
15,000 to less than 2500	49	12.25
10,000 to less than 15,000	94	23.5
5,000 to less than 10,00	102	25.5
Less than 5,000	129	32.25
Total	100	100 percent

Data Analysis Methods

The dimensionality and reliability of the measures were verified with factor analysis, Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach's alpha coefficient. The testing of study hypotheses was conducted by using regression models. The three factors of materialism were summed for validation purposes. This method was conducted because analysis shows that the three factors usually perform in harmony. According to Carver, Scheier, & Weintraub (1989), employing the summed index in place of the subscales method is suitable

and beneficial in terms of communication simplicity. The analysis of the moderating influence of materialism construct was done by the Hierarchical Multiple Regression (Cohen & Cohen, 1983). In this method, the relationship between the independent and dependent variables should be tested first, then followed by testing the influence of the interaction created by multiplying independent variable and moderator on the dependent variable, which should influence significantly the dependent variable to support the moderation effect. According to Cronbach's suggestion, mean centralization has been done on the independent variables data to reduce mulicollinearity between the equation predictors (Cronbach, 1987).

Scales Validity and Reliability

The principal component analysis in Table 2 shows that the items of each scale are correlated and coherent with each other. The factor loadings of all items are higher than the minimum cut-off value of 0.5 (Churchill, 1979) except two items were less than 0.5 so that they were excluded from the analysis, then Cronbach alpha coefficient was used to test the scales reliability. The alpha coefficient of each item ranges between 0.525 and 0.88, which is above the 0.5 minimum threshold (Nunnally, 1967) representing good internal consistency. Thus, the scales used for this study are reliable. Table 2 also shows that the Average Variance Extracted (AVE) and Composite Reliability (CR) are greater than 0.5 thresholds (Fornell & Larcker, 1981). Accordingly, the study scales had both convergent validity and reliability.

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Table 2: Results of Constructs

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Constructs and Items	Loadings	Alpha	AVE	CR
Purchase Intention of counterfeits of Luxury Brands (PI)		0.632	0.534	0.696
PI1	0.731			
PI2	0.731			
Quality Value (QV)		0.779	0.488	0.738
QV1	0.593			
QV2	0.791			
QV3	0.699			
Emotional Value (EV)		0.880	0.428	0.851
EV1	0.775			
EV2	0.828			
EV3	0.826			
Price Value (PV)		0.821	0.545	0.782
PV1	0.738			
PV2	0.785			
PV3	0.690			
Social Value (SV)		0.887	0.668	0.858
SV1	0.812			
SV2	0.864			
SV3	0.775			
Defining Success (DS)		0.705	0.395	0.662

DS1	0.642			
DS2	0.661			
DS3	0.582			
Acquisition Centrality (AC)		0.753	0.802	0.890
AC1	0.896			
AC2	0.896			
Pursuit of Happiness (PoH)		0.525	0.459	0.629
PoH1	0.678			
PoH2	0.678			

To test the discriminant validity of the scales, the square root of the AVE was compared with the correlations between the constructs. If the square root of the AVE in diagonals is more than the values in the row and columns for a specific construct, it is said that the measures are discriminant (Fornell & Larcker, 1981; Henseler et al., 2014; Hair, Hult, Ringle, & Sarstedt, 2014). As shown in Table 3, the values in diagonals are higher than the values in each specific row and column, which reflects the discriminant validity of the study constructs.

Table 3: Discriminant Validity

Constructs	1	2	3	4	5	6	7	8
1-PI	**.731**							
2-QV	.344	**.699**						
3-EV	.604	.505	**.654**					
4-PV	.475	.380	.582	**.738**				
5-SV	.531	.373	.627	.470	**.817**			
6-DS	.101	-.016	-.064	.105	.179	**.629**		
7-AC	-.015	.103	.044	.061	.061	-.072	**.896**	
8- PH	.217	.024	.120	.198	.138	.364	.048	**.678**

Note: Diagonals represent the square root of the AVE, while the off-diagonals represent the correlation

Hypotheses Testing

Regression analysis was used to test the associations of quality, emotional, price, and social values with the purchase intention for counterfeit luxury brands. To examine the moderating role of materialism, hierarchical multiple regression was conducted as per Cohen and Cohen (1983). The independent variable of the regression is the consumers' perceived value dimensions: quality, emotional, price, and social values. The moderating variable is materialism and interaction is between the independent variables and moderators. The interaction is formed by multiplying independent variables and the moderator. Moderation would be supported in case the interaction impact on the dependent variable is significant.

Associations of Quality, Emotional, Price and Social Values with Purchase Intention

As shown in Table 4, the four independent variables explain about 43 per cent of the dependent variable variation (F=73.985, P<0.05). The associations of quality, emotional, price, and social values with the purchase intention of counterfeit luxury brands were all significant and positive. The quality value had a significant and lowest positive association with purchase intention (Beta=.076 T= 2.307, Sig. =0.022 <0.05). Thus, H1 is supported. The emotional value had

a significant and highest positive association with purchase intention (Beta=.397, T = 7.050, Sig. =0.000 <0.05). Thus, H2 is supported. The price value had a significant and positive association with purchase intention (Beta= 0.137, T = 2.905, Sig. =0.004 <0.05). Thus, H3 is supported. The social value had a significant and high positive association with purchase intention (Beta=.232, T = 4.351, Sig. =0.000 <0.05). Thus, H4 is supported. Hence, in the study four hypotheses H1, H2, H3 and H4 are all upheld.

Table 4: Testing H1, H2, H3, H4

Independent Variables	Beta	t	Sig.
Intercept		4.368	0.000
Quality Value	0.076	2.307	0.022
Emotional Value	0.396	7.050	0.000
Price Value	0.137	2.905	0.004
Social Value	0.232	4.351	0.000
Model fit: R2 = .428	F= 73.985	P= .000	

Dependent variable: Purchase intention

Materialism Impact on the Link between Quality Value and Purchase Intention

Table 5 shows the Hierarchical Multiple Regression findings of testing H5a. Quality value (Beta= 0.138, Sig.=.020<0.05) had a significant positive impact on the purchase intention of counterfeit luxury brands, but not materialism (Beta=0.070, Sig.=.243>0.05). The interaction between quality value and materialism had no significant impact on purchase intention, Sig.= 0.426>0.05. Hence, materialism doesn't moderate the relationship between quality value and purchase intention. Thus, H5a is not supported.

Table 5: Testing H5a

Independent and moderator variables	Beta	t	Sig
Intercept		5.561	0.000
Quality Value	0.138	2.327	0.020
Materialism	0.070	1.170	0.243
Quality Value*Materialism	0.040	0.796	0.426
Model fit: R2 = .034	F= 4.665	P= .003	

Dependent variable: Purchase intention

Materialism Impact on the Link between Emotional Value and Purchase Intention

Table 6 shows the Hierarchical Multiple Regression findings of testing H5b. Each of emotional value (Beta= 0.592, Sig.=.000<0.05) and materialism (Beta= 0.098, Sig= 0.021<0.05) had a significant positive impact on the purchase intention of counterfeit luxury brands. But, the interaction between emotional value and materialism had no significant impact on purchase intention, Sig.= 0.345>0.05. Hence, materialism doesn't moderate the relationship between emotional value and purchase intention. Thus, H5b is not supported.

Table 6: Testing H5b

Independent and moderator variables	Beta	t	Sig
Intercept		68.183	.000
Emotional Value	.592	14.660	.000
Materialism	.098	2.470	.014
Emotional Value*Materialism	.038	.946	.345
Model fit: R2 = 0.378 F= 80.277 P= 0.000			

Dependent variable: Purchase intention

Materialism Impact on the Link between Price Value and Purchase Intention

Table 7 shows the Hierarchical Multiple Regression findings of testing H5c. Price value had a significant positive impact on the purchase intention of counterfeit luxury brands (Beta=0.471, Sig.=0.000<0.05), but not materialism (Beta=0.068, Sig.=0.136>0.05). The interaction between price value and materialism had no significant impact on purchase intention of counterfeit luxury brands, Sig.= 0.698>0.05. Hence, materialism doesn't moderate the relationship between price value and purchase intention. Thus, H5c is not supported.

Table 7: Testing H5c

Independent and moderator variables	Beta	t	Sig
Intercept		60.998	0.000
Price Value	0.471	10.566	0.000
Materialism	0.068	1.492	0.136
Price value*Materialism	0.036	0.805	0.421
Model fit: R2 = 0.236 F= 40.737 P= .000			

Dependent variable: Purchase intention

Materialism Impact on the Link between Social Value and Purchase Intention

Table 8 shows the Hierarchical Multiple Regression findings of testing H5d. Social value had a significant positive impact on the purchase intention of counterfeit luxury brands (Beta= 0.515, sig.=.000<0.05) but not materialism (Beta= 0.059, sig.=.174>0.05). The interaction between social value and materialism had no significant impact on purchase intention, Sig.= 0.222>0.05. Hence, materialism doesn't moderate the relationship between social value and purchase intention. Thus, H5d is not supported.

Table 8: Testing H5d

Independent and moderator variables	Beta	t	Sig
Intercept		63.180	0.000
Social Value	0.515	11.625	0.000
Materialism	0.059	1.361	0.174
Social value*Materialism	0.035	0.803	0.422
Model fit: R2 = .288 F= 53.296 P= .000			

Dependent variable: Purchase intention

Discussion

This study investigated the reasons beyond buying the counterfeit luxury brands, examining the association of perceived value with purchase intention, and considering the moderating influence of materialism on this relationship. Some scholars confirmed that perceived value should be divided into multi-dimensional constructs (Sanchez-Fernandez & Iniesta-Bonillo, 2007). The present study implemented four value constructs (Quality, Emotional, Price, and Social) to generate more accurate results. The regression analysis showed a positive association of quality value with the purchase intention of counterfeit products which is consistent with the study's hypothesis and the extant literature findings (Bryce & Rutter, 2005; Hashim et al., 2018). However, this result contradicts other research results by Srinivasan, Srivastava, & Bhanot (2014) and Srisomthavil & Assarut (2018). Validating other findings, there are significant positive associations of perceived value with the purchase intention of counterfeit luxury brands in all dimensions: emotional value (Kalyoncuoglu & Sahin, 2017), price value (Albers-Miller, 1999; Harvey & Walls, 2003) and social value (Bian & Moutinho, 2011; Bhatia, 2017). According to the result, emotional value has the strongest association with purchase intention of counterfeit luxury brands over the other perceived value dimensions, followed by social value, price value, and quality value respectively. This gives an indication that the main reasons for buying counterfeit luxury products in this study are basically to satisfy the psychological and social needs. Quality is not so an important factor for consumers who buy counterfeit luxury brands.

It is found that materialism had no influence on the relationship between the dimensions of perceived value and the purchase intention of counterfeit luxury brands, validating the results of extant findings by Phau et al., 2009; Ting et al., 2016; and Kalyoncuoglu & Sahin, 2017. However other studies found that highly materialistic consumers usually prefer to buy original products than counterfeits (Srinivasan et al., 2014; Kapferer and Michaut's, 2014; Kalyoncuoglu and Sahin, 2017). This could be explained by consumers' tendency of showing others that they own higher-status products (Fitzmaurice and Comegys, 2006; Phau et al., 2009). In other words, materialism does not moderate the relationship between perceived value and the purchase intention of counterfeit brands in the Saudi market.

Managerial and Theoretical Implications

This study fills the literature gap by examining a model integrating four perceived value dimensions, purchase intention, and materialism in Saudi Arabia, where the researchers did not find studies in this scope of research. The analysis generated several meaningful findings for marketing managers, producers, and government. First of all, legislations and communications should be implemented by local authorities such as Ministry of Commerce, Chambers of Commerce and Industry, the Council of the Chamber of Commerce and Industry, and consumer protection agencies in Saudi Arabia so as to prevent trade in counterfeit brands.

Producers of genuine products should participate over communication campaigns to educate and inform consumers about the advantages of legal business for the overall economy and stress that consumption of counterfeit products is an unethical issue and may have some financial, quality, and social risks. Because of the study findings concerning the positive relationship between quality and purchase intention of counterfeit luxury brands, marketers of genuine brands should differentiate quality of their products compared to counterfeits so that buyers can distinguish the counterfeit from the genuine brands and find a quality advantage in genuine brands. Besides, they should educate the customers about the quality risk compared to original brands. This may be beneficial in changing consumer attitudes and reducing their proneness to

buy counterfeit luxury products. As Michaelidou & Christodoulides (2011) found, the perceived quality risk is a critical factor of attitude towards curbing sales and production of counterfeit brands.

Since emotional and social values are the most important factors that motivate the consumer's buying intentions of counterfeits, sending negative messages towards counterfeits through an effective information and communication strategy is important in fighting the counterfeit brands. Communication campaigns by genuine luxury brand producers which links counterfeits consumption with low status may deter consumers from buying fake brands (Fernandes, 2013). In this context, a study found that consumers are less inclined to buy fake products after watching ads that show the social risk of consuming these products. Perceiving social risk of counterfeits, such as humiliation, gives negative attitudes towards fake products and causes less intention to buy these types of products (Bian and Moutinho, 2011). In this vein, Wilcox et al. (2009) revealed that the social functions of luxury brands could be altered by using marketing strategies and actions (e.g. product design, advertising, pricing, etc.), thus enabling marketers to lower consumers' demand and production of counterfeit luxury brands.

Furthermore, the efficiency of producing genuine products may help in reducing prices of original products to be managed by consumers. This could be done through brand extension in a way that does not harm the brand image to consumers who buy expensive genuine products to satisfy self-esteem need (Phau & Teah, 2009). Reducing prices may be important in this regard because when consumers buy counterfeit brands they have economic benefits which make the counterfeits brands with high values (Albers-Miller, 1999; Yoo & Lee, 2009) as they get social status of showing consumption of counterfeit luxury brands at low cost (Bloch et al., 1993; Tom et al., 1998; Ang et al., 2001). Genuine brand producers should provide lower-priced versions of their brand to compete with the counterfeits and apply discounts so that consumers can manage to pay authentic brands. This will promote authentic products and at the same time discourage the production of counterfeits

Limitations and Future Research

The study didn't define the product category (e.g. clothes, shoes, perfumes, bags, glass, jewelry, etc.) as well the value that consumers are looking for (e.g. utilitarian or hedonic). For future research, it is better to investigate the relationship between lifestyle and purchasing counterfeit products in different product categories and examine how friends and peers affect people's intention of buying counterfeit luxury brands. In addition, it is interesting to show how celebrities' advertisements in social media affect consumer's purchase decisions of counterfeit products, and the risks accompany the online purchase of these products. Celebrities may encourage or discourage people to buy counterfeit products. It is also interesting to study the difference between Saudi consumers and other nationalities in Saudi Arabia in both perceived value of counterfeit luxury brands and their intentions to buy in addition to other factors that cause difference if found, considering the mixed culture of Saudi Arabia. Finally, it is interesting to explore the impact of Saudi Arabia's Vision for 2030 in terms of legislation's impact on buying counterfeit luxury products by consumers.

Conclusion

Counterfeit products trade has increased over the last decades and it is considered a critical challenge in the international economy. This type of commerce affects government, businesses as well as consumers. In this paper, we examined the association of perceived value and purchase

intention of counterfeit luxury brands and materialism as a moderator on this relationship. The findings indicate that emotional, social, and price values have significant associations with the purchase intention for counterfeit luxury brands. According to the findings, consumers in Saudi Arabia preferred to consume luxury counterfeit brands because of the positive perceived value they get from consuming this type of products. They believe in benefits offered by counterfeit luxury brands, emotionally, socially, economically, and functionally. However, the relationship between perceived value and the purchase intention of luxury product counterfeits was not influenced by materialism. It can be said that consumers know that the counterfeit brands differ in quality from the authentic brands, but buy them basically for emotional and social reasons. Combating trade in counterfeit brands is a multilateral responsibility of governments, civil agencies, producers, marketers, and consumers.

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