Asian Buying Behavior Toward Counterfeit Product: Evidence from Jambi City, Sumatera Island, Indonesia

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Abstract

The study objective is to investigate the factors of purchasing intention of pirated products. Those factors of attitude function caused consumer non-deceptive choose to buy counterfeit handbag. This study uses two luxury brand world are Louis Vuitton (LV) and Hermès Handbags for scenario stimulate, also the brand as variable affected consumers purchased intention of counterfeit luxury brand product. Sales of pirated fashion products remain high despite various industry efforts to constrain the growth. Based on psychological theory, this study argues that the rise of pirated fashion products such as handbags due to some constraints on the supply side such as high price and consumer side such as social adjusted. The questioners spread to two hundred twenty one undergraduate student of Jambi and Surabaya city, Indonesia country for investigated luxury brand handbags product favorite. The method uses Experiment group-control group design and between subject with design, factorial 2 (social adjusted: high and low) x 2 (price: high and low). To understand differences between the treatment group, use MANCOVA test. The result indicates that social adjusted and high price increases the variability of purchasing pirated fashion product especially as handbags luxury brands (LV and Hermès Handbags). The interaction between two variables is also significant and indicated the low social adjusted and low price effective for reducing variability of consumers on purchasing pirated Handbags of fashion luxury brand product.

1. Introduction

The phenomenon of counterfeiting and consumption of counterfeit products in the consumer market increasingly difficult to stop since from the 19th century crime of counterfeiting developing exceptional and occur in almost all parts of the world (Sahin and Atilgan,.2011), it is associated with the behavior of manufacturers have forged to earn huge profits, without spending research and development costs that consumers preferred products, and avoid high production costs (Phau, Teah, and Lee,.2009). Besides the ease of consumers buys various fake products in traded through the technology of the internet, there are 20,000 Internet sites and 10-20% of the products offered on the internet fake (Sahin and Atilgan,.2011). So that nearly 40% of Internet users shop counterfeit products through the internet site (Radòn,.2012).

2. Aims and Objectives

Aim and objective of this research revealed of consumers who

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are very interested and intend to buy counterfeit products.

3. Significance of the Study

The growing illegal business of counterfeit products, not in spite of consumer behavior is closely related to the decision-making process in the business of acquiring and using goods and services to meet their needs (Kotler and Armstrong,.2009). Consumer behavior is influenced by external factors and internal factors, revealed in a study of Han et al,.(2010) and Phau et al, (2009), illustrating that consumer interest in buying the fake products for reasons of financial condition is very minimal. While Cordell, et al., (1996) states that the demand for counterfeit products due to the performance of counterfeit products has been not much different than the original product. Further, it is said that the demand of consumers has increased due to psychological motivated consumers who want to seek social status and aware of the world famous products (Eisend et al,. 2006; Han et al,. 2010). This suggests that one of the consumer purchasing behavior of non-deceptive, influenced by an individual's motivation to stand out in the social environment are viewed as individuals with social life, this agrees with the results of research Wee, et al.,(1995) which examined 3600 Asian consumers who buy counterfeit goods. Consumers are looking at purchasing counterfeit goods as something less risky and less ethical, has a value-conscious, and have lower incomes than those who do not buy counterfeit goods. Furthermore, Wilcox et al,.(2009), said consumers with social attitudes adjustive function and value expressive tend to consume counterfeit products because they have a moral belief that vulnerable and weak in the value of their internal decision-making, so that acceptance of a preference for a greater likelihood of pirated products. Nevertheles, the discussed more consumer behavior toward products which are prevalent in China indicated the two (2) factors that influence consumer intentions on counterfeit fashion, such as social and personal factors (Phau et al,.2009; Xuemei and Cleopatra,.2007), With reference to the *Theory of Planned Behavior*, purchase intention is the result of an overall evaluation of the object. When consumers are being kind of the object, then the purchase intention can be predicted to increase, as well as consumer behavior purchasing counterfeit products. Then each individual enables theoretically predict behavior in counterfeiting activities that can be explained by using the theory of reasoned action (*Theory of Reasoned Action / TORA)* and *the theory of planned behavior (Theory of planes Behavior / TPB).* By constructing *the theory of planned behavior (TPB),*

purchasing behavior formed by purchasing intention*, Phau et al,.2009; Commuri,.2009).*

4. Methodology and Theorical Framework

4.1. Methodology

The study used laboratory experiments. Malhotra,.(2007) explains that the experimental design is a set of procedures that specify the test unit, the independent variable and the dependent variable to be measured, as well as extraneous variables are controlled. In this study using a test subject, which means between the different participants will be observed in different experiments. Simulation simply means that we create a different level of the independent variables to assess their impact on the dependent variable and the independent variables are also called stimulation treatment, and treatment outcomes are called treatment effect (Sekaran,.2006).

This study uses the experimental group-control group design; the experiment is to compare a control group and the group receiving the treatment. The experimental design of this study is a 2 (social adjustive function: high vs. low) x 2 and (Price: high vs. low) x 2. Stimulation in the development, use the methods of this study is devoted adapted from Wilcox et al. (2009).

The scenario in this study uses the Louis Vuitton (LV) and Hermès Handbag luxury stated that the brand represents the best quality, unique features, style, and outstanding service. A person buying a fake product, such as Handbags. The luxury, its image the the brand reflects the social status or acceptance of the social environment (social adjustive). Given the luxury brand Louis Vuitton (LV) and Hermès Handbag luxury brandand is very popular and widely circulated consumer market world (Beta.luxurysociety.com, 2010).

In this research scenario, the manipulation carried out to stimulate the participants' subjective perceptions of social influence and related adjusted price difference Handbags brand Louis Vuitton (LV) and Hermès Handbag luxury brand to the piracy. Stimulus associated with the act of buying counterfeit handbags with similar experimental designs that have been used Wilcox et al, (2009). Those products were proposed by researcher and highest response as LV and Hermès Handbag luxury brand is a product model (favorable) participants from the result survey, and before running experiment scenario. Here is the scenario manipulation that is given to participants:

Here is the stimulus for scenario 1: Functions with high social adjustive attitudes *Handbags* **Louis Vuitton** (LV) False

Louis Vuitton (LV) handbags manufacturer of the world's most popular luxury. The designs are *glamourous, fashion show,* hedonisme, consumerisme, *high-class people* for all women.

Use the **Louis Vuitton (LV)** to.....
...........Known
...........Admired
...........Improve your social status
...........More…... looks classy and glamorous
Every woman will know that this is Louis Vuitton (LV)!

Here is the stimulus for scenario 2: Functions with social adjustive attitudes *Handbags* **Hermès**False: **High**

Hermès handbags manufacturer of the world's most popular luxury. The designs are The designs are *glamourous, fashion   show,   hedonisme,* consumerisme, *high-class people* for all women.
Use the **Hermès** to.
...........Known
...........Admired
...........Improve your social status
...........More…... looks classy and glamorous
Every woman will know that this is Hermès!!

Figure 1. Example of Scenario Stimulus *Handbags Louis Vuitton* (LV) and Hermès Piracy With *Social Adjustive* Attitudes Function: *High*

Here is the stimulus for scenario 3: Function of *social adjustive* attitudes low with **Handbags Louis Vuitton (LV)** False

Louis Vuitton (LV) handbags manufacturer of the world's most popular luxury. The designs *glamourous, fashion show,* hedonisme, consumerisme, *high-class people* for all women.Use the **Louis Vuitton** (LV) to.....
...........Known
...........Admired
...........Improve your social status
...........More…… looks classy and glamour
Every woman will know that this is Louis Vuitton (LV)!

Here is the stimulus for scenario 4: Functions with social adjustive attitudes *Handbags* **Hermès**False: **Low**

Hermès handbags manufacturer of the world's most popular luxury. The designs are The designs are *glamourous, fashion   show,   hedonisme,* consumerisme, *high-class people* for all women.
Use the **Hermès** to.....
...........Known
...........Admired
...........Improve your social status
...........More…... looks classy and glamorous

Figure 2. Example of Scenario Stimulus *Handbags Louis Vuitton (LV)* and Hermes Piracy With *Social Adjustive* Attitudes function: *Low*

Figure 3. Example Scenario 5: Stimulus Price With Handbags Louis Vuitton (LV) and Hermès piracy

Figure 4. Example Scenario 7: Result of the Stimulus luxury brands piracy with High *Social Adjustive VS* Low Price

4.2. Theoritical Framework

4.2.1 Theory of Reasoned Action

To understand the reason for the behavior of individual consumers in perceived, react and act on an object, which caused stimulus from outside the individual, it is necessary to support a theory of consumer behavior in an objective phenomenon. So in this study the theoretical approaches to understanding, perception, motivation behind the formation of the reaction caused by the attitude of the function so that consumers perform an action. This research is to use it only approach or theory of reasoned action. *Theory of Reasoned Action (TRA), t*his theory explains that the behavior because of the individual has an interest or desire to do so (behavioral intention) or in the other words, the behavior of interest will determine the behavior. *TRA* proposes that the behavior of interest is a function of attitude and subjective norms and the interest will change through time (Wilcox,.2009; Phau, et al,.2009; Han et al,.2010).

4.2.2. Behavior Planning Theory (Theory of Planned Behavior / TPB)

Theory of Planned Behavior (TPB) is a further development of the *TRA*. Icek Ajzen (1991) developed this theory by adding a construct which is perceived behavioral control. The basic assumption of the *TPB* is a lot of behavior is not under complete control of everything that needs to be individualized by perceived behavioral control concept. This theory assumes that perceived behavioral control has motivational implications of the person's interest, besides the possibility of a direct relationship between perceived behavioral controls to behavior. If behavior can be controlled by the individual maximum approaching the *TPB* will return to *TRA* entirely.

4.2.3. Attitude Function Theory

The function of attitude is a sub part of the attitude. According to Phau et al,.(2009) developed an attitude function theory to explain how attitudes bridging social behavior. Attitude functions obtained from the focus of attention in measuring the role of specific brands and products. The function aims to understand the motivation, attitude towards the product and purchasing decisions. Function attitude has implications on consumer attitudes in Wilcox et al,.(2009) is divided into four, namely:

a) The function of knowledge.

b) This function aims to help one organize and build

environment.

c) Function usability.

d) With the utility function, attitude can run a variety of needs, such as to maximize reward (reward) and minimizing punishment (punishment) in its environment.

e) The function of social identity. Serves as a mediator and relationship with other human beings to gain acceptance in the social environment.

f) The function to protect self-esteem (self- esteem maintenance).

g) The attitude of protecting the ego through self-defense mechanism. In this function the running attitude of self associated with the success of others.

h) Wilcox et al,.(2009) to explains that the function has an important role in the attitude of self-expression and social interaction. Own social identity function of:

i) The Social adjustive (adjustment to the social environment).

j) The function of social identity, social adjustive attitudes play a role in a person's social interactions. In addition, social adjustive helps one to distinguish themselves with others and serves to identify with a group. As well as helping a person to undergo an attitude that is an acceptable social group.

k) Value expressive (express values).

l) Acting as a bridge over the attitude (attitude) with self-expression. Assist in expressing the concept of self. And a major part of the self-concept (Perez, Castano, Claudia,.2010). While the approach used functions attitude Wilcox, et al,.(2009) to measure consumer attitudes towards counterfeiting counterfeit products is Social adjustive and value expressive function a role and apart of the function of social identity attitudes. Someone may have just had a dominant role in evaluating a product. Also, do not close the possibility to undergo both roles simultaneously.

m) Consumer Perceived Value

n) Can be considered as an overall assessment of the usefulness of consumer products and services based on a perception of what has been received and given. In other words, the distribution of customer value is an emotional, social, functional, and the price or sacrifice. To see the difference in the distribution of customer value (Jungkeun et al,.2012).

4.2.4. Buying Behavior

Buying behavior refers to the effect given from one person to another individual consumer attitude. Intention purchase is the basis of a person's buying behavior in the theory of TPB and the TRA (Wilcox et.al,.2009) were used in this research. Two forms, usually arise where normative susceptibility and susceptibility information (Nordin,.2009). Information susceptibility occurs when a buying decision happens by someone who is an expert opinion (expert's opinion). Opinion of other people will be very useful for a consumer who has very limited knowledge about a product. If a consumer is in an environment that understands the difference between genuine goods and counterfeit goods, the consumer is likely to have a negative view of forgery, then the consumer's purchase intention that have low or negative perceived on counterfeiting. Whereas normative susceptibility is a purchase decision based on the hope to be able to lure others (Penz, et al,.2005). Due to image plays an important role, then buy counterfeit goods will actually make a person a bad image, therefore image consumers of counterfeit goods would be no good (unfavourable). According to Belch and Belch,.(2009), purchase intentions are a tendency to buy a particular brand. Purchase intent is part of the purchase decision stage. For consumers who are sensitive to the meaning of the value of a product, then the consumer attitudes towards counterfeit goods to be positive. Indicators of purchase interest, namely: the tendency of consumers to buy a brand or product that taking action is measured by the level of purchase likelihood of a consumer makes a purchase (Hung, et al. 2012).

4.2.5. Social Adjustive Attitudes Function as a Social Identity

On the functions of social adjustive attitudes, become a means of connecting with others and to gain social acceptance. Attitude plays an important role in self-expression and social interaction. The social identity function is divided into two, namely social adjustive (Han et al,.2010). As a symbol of one's identity, the image shows a high status to others. Thus, the social identity function covers the difference between motivation and motivation impression setting personal identity.

The function of social identity, according Perez et al,.(2010), has great relevance to the product (great product) The explains that the function of social identity refers to the objectives to be achieved, with the depiction of a particular social or identity, by way of expressing a value (value expressive), or increase social acceptance (social adjustive) . Attitude functions, allow consumers to effectively act on an object. After determining his attitude toward an object, the attitude of consumers will save into memory, and will bring it back when faced with a similar object. How consumer to identify attitude is exactly what the function is called with an attitude. Against counterfeit products, Tejash and

Sushil,.(2012) explains that the function of an active attitude is the attitude of the social adjustive function that is part of the social identity function of attitudes.

4.2.6. Piracy

Product piracy is a counterfeit product that is similar to the difference in product Counterfeiting buyers are aware that the product purchased is counterfeit because there is a significant price difference, for example, buy a Rolex watch, Hermes or Gucci sunglasses, handbag on the side of the road with the price is very cheap. Counterfeit products are a clone of an existing brand, made very similar or identical to the original object. Including, packaging, stamp and brand, deliberately. Counterfeiting is a counterfeit product that produces a product that copy or imitate the physical appearance of an original product so that mislead the consumer that this is a product of the other party. Production of counterfeit products that violate trademark, copyright infringement, imitation packaging, labeling and branding is part of a forgery (Klau Peter, Nadine, and Christiane,.2012; Tejash and Sushil,.(2012). Counterfeit goods classification according to experts can be divided into four (4) categories, based on the level of offense, namely:

1) Product true, false (true counterfeit product), namely forgery by copying exactly 100 percent with the original.

2) Fake products that look similar (look-alike), the forgery is distinguished slightly from the original. They could be in the form of labels and packaging.

3) Reproduction, namely forgery as in the arts, for example, is paintings and photographs. In this case, the consumer has actually been told that the product is a reproduction.

4) Imitation is not convincing, is a forgery visible by naked eye that the forgery was done very poorly (poor) and of course, raises the question on the consumer.

4.2.7. Counterfeiting Consumer

Research has identified that there are two kinds of consumers in product counterfeiting. The first is the victim (deceptive), who does not know and does not intend to buy counterfeit goods because of the similarity of counterfeit goods with the original product (Jungkeun, Jae-eun and Jongwon,.2012). While, the second is a non-deceptive consumer who is willing to participate in the purchase of counterfeit goods, although aware that it is an illegal activity (Wilcox et al.,2009).

4.2.8. Influence Function of Social Adjustive Attitudes toward Product Purchase Intentions False

On research Phau et al,.(2009) explains that the function of attitude is the basis for understanding the motivations and attitudes of consumers towards the product purchase decision. When social adjustive function of consumer attitudes then it is likely the intention to purchase counterfeit products are likely high (Wilcox, 2009). Because consumers who underwent adjustive function of social attitudes have high motivation to improve the image of their status. Consumers who have this attitude function assume the value of counterfeit products can represent social position they want.

The desire consumers who are intention purchase of the fake brand by just paying the visual properties and functionality without paying for a quality brand (Phau et al 2009). Non-deceptive consumer attitudes describe an expression that reflected their feelings of liking or dislike of fake luxury goods brand. Because a person's attitude is the outcome of a psychological operation, and so it cannot be mentioned directly, but must be deduced from what is said or done (Suprapti, 2010). Counterfeit products eliminate the symbolic value of the original product (Han et al,.2010). Hence the fake product is a cheap version of the original item; it is possible that it will not look different perceptions in terms of quality.

4.2.9. Effect of Price Against False Product Purchase Intentions

The results of the study Phau et al, (2009), depict that the price of cheaper counterfeit products has a significant effect on consumer purchase intentions. The valuation of the price at some period in the buying process into consideration when consumers give up searching and evaluating information that products price difference, then the purchase intent is the effect of evaluating alternative stages. Most buyers are looking for the value of counterfeit product brand prestige and image, but not willing to pay a high price. For low prices and although the quality is lower than the standard, the product is still regarded as a value for money, but counterfeit products still provide the same functionality and benefits of the original product, but with a cheaper price, so the counterfeit product is favored (Klau-Peter, Nadine, and Christiane,.2012).

Usually the price is also a reflection of consumer attitudes toward the value of counterfeit products. Counterfeiting of branded products was deliberately made to benefit from the fact that their prices are much cheaper and very competitive. Consumers want to buy a luxury product, but do not want to pay my price is expensive luxury products (Cordell et al.,1996). Consumer perceptions generally seen that the presence of a small financial risk is the added value for consumers to purchase counterfeit products, due to the price of counterfeit products is very profitable and because the very low price of counterfeit products.

4.3. Hypothesis Development

When consumers wear fake products they would expect a good reception by the social environment. Because of counterfeit products provide prestige given the original brand (Gentry, et al. 2006; Jungkeun, et al,.2012). They want to show that they are able to buy a branded product that can demonstrate their social group (Eisend and Guler,.2006). A counterfeit product with famous brand gives a sense to the consumer the most important is the desire to fulfill the symbolic meaning such as social status and financial status, recognition, and superiority (Cordell et al., 2006). When consumers buy counterfeit products, they aim to help consumers achieve social goals and to eventually be able to increase the acceptance of social value. Furthermore, acceptance of social values greatly influences the purchase intentions against counterfeit products (Yoo and Lee, 2009). So, Hypotesis is:

H1: Consumers will have a high intention to purchase counterfeit products when the value is the high social acceptance environment.

High prices set manufacturers original products on the market, allowing consumers to choose counterfeit products, as identified in the research Phau et al, (2009), shows the price of cheaper counterfeit products into the reasons consumers purchase a product intended to undergo a fake, and there are some consumers intend to buy a luxury product but do not want to pay an expensive thirst associated with such luxury goods (Cordell et al., 1996). Thus,

H2: Consumers will have a high intention to purchase counterfeit products when the original product price is relatively high

The behavior of consumers who intend to buy counterfeit products will increase the effect of any interaction and social function adjusted price adjusted run social consumers with the acceptance of their social environment. In other words,

H3: There will be interaction between the social and the adjusted price in influencing consumer intentions to purchase counterfeit products.

The highest value consumer purchase intentions will occur when the value of social acceptance is relatively high adjusted environment and relatively high price of the original product.

5. Data Analysis and Presentation

This study uses factor loading and reliability analysis in examining the validity and reliability of the items given to participants' questions. The analysis showed that the items

were used to investigate the value of *Cronbach's* alpha was used to calculate the reliability of the items measuring purchase intent handbag, fake of 0.984, socially adjusted at 0.938 and for 0.851 while the value of the factor loading of all indicator variables above 0,800 can be interpreted the indicator has a very close relationship and are part of the variable. Limits to the value of the load factor is very good and reliable measurement is expressed as greater than 0.6 (Malhotra, 2007).

To check the manipulation of the social variables adjusted, the scale used is the Likert scale, where a rating scale starts from a value of 1 for stating disagreement with a value of 5 for each of the stated agreement on four items of social adjusted as a function of the participants' attitudes towards counterfeit products, in this case is the product of fashion handbags, which are very easily bought and sold in markets or modern shopping centers, and consumers easily obtain current information in the online media. To test the manipulation check results using different test paired or paired t test.

Based on the results of the assessment of participants against counterfeit products (piracy) when asked to state the attitude that is being undertaken is the social adjustive; in which consumers assess the acceptance of the social environment against counterfeit products. Seen from the average value of the answers participants with social attitudes adjustive function (χ = 4.792). Meanwhile, the participants who received stimulus Louis Vuitton handbag price scenario (LV) false seen that participants can distinguish high prices (χ = 2.2960) with low price (χ = 2.2960) with a significance value ($p < 0.05$), so it can be concluded that the manipulation was successful and participants understand the purpose of manipulation is given.

This study used MANOVA as an analytical tool to test the hypotheses that have been formulated. MANOVA was used because there are two *co-variates* were used, namely the status of the function of social attitudes and the participants lived an adjusted price function. The analysis shows that the acceptance of the value of the participants in the control group was on (χ = 2.893), and for the purchase intent is (χ = 2.695). MANOVA results above can also be seen on the adjusted value of F social acceptance of the value of the brand LV handbags for purchase intention (F = 4.336, p= 0.038) were significant, indicating also influence research. For the price the value of F (F= 16.448, p= 0.000) on the valuation price of the participants and participant purchase intention (F= 21.582, p= 0.000) were significant, so it can be said to be co-variates have adjusted social function that has influenced on research. The first hypothesis states that counterfeit products that show higher values of social acceptance will increase purchase intentions against

counterfeit products. The results of the MANOVA test analysis showed significant values (p= 0.001, F= 12.148) with the average acceptance of social values (social adjusted) higher LV handbags, namely ($\chi = 3.719$) and the average low acceptance of social value ($\chi = 3.325$) so H1 is received.

In testing this hypothesis, the product is known to contain a false perception of social adjustive value for acceptance of social values. The results are consistent with previous allegations, which indicate that the counterfeit branded consumer products undergo social attitudes adjustive function select handbags original high price of higher selling prices but lower false would be the dominant consumer choice. According to Wilcox et al. (2009) Consumer attitudes to social adjustive function tends to consume counterfeit products because they have moral beliefs that are vulnerable, and the value of the self (mental) they are weak in making decisions. So the preference for counterfeit products was more likely (Wilcox, et al., 2009).

In addition , the results of further analysis showed that the average value of highest purchase intent participants in the treatment group with LV themed products value expressive at a higher price , it indicates that students, more emphasis on luxury branded handbags utility function than its function as a sign of social status symbol (social adjustive). As was said Kapferer (2010) in his review of the luxury brand that is attached to a product that is in addition to the social world, there is also a rational side. Consumers who have rational thinking in order to spending money that more wisely and more emphasis on usability functions of a product. In this case, the student is considered to represent the rational side that tends to prefer the fake handbags with the value of the benefit and well-known luxury brands.

The second hypothesis states that the price of the original product is relatively higher of the counterfeit products are sold at relatively low prices will increase purchase intentions. Analysis on the price of fake LV handbags produce an average purchase intention ($\chi = 2.702$), compared to the high prices ($\chi = 2.392$) with the level of significance (F = 5.495, p < 0.05). So that H2 is accepted. This discovery answered alleged preconceived, where the consumer will choose counterfeit products at a cheaper price than others. Consumers already know that it is a counterfeit product (non-deceptive consumer). In the physical quality luxury brand products (luxury brand), especially LV Handbags certainly have a model (style) is different and unique, which is characteristic of its own. So, it's true without any higher price that consumers still can recognize the fake handbags, also it can be interpreted, that without buying any brand LV better than *Hermès Handbag*, others in their social group (insider) are already recognizing counterfeit luxury branded products (Berger and Ward,.2010).

The third hypothesis states that counterfeit products are perceived interaction includes social functions of the adjusted and prices interact in influencing consumer purchase intention on counterfeit products of the fashion industry, such as handbags which have popular brands for consumers. The analysis shows that there are interaction effects of exogenous variables on the purchase intention was (F = 7312, p = 0.000). Has a value of logo includes the highest rates, i.e. ($\chi = 2.964$). Followed then the average value of participants indicated themed ad expressive value and LV handbags contained in the advertisement does not include the logo cues ($\chi = 2.475$). The hipotesis didn't have different of consumer at Jambi or Surabaya city.

The results of this study demonstrate that the function of social attitudes and the price adjusted positive effect on consumer purchase intention on counterfeit fashion products. Actual purchase behavior is less ethical, but for consumers who inadvertently buy counterfeit products, this common thing. Then, counterfeiting activities will be more difficult to remove during the perception of consumers indicate acceptance of the value of the social environment is high on the fake product that has a social function and psychological which is similar benefit of the original product. In addition to the consumer who has financial limitations and reluctance in buying a genuine product will increase purchase intention on counterfeit products that can be purchased at very low prices is far from the original product price. In testing this hypothesis, known counterfeit product at a lower price with the calculated p = 0.000 showed no difference in receipt of significant social values among the treatment groups with low price and high price of Louis Vuitton handbags and Hermès Handbag variance.

On the one hand gesture function plays an important role in the social interactions of consumers, and on the other hand the consumer social objectives will be achieved by using branded products in the public know who has a psychological benefit function and high (Wilcox et al,.2009). It can be concluded that the existence of a product that has an element of attitude function can assist consumers in consumer acceptance of social values in the environment, then proceed with the purchase intention of consumers against false by some non-deceptive. Based on that, the researchers found counterfeit products with functions adjustive social attitudes and low prices on the products that consumers will get a high response. A response is intended consumer acceptance of social value and intends to purchase counterfeit products.

Based on this, the implications of this study, indicate that the counterfeit product with an attitude of social adjustive function in any handbag brand Louis Vuitton of luxury brand products that will get a high consumer response. Responses are intended consumer acceptance of social value and

purchase intention. Conversely, when the product informed by displaying a combination of attitude functions and high prices, the consumer response will be lower. This study also shows the effect of the interaction between the social and the adjusted price on purchase intention of counterfeit products associated with the brand Louis Vuitton handbag.

Another implication does marketers in combating counterfeiting activities to implement the strategy of innovation at an affordable price. As explained Lai and Zaichowsky,.(1999), that the world is always rotating, consumer tastes will change and the market is far from stable when manufacturers to constantly innovate. As an example of innovation is done LV logo on a unique character, feminine style that is always a favorite of Indonesian didnt have a differen perceptions especialy every consumer at Jambi and Surabaya City of handbags counterfeit.

6. Conclusion

Counterfeit products are perceived with a high valuation for the social adjustive acceptance of social values will influence consumer purchase intentions. Acceptance of the participants' social value was high when the fake products with the theme of social adjustive. It indicates that the high consumer response to the fake branded products undergo social adjustive function. According to Wilcox, et al,.(2009) consumers with more adjustive function dominant social attitudes have moral beliefs that are vulnerable, and weak internal value in making decisions. Thus, the preference for consuming counterfeit products will be greater. In addition the study found that the value of counterfeit product purchase intentions with lower prices have higher purchase intentions than when the same series of products with a higher price. This indicates that the partisipans, as subjects in this study, more emphasis on the value of the utility function than its social function as an admission of social status through luxury branded handbags counterfeit.

Limitations in this study, the study subjects were a student of the Faculty of Economics who does not have their own financial ability. For, further research can be conducted with participants who have their own income and have high financial ability, or socio-economic status above. The price, have significant effect on decision of the participant' intention of purchasing handbags counterfeits. It has been suggested that other factors could be influence the purchase intention of counterfeit brands of product for Indonesia.

Because after all, counterfeit products with well-known luxury brand not only attract consumers with low income (low income), they were able to buy the original branded product is also a great opportunity to buy pirated products (Gentry, et al,.2006), but there is reluctance to buy the original.

In general, consumers were is have not different of the brand attitudes, as the mean value for all questions was close to the agree of the counterfeit product is a normality. The respondent felt thet the counterfeit would have somewhat lower quality, they did not expected them to last as long and to be reiceve of the friend. They have some counterfeit product as relised to used for uptodate mode. This finding is interesting, as handbgas counterfeit had been established that Jambi and Surabaya respondents values counterfeit branded product not have differences.

Future studies can be conducted in more depth than the consumer side, which is about the dimensions of the received values (perceived value), associated with the function of other attitudes, and in this study only measured on an adjusted social dimension only and also supply side of the price aspect. For future research are expected to lead to more consumer behavior on the emotional dimension of the investigation, culture and quality. So that, the information can be obtained more complete. In addition, there are many other variables that also need to be considered, such as social, and economic.

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