

## Consumers Attitude Towards Purchase Decisions of Counterfeits Fashion Products Moderated by Personal Income



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**ABSTRACT:** The luxury fashion products industry is a highly profitable business that has experienced phenomenal growth over the last few decades. However, concurrently, consumers have shifted their preference towards counterfeit luxury brand fashion products (hereafter referred to as counterfeit fashion products). The shift in consumer preferences towards counterfeit fashion products may be attributed to the high prices of authentic luxury brand fashion products. Consumers are drawn to counterfeit fashion products because they believe that wearing such products can enhance their social status and boost self-confidence. Up to 40% of imported products entering Indonesia are counterfeit and of substandard quality. The primary factor driving the high demand for counterfeit fashion products is the consumer's attitude, which encompasses factors such as value consciousness, brand consciousness, perceived risk, materialism, and social influences, with personal income included as a moderating variable. The research utilized a sample of 270 data points selected through purposive sampling. The data collected were analyzed using Structural Equation Model (SEM) analysis with the assistance of the AMOS 24 software application. The results indicated that value consciousness and social influences had an insignificant impact. Conversely, brand consciousness, perceived risk, and materialism significantly influenced attitudes. Personal income has been demonstrated to moderate individuals' attitudes towards purchasing counterfeit fashion products.

**KEYWORDS:** counterfeits fashion products, value consciousness, brand consciousness, perceived risk, materialism, social influences, personal income, purchase decisions

### I. INTRODUCTION

The luxury fashion product business is an immensely profitable industry that has grown phenomenally in the past few decades, as stated by Kassim et al. (2020). Fashion attributes encompass clothing, bags, watches, shoes, jewelry, and cosmetics, as noted by Urban&Co (2022). However, simultaneously, consumers have shifted their preference towards counterfeit luxury fashion products (referred to as counterfeit fashion products hereafter), as discussed by Bhatia (2018). The International Anti-Counterfeiting Coalition has reported that the global market related to counterfeit fashion products has exceeded \$600 billion per year, contributing around 5-7% of the annual value of global trade, as highlighted by Kassim et al. (2020).

The shift in consumer preferences towards counterfeit fashion products can be attributed to the high prices of genuine luxury fashion products, as noted by Bhatia (2018). Luxury Columnist (2022), a leading online media, mentioned the price range of one of the world's most famous luxury fashion brands, Louis Vuitton. Their most expensive product, the Steiff Louis Vuitton Teddy Bear, is priced at US\$ 2.1 million or Rp 30 billion (at an exchange rate of Rp 14,700), and the Louis Vuitton Urban Satchel costs US\$ 150,000 or approximately Rp 2 billion.

With the continuous advancement of technology, many manufacturers of counterfeit fashion products bearing luxury brand labels have seized the opportunity, as noted by Phau et al. (2009), by producing products of similar quality with lower production costs, making counterfeit fashion products cheaper in terms of retail price, as highlighted by Gentry et al. (2006). This has piqued the interest of consumers in counterfeit fashion products because they believe that wearing these products can boost their self-confidence and social status, as mentioned by Bhatia (2018).

Bian and Moutinho (2011) define counterfeiting as an act of misuse of a trademark that is identical, thus infringing upon the rights of the trademark holder. Technically, counterfeiting refers to trademark infringement, and in practice, products are intentionally made to closely resemble the original products and can mislead consumers in their search for genuine products, especially those consumers who lack knowledge of the differences between genuine and counterfeit products, as stated by Bian

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and Moutinho (2011). According to Phau (2009), counterfeiting is the reproduction of a trademark that is very similar or identical to the genuine product, including packaging, labeling, and branding, with the deliberate intention of being perceived as an authentic product.

According to the research outcomes of Chaudhry and Stumpf (2009), it has been shown that the demand for counterfeit fashion products has increased by more than 12% annually over the past few decades. Furthermore, the counterfeit fashion products business has been on the rise since the 1970s and continues to grow, as noted by Bhatia (2018). This has resulted in economic issues worldwide and poses challenges for companies that produce genuine luxury brands or authentic luxury brands (Davidson et al., 2019).

According to Yappy et al. (2014), the growth of the counterfeit fashion products business is not only supported by the abundance of sellers but also driven by the high demand from consumers who use counterfeit fashion products themselves. In addition to the lack of love for domestically made products, here are the two main reasons why Indonesian consumers like foreign brand fashion products according to Nurdin et al. (2010). First, they believe in the better quality of foreign products. Second, consumers will feel an increase in their social status.

Moreover, the fundamental driver behind the high demand for counterfeit fashion products is consumer attitude, followed by several factors such as value consciousness, brand consciousness, perceived risk, materialism, and social influence (Bhatia, 2018). This is further supported by the research of Norizam (2020), who suggests that social status and value consciousness also underlie an individual consumer's attitude towards counterfeit fashion products.

Value consciousness is a condition in which consumers are aware of paying a lower price and are conscious of the quality they receive, as they benefit from a lower price while still obtaining added value from a famous brand, prestige, and brand image (Gentry et al., 2006). Consumers who are highly value-conscious of a product will naturally favor counterfeit fashion products, where they can pay less but still get the same functional value (Bhatia, 2018).

In addition to value consciousness, another factor underlying consumers' attitudes toward counterfeit fashion products is brand consciousness. According to Wang et al. (2005), consumers who are brand-conscious but cannot afford genuine brand products will ultimately choose to purchase counterfeit fashion products. According to Phau et al. (2009), if counterfeit fashion products are available in the market with reasonably good quality and there is little noticeable difference when compared to the genuine brand, brand-conscious consumers may also buy counterfeit fashion products.

In addition to value consciousness and brand consciousness, consumers of counterfeit fashion products are also influenced by the factor of perceived risk, specifically the risk of purchase (Bhatia, 2018). Perceived risk has a significant impact on consumers, especially the perceived risk of purchase from a price perspective (Peter and Olson, 2014). Research conducted by Hanzae and Taghipourian (2012) has shown that the perception of purchase risk with lower prices can affect consumers' attitudes toward counterfeit fashion products. This is supported by the outcomes of Bloch et al. (1993), who found that consumers would choose counterfeit goods with lower prices over genuine products with relatively higher prices. Even though counterfeit fashion products may be of lower quality, consumers are willing to buy them because they can save costs (Cuno, 2008).

In addition to the three factors mentioned above, another one is materialism, which can influence consumer attitudes toward counterfeit fashion products. Materialism represents consumers who appreciate high-value possessions, such as luxury fashion products. Materialistic consumers like to purchase counterfeit fashion products (Wilcox et al., 2009). The results of Gentry et al.'s research in 2001 indicate that materialistic consumers will have a desire to purchase more items, but with a middle to lower economic background, they fulfill their materialistic needs by buying counterfeit fashion products.

Another factor underlying consumer attitudes in choosing counterfeit fashion products is social influence. Consumers will purchase products according to their social class (Bhatia, 2018), especially if they are striving to reach a higher social class, so they will try to buy branded products that reflect their status, wealth, and social class level (Mellot, 1983). When consumers are solely focused on brand prestige but cannot afford genuine and expensive branded products, they will turn to counterfeit fashion products (Bearden et al., 1989).

Consumer attitudes towards the purchase of counterfeit fashion products can also be reinforced by an individual consumer's personal income factor (Bhatia, 2018). Previous research conducted by Stravinskiene et al. (2013) and Stephen et al. (2014) found that consumers with lower incomes are more likely to purchase counterfeit fashion products.

In developing countries, especially Indonesia, consumers consider buying counterfeit fashion products to be a common practice (Nurdin et al., 2010). Consumers continue to choose and favor counterfeit fashion products, even though there are existing legal regulations (Hasanah, 2019). According to the legal provisions outlined in Law No. 28 of 2014 on Copyright and Law No. 20 of 2016 on Trademarks and Geographical Indications, which explicitly prohibit the circulation of counterfeit products that infringe upon intellectual property rights (DGIP, 2023). As stated by Hasanah (2019), these laws can only be enforced if the original trademark owner and license holder file a lawsuit against counterfeit fashion products.

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Despite the legal framework regulating the distribution of counterfeit products, counterfeit fashion products continue to be popular among consumers and can easily be found in major cities in Indonesia. This is evident from the research conducted by the US Trade Representative in 2021 regarding the Review of Notorious Markets for Counterfeiting and Piracy, which stated that Mangga Dua Market in Jakarta is a notorious market selling counterfeit fashion products such as bags, clothing, watches, jewelry, and perfumes. According to Kusumah (2021), counterfeit fashion products are also widespread in other major cities such as Bandung, Batam, Surabaya, and Yogyakarta.

Previous research on counterfeit fashion products has yielded varied results. Bhatia (2018) states that value consciousness, materialism, and social influence positively influence consumers' attitudes toward purchasing counterfeit fashion products. However, for the variables of brand consciousness and perceived risk, they do not have a positive impact on consumers' attitudes toward purchasing counterfeit fashion products. Kassim (2020) asserts that value consciousness influences consumers' attitudes toward counterfeit fashion products and moderates the relationship between consumption status and consumers' attitudes toward counterfeit fashion products. Meanwhile, DeMatos (2007) suggests that consumer intentions to purchase counterfeited products are highly dependent on their attitudes toward counterfeits, which are more influenced by perceived risk if consumers have previously purchased counterfeit products. However, Koay (2018) states that psychological risk and prosecution risks do not have a significant influence on purchase intention towards counterfeit luxury goods.

The existence of shortcomings and issues related to the previously mentioned phenomenon highlights the high demand for counterfeit fashion products, especially in developing countries like Indonesia. This business has continued to thrive for decades, despite the presence of legal regulations concerning counterfeit products. This is because the purchase of counterfeit fashion products is heavily influenced by consumer attitudes rooted in value consciousness, brand consciousness, perceived risk, materialism, social influence, and the personal income of the consumers themselves (Bhatia, 2018).

Based on the explanations provided, the author believes that research is necessary, particularly in Indonesia, a developing country with a large population of diverse ethnicities and ages. The author will conduct research adopted from a previous research by Vintha Bathia in 2018 in India. The author will analyze the factors influencing consumers' attitudes toward purchasing counterfeit fashion products in Indonesia. Therefore, it can be concluded that the focus of this research is to determine how Value Consciousness, Brand Consciousness, Perceived Risk, Materialistic tendencies, and Social Influence affect consumers' attitudes toward the purchase of counterfeit fashion products, with Personal Income as a moderating variable.

## II. THEORETICAL FRAMEWORK

### A. Counterfeits Fashion Products

Counterfeits are the illegal activity of producing a product that resembles an authentic item but usually has lower quality in terms of performance, reliability, or durability compared to the genuine product (Ciangga, 2013). Currently, luxury products, which are generally expensive, are among the most counterfeited products, such as Polo shirts, Rolex watches, Gianni Versace clothing, and Hermes handbags (Jiang et al., 2018). Earlier research by Husic and Cicic (2009) in Jiang et al. (2018) states that consumers prefer buying popular brands to enhance their status in society, regardless of whether it's a genuine or counterfeit product. Counterfeits can also be referred to as 'twin' products that use the same trademark by mimicking the design style and appearance of popular brand products (Banindro, 2021).

### B. Value Consciousness

Value consciousness describes consumer behavior regarding the price paid by comparing the quality received in a particular product purchase (Bao and Mandrik, 2004). According to Phau and Teah (2009), value consciousness is consumers' awareness of paying a low price while considering the quality that corresponds to the value obtained from a product.

Sing et al. (2020) state that the results of their research show that value consciousness has a positive influence on attitudes toward the purchase of counterfeit fashion products, and value consciousness directly responds to consumer preferences for a product. Fashion products are used by consumers not only to satisfy their own desires but also to impress others, which can motivate consumers with high value consciousness in making purchases (Kim and Karpova, 2010).

Value consciousness plays a crucial role in purchasing counterfeit fashion products as it is directly related to price and how much consumers feel the product's value aligns with the cost incurred (Fernandes, 2013). Consumers believe that counterfeit fashion products may have lower quality compared to the genuine ones, but this is offset by cost savings, leading consumers to label counterfeit fashion products as a "value for money" (Furnham and Valgeirsson, 2007). Consumers who purchase counterfeit fashion products argue that they can buy prestige and status without paying extra (Bloch et al., 1993). Consumers with high value consciousness tend to have a more positive attitude toward counterfeit fashion products compared to those with low value consciousness (Ang et al., 2001).

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### **C. Brand Consciousness**

Brand consciousness or brand awareness refers to the psychological preference for well-known branded goods (Sproles and Kendall, 1986). The American Marketing Association identifies a brand as a name, term, symbol, design, or combination thereof intended to identify goods or services of one seller or group of sellers and differentiate them from competitors (Tjiptono, 2016).

Brand awareness is a key factor influencing purchasing decisions (LaChance et al., 2003). Consumers who value prestige are willing to pay a higher price for a product considered a symbol of great prestige (Deeter-Schmelz et al., 2002). Consumers with high brand awareness expect the brand to represent status and prestige and, as a result, are willing to purchase luxury and well-known branded items (Bhatia, 2018).

Brand awareness represents a prospective buyer's ability to recognize and recall a brand as part of a specific product category (Durianto et al., 2004). Generally, consumers tend to purchase products from brands they are familiar with based on considerations of comfort, safety, and perceived reliability of the product (Durianto et al., 2004).

### **D. Perceived Risk**

Perceived Risk in the marketing and consumer behavior literature is often referred to as Risk Perception or Perception of Risk, which pertains to the negative consequences anticipated by a consumer regarding the purchase of a product (Dunn et al., 1986). Risk perception plays a crucial role in consumer decision-making concerning counterfeit fashion products because the perceived risks involve an assessment of the certainty of negative consequences associated with the consumer's behavior itself (Kuay, 2018).

According to the research by Prakash and Pathak (2017), some consumers are aware and consider purchasing counterfeit fashion products as a risky endeavor, with the possibility of ending up with damaged and non-durable products. Matos et al. (2007) suggest that consumers with higher perceived risk are not interested in counterfeit fashion products because they are aware of the worst-case consequences of these risks. However, even though consumers are aware of the drawbacks of counterfeit fashion products, this does not deter them from choosing to purchase them for the sake of self-expression and showing off to others (Bhatia, 2018).

In the case of complex consumer buying behavior, when products are rarely purchased and are significant, such as cars, consumers are not willing to take the risk of counterfeit products (Kotler and Keller, 2016). However, in the fashion category, consumers are willing to overlook the risk because, with inadequate financial conditions, they can fulfill their desire to show off by wearing counterfeit fashion products (Wang et al., 2005).

### **E. Materialism**

Materialism refers to the possession and acquisition of material goods in the pursuit of life goals and desired status (Mason, 2001). Compared to the average consumer, materialistic consumers are obsessed with owning more possessions. Their motives are to project wealth, status, uniqueness, and garner social appreciation (Mason, 2001).

Material values such as success, centrality, and happiness are three dimensions of materialism that influence consumer desires to purchase counterfeit fashion products (Wilcox et al., 2009). Highly materialistic consumers, when faced with financial constraints in pursuing their materialistic goals, resort to buying counterfeit fashion products (Gentry et al., 2001). Materialistic consumers have a significant influence on the decision-making process regarding counterfeit fashion products (Bhatia, 2018).

### **F. Attitude**

Attitude is a tendency to react to something, someone, or an object with liking, disliking, or indifference (Alisuf, 2010). It involves the emotions and opinions of an individual, such as agreement, disagreement, liking, disliking, and so forth. Attitude is a still-concealed reaction or response of an individual to a stimulus situation or object. The manifestation of attitude cannot be directly observed but can only be interpreted from covert behavior. Attitude represents a readiness to react to objects in a specific environment as an appreciation of the object (Malhotra, 2010) and a tendency to act in a certain way toward that object (Saam 2012).

Attitude plays a significant role in that consumers who have purchased counterfeit fashion products tend to have a more favorable attitude compared to those who have not. This poses a real threat to genuine brand manufacturers because once consumers have experience with counterfeit fashion products, they are likely to develop a positive attitude and subsequently have positive intentions and behaviors (Matos et al., 2007). The results indicate that this experience does not have a direct effect on behavioral intentions regarding counterfeit purchase decisions.

### **G. Social Influence**

According to Wang and Chou (in Haryono and Brahmana, 2015), social influence refers to an individual's strategy to persuade others in influencing decisions and behaviors. This is supported by people in close relationships such as family, friends, and the

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workplace environment. Venkatesh et al. (2012) define social influence as the extent to which an individual perceives that important people to them believe that they should use a particular system or technology, and social influence impacts individual behavior through three mechanisms: compliance, internalization, and identification. According to Wang and Chou (2014), social influence refers to how others affect an individual's behavioral decisions, and it is related to external pressures (important and close individuals, such as family, friends, and workplace colleagues).

Prior research by Bhatia (2018) in India, where the majority of consumers belonged to low and middle-income groups, found that when they desired high-standard luxury goods but couldn't afford genuine branded products due to their high cost, they were compelled to purchase counterfeit fashion products with similar functionality. This was a means to showcase their status and wealth to peers and colleagues. This also reaffirms earlier research conducted by Ian Phau et al. (2009), which posited that social influence has a strong impact on attitudes toward counterfeit fashion products. Peers and colleagues around consumers can also exert a significant influence on whether they choose authentic or counterfeit products because individuals seek to create a positive impression on others and display their wealth status (Bhatia, 2018).

### H. Personal Income

Personal income, or Personal Income, is the income owned by an individual. In general, personal income can be measured based on income from all sources, although the largest component of total income is wages and salaries (Kholilah, 2013). An individual's income typically doesn't come from just one source or one core job type but can also stem from several side jobs that generate additional income. Income is also defined not only as the result of work performed by an individual but as finances obtained from various other sources, such as monthly allowances from family (Susanti, 2016). In other words, if someone is a student, the income they receive consists of pocket money or monthly spending money sourced from their parents' income (Candana, 2020).

Personal income is one of the factors influencing financial management behavior. To meet all the needs in life, every individual will rely on their income as the source of their daily expenses (Nusron et al., 2018). Financial management behavior occurs when an individual already has income. Individuals will not engage in consumption or savings actions without considering their income (Candana, 2020).

Stravinskiene et al. (2013) added that luxury brand fashion products appeal not only to consumers who can afford them but also to low-income consumers who cannot purchase the genuine products due to their high prices. On the other hand, while price typically serves as the primary motivating factor for consumers to opt for counterfeit fashion products, it cannot always be linked to low consumer income, as the consumption.

### I. Purchase Decisions

According to Kotler (2016), consumer buying decisions refer to the final decisions made by individuals or households when purchasing goods and services for personal consumption. Meanwhile, according to Sussanto (2016), the buying decision is a process through which consumers go through specific stages to make a purchase of a product. Buying decisions are a part of consumer behavior (Tjiptono, 2016), which is an action directly involved in obtaining, selecting products and services, including the decision-making process that precedes and follows these actions. Buying decisions are inseparable from the nature of a consumer (consumer behavior), so each consumer has different habits in making purchases (Kotler and Keller, 2016).

Based on the theoretical explanation above, this research will propose the following hypotheses:

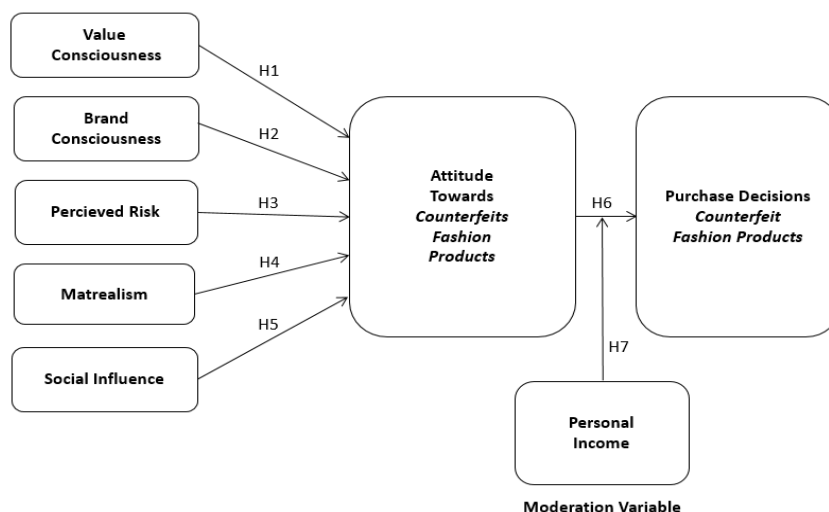


Figure 1. Theoretical Framework

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- H1: Value Consciousness Affect Attitude Towards Counterfeits Fashion Products.
- H2: Brand Consciousness Affect Attitude Towards Counterfeits Fashion Products.
- H3: Value Consciousness Affect Attitude Towards Counterfeits Fashion Products.
- H4: Percieved Risk Affect Attitude Towards Counterfeits Fashion Products.
- H5: Matrealism Affect Attitude Towards Counterfeits Fashion Products.
- H6: Attitude Towards Counterfeits Fashion Products Affect Purchase Decisions.
- H7: Personal income moderates Attitude Towards Counterfeits Fashion Products.

### III. METHODOLOGY

This research is a quantitative research, namely quantitative research is a research methodology that seeks to measure data using some form of statistical analysis (Hair, 2019). The data obtained from the research sample were analyzed according to the statistical method used and then interpreted. The data collection technique used was a questionnaire in the form of questions given to respondents to fill in according to the actual situation. Questionnaire is a structured technique for data collection consisting of a series of questions, written or oral, which are answered by the respondent (Malholtra, 2010).

The sampling technique used in this study is nonprobability sampling i.e. a sampling design in which the elements in the population have no known or predetermined chances of being selected as sample subjects. Furthermore, the sample design used in this study is purposive sampling i.e. sampling design nonprobability where the required information is gathered from a specific target or group of people on a rational basis (Nolw, 2009). It is expected that the samples to be taken actually meet the criteria in accordance with the research to be carried out. The sampling criteria in this study is:

1. Minimum age 17 years old.
2. A consumer of Counterfeits Fashion Products (Past and Present).

Online link was sent to 270 respondents who have been bought Counterfeits Fashion Products. The responses were measured on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). This study uses the SEM method (Structural Equation Modeling) with the help of the AMOS 24 application to test the hypothesis that have been proposed. SEM is a part of a statistical model that attempts to explain the relationship between many variables. SEM estimates a series of separate, but interdependent, multiple regression equations simultaneously by specifying the structural model used by the statistical program.

### IV. RESULTS AND DISCUSSION

#### A. Result

The questionnaire data collection yielded 286 collected responses. However, there were some responses from participants that did not meet the criteria. As a result, only 270 respondents were eligible for further analysis. As pointed out in the analysis of respondent characteristics in Table 1, the majority were female respondents (64%), aged between 36-45 years (11.9%), and identified as businessman (32.9%). Majority of respondents have a monthly income of Rp. 3,000,001 - Rp. 6,000,000 with a percentage of 44.8%. Majority of respondents have counterfeits fashion products 1-3 pieces with a percentage 79%. Majority of respondents bought counterfeits fashion products were in more than 1 year ago with a percentage 50%. Majority of respondents have counterfeits fashion products 49% answered Bags and 33% for shoes, and based on favourite brands are 28% answered for Adidas, next 16% stood for Uniqlo, then 15% for Nike.

Tabel 1. Demographic Profile

Characteristics	Item	Frequency	Precentage
Gender	Male	97	36
	Female	173	64
Age	17-25	16	1,3
	26-35	195	72
	36-45	32	11,9
	>45	27	9,8
Occupation	Student	22	8,1
	Government employees	78	28,8
	Private employees	34	12,7
	Entrepreneur	89	32,9
	Housewife	47	17,5
	Others	0	0

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<b>Expenditure</b>	< Rp 1.000.000	13	4,9
	Rp 1.000.001 - Rp 3.000.000	39	14,3
	Rp 3.000.0097- Rp 6.000.000	121	44,8
	Rp 6.000.001 – Rp 10.000.000	41	15,4
	>Rp 10.000.000	56	20,6
<b>Characteristics</b>	<b>Item</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Number Owned Counterfeits Fashion Products</b>	1-3 pcs	214	79,30
	4-6 pcs	36	13,30
	>6 pcs	20	7,40
<b>Purchase Frequency Counterfeits Fashion Products Per Year</b>	1-3 times	229	84,81
	times	30	11,11
	>6 times	11	4,08
<b>Last Time Purchase Counterfeits Fashion Products</b>	1 week	12	4,40
	1 month	123	45,60
	>1 year	135	50,00
<b>Types of Counterfeits Fashion Products</b>	Shoes	130	48,14
	Bags	88	32,60
	Apparel	24	8,89
<b>Brands of Counterfeits Fashion Products</b>	Adidas	72	26,67
	Uniqlo	42	15,56
	Nike	38	14,07

Source: Primary Data (2023)

### Outer Model Testing

The outer model measurement in SEM delineates a segment of the path model focusing on the associations among indicators and their corresponding variables (Hair et al., 2014). The assessment of the outer model encompasses evaluations of convergent validity, discriminant validity, and reliability (Hair et al., 2014).

Table 2. Validity and Reliability Test

Variabel	Item	Factor Loading	AVE	Cronbach's Alpha	Composite Reliability
Value Consciousness (X1)	X1_2	0.891	0.625	0.886	Valid
	X1_4	0.676			Valid
Brand Consciousness (X2)	X2_1	0.644	0.614	0.859	Valid
	X2_2	0.852			Valid
	X2_3	0.794			Valid
	X2_4	0.827			Valid
Perceived Risk (X3)	X3_2	0.629	0.567	0.756	Valid
	X3_3	0.789			Valid
	X3_4	0.826			Valid
Matrealism (X4)	X4_1	0.707	0.607	0.857	Valid
	X4_2	0.788			Valid
	X4_3	0.908			Valid
	X4_4	0.695			Valid
Social Influence (X5)	X5_1	0.637	0.535	0.797	Valid
	X5_2	0.800			Valid
	X5_3	0.879			Valid
	X5_4	0.567			Valid
Attitude (Z)	Z1_1	0.782	0.853	0.886	Valid
	Z1_2	0.840			Valid
	Z1_3	0.692			Valid
	Z1_4	0.874			Valid
Purchase Decisions (Y)	Y1_1	0.929		0.943	Valid

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	Y1_2	0.975	0.915		Valid
	Y1_3	0.966			Valid
Personal Income (PEN)	PEN	0.707	0.500	1.000	Valid

Source: Primary Data (2023)

**Table 3. Fornell and Larcker Criterion**

Variabel	X1	X2	X3	X4	X5	Z	Y	PEN
X1	<b>0.791</b>							
X2	0.189	<b>0.783</b>						
X3	0.291	0.281	<b>0.753</b>					
X4	0.138	0.728	0.332	<b>0.779</b>				
X5	0.373	0.483	0.282	0.493	<b>0.731</b>			
Z	0.150	0.506	-0.076	0.576	0.379	<b>0.924</b>		
Y	0.086	0.607	-0.075	0.608	0.379	0.842	<b>0.957</b>	
PEN	-0.025	-0.106	0.039	-0.093	-0.093	-0.178	-0.238	<b>0.707</b>

Source: Primary Data (2023)

Based on Table 2, it can be observed that all measurement items of the variables have loading factor values  $> 0.5$ , AVE  $> 0.5$ , and Cronbach's Alpha  $> 0.6$ . In Table 3, it is evident that the square root of AVE values for all research variables is greater than the correlation values with other variables. This can be interpreted as indicating that the indicators used in the research are able to predict each latent variable effectively. Therefore, all items have met the criteria for validity and reliability (Hair et al., 2014).

### Goodness of Fit Test

Based on the structural model test, it was found that out of the 9 goodness of fit indices, P-value and AGFI did not meet the criteria (poor fit). The majority of indices, such as GFI, RMSEA, NFI, and RFI, indicated that the SEM model formed was moderately fit (Marginal fit), while RMR, TLI, and CFI suggested a good fit. Based on the criteria of these indices, it is concluded that there is still doubt regarding the adequacy of the SEM path diagram. Therefore, modifications were made to the SEM model to obtain a model that meets the criteria for good fit.

**Table 4. Evaluation of Goodness of Fit**

Indeks	Goodnes Of Fit	Keterangan
P value	0.000	Poor fit
GFI	0.830	Marginal fit
RMSEA	0.078	Good fit
TLI	0.901	Good fit
NFI	0.878	Marginal fit
AGFI	0.778	Marginal fit
CFI	0.918	Good fit
RFI	0.849	Marginal fit
RMR	1.223	Marginal fit

Source: Primary Data (2023)

Based on the goodness of fit summary after modifying the model, it can be seen that of the 9 (nine) indices, only the P value does not meet the criteria (poor fit). Then several indices such as GFI, NFI, AGFI, RFI, and RMR stated that the SEM model that had been formed was declared quite feasible (Marginal fit). Meanwhile, the majority of the remainder, namely RMSEA, TLI, and CFI, stated that the model fit was good. From the results of the index criteria, it is concluded that the SEM path diagram that has been formed is suitable for use.

**Tabel 4. R-square**

Variabel	R <sup>2</sup>
Attitude (Z)	0.222
Purchasing Decision (Y)	0.670



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$$Q^2 = 1 - (1 - R_1^2) * (1 - R_2^2)$$

$$Q^2 = 1 - (1 - 0.222) * (1 - 0.670) = 0.743$$

Source: Primary Data (2023)

Based on Tabel4. Showed that the diversity of Purchasing Decision variables can be explained by the Attitude variable which is moderated by Personal Income (PEN) of 67.0%. Furthermore, the Q-Square predictive relevance (Q2) value was 0.743 or 74.3%. This showed that the diversity of data can be explained by the entire model by 74.3%, meaning that the model is able to explain the data well.

### Hypothesis Testing

The researcher conducted hypothesis testing by examining the values of the t-statistic and path coefficient. The criteria that must be met at a 5% significance level are as follows:

- If the t-statistic value  $> 1.96$ , then H0 is not approved, and H1 is approved.
- If the t-statistic value  $< 1.96$ , then H0 is approved, and H1 is not approved.
- Positive path coefficient values imply a positive relationship between one variable and another.
- Negative path coefficient values imply a negative relationship between one variable and another.

Table 5. Hypothesis Testing Results

Hypothesis	Path	Standardized Coefficients	CR	P value	Explanation
H1	Value Consciousness → Attitude	0.038	0.766	0.392	Not Approved
H2	Brand Consciousness → Attitude	0.111	0.863	0.031	Approved
H3	Perceived Risk → Attitude	-0.264	0.795	0.0001	Approved
H4	Matrealism → Attitude	0.495	0.859	0.0001	Approved
H5	Social Influence → Attitude	-0.072	0.817	0.100	Not Approved
H6	Attitude → Purchase Decision	0.687	0.876	0.0001	Approved
H7	Personal Income → Purchase Decision	0.169	0.970	0.0001	Approved

Source: Primary Data (2023)

**Equation 1:**  $Z = 0.038 X1 + 0.111 X2 - 0.264 X3 + 0.495 X4 - 0.072 X5$

**Equation 2:**  $Y = 0.687 Z - 0.047 PEN + 0.169 Z * PEN$

Table 5 shows that out of the seven hypotheses proposed, five hypotheses are accepted, as they have t-statistic values  $> 1.96$  and p-values  $<$  the level of significance (alpha = 5%). Two variables that do not have a significant influence in this research which t-statistic values  $< 1.96$  and p-values  $>$  the level of significance (alpha = 5%).

### B. Discussion

This study aims to investigate the effect of attitudes towards counterfeits fashion products which are contains value consciousness, brand consciousness, perceived risk, matrealism, and social influence. Attitudes towards counterfeits fashion products towards purchase decisions moderated by personal income. The outcomes of this research indicate that out of the seven hypotheses initially proposed, only five hypotheses received approval, while two hypotheses did not gain support in the research.

Through hypothesis testing, it was determined that value awareness (X1) on attitude (Z) produces a t-statistic value of 0.856 and a p value of 0.392. The test results show that the p value (0.392)  $>$  significance level (alpha = 5%). This means that at a real level of 5% it can be stated that there is no significant influence of value awareness on attitudes. This strengthens previous research by Bhatia (2018) that the value of awareness does not have a significant influence on purchasing decisions for counterfeits fashion products.

The influence of brand awareness (X2) on attitude (Z) produces a t-statistic value of 2.154 and a p value of 0.031. The test results show that the p value (0.031)  $<$  level of significance (alpha = 5%). This means that at a real level of 5% it can be stated that there is a significant influence of brand awareness on attitude. If we look at the brand awareness coefficient of 0.111, it indicates that brand awareness has a positive effect on attitude. This means that the higher the Brand Awareness, the more likely it is to increase consumer attitudes. According to Bhatia (2018), among low-income consumer groups, there is motivation to have a positive attitude towards purchasing counterfeit fashion products. Sometimes consumers who are aware of a brand's value, but cannot afford the original product, will have the desire to buy counterfeit fashion products (Wang et al., 2005).

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The influence of risk perception (X3) on attitude (Z) produces a t-statistic value of -4.652 and a p value of 0.000. The test results show that the p value (0.000) < level of significance (alpha = 5%). This means that at a real level of 5% it can be stated that there is a significant influence of risk perception on attitude. If we look at the risk perception coefficient of -0.264, it indicates that risk perception has a negative effect on attitude. This means that the lower the risk perception, the more likely it is to reduce consumer attitudes. Based on research by Prakash and Pathak (2017), some consumers are aware and consider buying counterfeit fashion products as something risky and may end up purchasing products that are damaged and not durable.

According to Matos et al. (2007) who say that consumers whose perceived risk is higher will not be interested in counterfeits fashion products, because they are aware of the worst risk consequences. However, even though consumers are aware of the badness of counterfeits fashion products, this is not an obstacle for them to still choose to buy counterfeits fashion products for the sake of their own existence and show-off to others (Bhatia, 2018).

Furthermore, the influence of materialism (X4) on attitude (Z) produces a t-statistic value of 6.003 and a p value of 0.000. The test results show that the p value (0.000) < level of significance (alpha = 5%). This means that at a real level of 5% it can be stated that there is a significant influence of materialism on attitudes. If we look at the materialistic coefficient of 0.495, it indicates that materialism has a positive effect on attitudes. This means that the higher the materialism, the more likely it is to increase consumer attitudes. In Bhatia's (2018) research, materialism has a significant effect on consumer attitudes toward counterfeit fashion products. Materialistic consumers with low financial conditions will fulfill their materialistic needs by purchasing counterfeit fashion products (Bhatia, 2018).

However, the influence of social influence (X5) on attitudes (Z) produces a t-statistic value of -1.643 and a p value of 0.100. The test results show that the p value (0.100) > level of significance (alpha = 5%). This means that at a real level of 5% it can be stated that there is no significant influence of Social Influence on Attitudes. The results in the research are very different from previous research by Bhatia (2018), Wang (2019), and Kassim (2020), which stated that social influence has an important role in purchasing decisions about counterfeits fashion products.

On the other hand, the influence of attitude (Z) on purchasing decisions (Y) produces a t-statistic value of 11,676 and a p value of 0.000. The test results show that the p value (0.000) < level of significance (alpha = 5%). This means that at a real level of 5% it can be stated that there is a significant influence of attitude on purchasing decisions. If we look at the attitude coefficient of 0.687, it indicates that attitude has a positive influence on purchasing decisions. This means that the higher the attitude, the more likely it is to increase consumer purchasing decisions. The results of this research support previous research by Matos (2007) which stated that attitude plays an important role, that consumers who have purchased counterfeits fashion products have better attitudes compared to those who have not. According to the research results of Matos (2007), consumers with experience of purchasing counterfeits fashion products will tend to like them and will always intend to buy again or behave positively.

The effect of the interaction of Attitude (Z) with Personal Income (PEN) on Purchasing Decisions (Y) produces a t-statistic value of 5.113 and a p value of 0.000. The test results show that the p value (0.000) < level of significance (alpha = 5%). This means that at a real level of 5% it can be stated that there is a significant influence of the interaction of Attitude with Personal Income on Purchasing Decisions, or in other words it can be said that Personal Income is able to significantly moderate Attitudes towards Purchasing Decisions. The results of this study support previous research conducted by Ang et al. (2001), Stravinskiene et al. (2013) and Stephen et al. (2014), which states that personal income moderated attitudes towards the decision to purchase counterfeit fashion products, as evidenced by low-income consumers being more likely to purchase counterfeit fashion products.

## V. CONCLUSIONS, SUGGESTION, AND LIMITATIONS

This research utilizes the effect of attitudes towards counterfeits fashion products which are contains value consciousness, brand consciousness, perceived risk, matrealism, and social influence, attitudes towards counterfeits fashion products towards purchase decisions moderated by personal income. The outcomes of this research indicate that out of the seven hypotheses initially proposed, only five hypotheses received approval, while two hypotheses did not gain support in the research. Dimensions of brand consciousness, matrealism, and attitude have a positive and remarkable influence on attitudes towards counterfeits fashion products and purchase decisions. Personal income is proven moderated toward purchase decisions. Meanwhile, perceived risk has negative influence and significantly affected to attitudes towards counterfeits fashion products.

This research helps original fashion brand producers to further strengthen the brand image of their products so that they always get a positive response from consumers. For local Indonesian fashion product producers to continue working to produce good quality products so they can compete with products made abroad. For the government to pay more attention to the

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spread of counterfeit products among Indonesian consumers by taking action and enforcing regulations on the trade of counterfeit products in accordance with applicable law.

This research is limited to the fashion products sector only due to respondent accessibility issues and time constraints as rapid research is needed and appreciated in these unprecedented times. Further research can empirically verify the relationship between consumer attitudes towards purchasing decisions and consumer attitudes towards purchasing decisions regarding counterfeit fashion products from various countries. A comparative study of Asians with other regions could be a useful.

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