

Consumer Psychology Analysis of Counterfeit Brand-name Sports Shoes

Yuexin Tang^{1, *}

¹ Beijing Etown Academy, Beijing, 100176, China

*Corresponding author. Email: y13671268187@163.com

Abstract:

We have noticed that some students around us buy counterfeit brand-name sports shoes, and we have reason to think that this issue is worthy of research and discussion. On the basis of summarizing classic research theories, we designed relevant questionnaires, and effectively distributed and recovered the questionnaires. The consumer psychology analysis of buying counterfeit brand-name sports shoes is very complicated. It involves not only brand value, but also related vanity psychology, commodity prices and other factors. On the basis of literature, questionnaire and the other research material, we conducted in-depth analysis to draw relevant research conclusions.

Keywords: *Consumer Psychology; Counterfeit Brand-name Sports Shoes; Questionnaire Analysis*

1. Introduction

1.1. The Historical Origin of Counterfeit Goods

In 1842, the British writer Charles Dickens was invited by a friend and happily boarded the steamship which would go to the United States. He never thought that the trip to the United States was not a pleasant one. In the American book market, pirated European masterpieces can be seen everywhere, including his works. Dickens returned to England and wrote the book "American Notes". He spent a lot of time denouncing the rampant counterfeiting in the United States and claimed that it seriously violated the intellectual property law. Unexpectedly, American booksellers paid no attention to his complaints, and even pirated "American Notes". This anecdote shows only the tip of the iceberg. Throughout the history of human economic and social development, the issue of counterfeit goods has always been the case. From Germany in the late 19th century to Japan in the middle of the 20th century, and then to China in recent years, there have been similar periods of rampant counterfeit goods. Although all countries in the world are cracking down on counterfeiting, it is still difficult to cure this chronic disease.

1.2. The Development of Modern Chinese Counterfeit Goods

Looking through Chinese business history, it is not

difficult to discover the fact that China's counterfeit goods almost appeared along with the reform and opening up. In the era of planned economy, factories belonged to either the collective or the state. Therefore, there were few counterfeit goods in that era because there was no incentive to pursue profit.

As China moves from a planned economy to a featured market economy, individuals can set up companies for production, processing, and sales. The society's demand for various materials is gradually increasing, eventually, there is a shortage of goods. In addition, individuals' pursuit of economic benefits has led to counterfeit goods in China.

In the report of the World Economic Development Organization, there are many categories of counterfeit goods, including watches, clothing, shoes and hats, cosmetics, toys, electronic products, tobacco, hardware, food and other industries.

1.3. Literature Review

Why is there such a flood of counterfeit goods? The reasons can be found from the three aspects which are producers, consumers and management agencies. [1]

From the perspective of producers, economic efficiency is the core driving force. For merchants that produce genuine products, the costs they need to pay cover all aspects of product development, marketing, brand value construction, commodity quality inspection

and assurance, and after-sales service; if they are replaced by merchants that produce counterfeit goods, their costs are completely the same. [2] However, counterfeit merchants only need to bear the cost of production and the cost of punishment after being discovered. At the same time, the production of counterfeit goods is just a pure imitation, and in terms of quality, it will not pursue high standards like genuine merchants. In this way, counterfeit producers have an absolute cost advantage. [3] Furthermore, from an economic point of view, although the value of counterfeit goods is far from that of genuine goods, the selling price is higher than its true value, thus forming a huge profit margin. It is precisely because of this that illegal businesses will ignore the law and take risks in order to make huge profits. [4] As Marx said in "Capital": "Once there is a proper profit, capital will be bold. The higher the profit rate, the stronger the incentive for people to engage in a profitable activity. [5]

From the consumer's point of view, the situation is a bit more complicated, including two levels, level 1 "knowing and buying counterfeit goods" and level 2 "being deceived." [6] A few years ago, the TV series "Ode to Joy" was very popular. Fan Shengmei in the play was in a distressed financial situation, but she always wanted to show herself as a rich person. Therefore, she often satisfied her vanity by buying stuff. Although it is a fictitious plot, it can reflect real problems. [7] In real life, people like Fan Shengmei are not a minority, since limited income and the special psychology of advocating famous brands are the root causes of this group's strong demand for counterfeit goods. In their view, counterfeit goods are more like a substitute for real goods. Although they cannot be compared with real goods in terms of quality, content, function, and packaging, they can indeed meet their own needs to a certain extent. As long as the quality is reasonable and the consumers will gain consumer surplus from purchase, even if they know they are counterfeit goods, they will choose to buy it, and this is the so-called "knowing the counterfeit goods and buying the counterfeit goods." [8]

Regarding being deceived, it can be explained by the lemon market theory in economics. The lemon market is also called the substandard market. The information of buyers and sellers in market transactions is asymmetrical. The seller has more information about the quality of goods than the buyer, that is, "buying is not as transparent as selling." In this case, it is difficult for consumers to distinguish the pros and cons of product quality, and they are more willing to buy cheaper products. [9] As a result, consumers are likely to buy counterfeit products with cost advantages in the end. Over time, sellers have become more and more inclined to sell counterfeit goods, but genuine products have been gradually eliminated. This is the famous quote "bad money drives out good money." [10]

Whether it is "knowing counterfeit goods and buying counterfeit goods" or "being deceived", it will contribute to the prosperity of the counterfeit market. In addition, the large-scale existence of counterfeit goods is also related to the inadequate supervision and punishment, which we will not discuss them here.

2. Questionnaire Design and Research Hypothesis

2.1. Questionnaire Design

Based on the above analysis, I made a questionnaire containing 12 questions to conduct an in-depth study of this question, and wanted to use the questionnaire to make a preliminary analysis of the characteristics of consumers of brand-name sports shoes. The first part of the questionnaire is regular questions, such as the experience, frequency, consideration factors, price acceptance range, purchase channels, shopping time, etc. of buying brand-name sports shoes. The second half of the questionnaire began to ask more deeply about the views and understanding of counterfeit brand-name sports shoes, and indirectly asked the respondents about the possibility of buying counterfeit brand-name sports shoes.

In the end, I recovered 91 valid questionnaires. The data from these questionnaires can support me to make a preliminary analysis. Of course, I will conduct a more in-depth discussion on this issue based on theoretical analysis.

2.2. Research Hypothesis

Each of the following hypotheses corresponds to each question, that is, 12 hypotheses correspond to 12 questions in order. The reason we put forward the hypothesis is mainly to compare with the data conclusions obtained from the questionnaire survey, so as to further analyze the conclusions and the reasons for the errors.

Hypothesis 1: Almost everyone has the experience of buying brand-name sports shoes.

Hypothesis 2: Most people buy two to four pairs of brand-name sports shoes every year.

Hypothesis 3: Because the price of a pair of brand-name sports shoes is about 1200 yuan, I assume that most people will buy 2-4 pairs, which means that there are likely to spend 2400-4800 yuan. Thus, the reasonable options are items B and C, and I assume item b and c are the main selection intervals.

Hypothesis 4: I assume that most people value the aesthetics and practicality of brand-name sports shoes and few people will directly indicate that they are herd mentality in the questionnaire. If they directly express

that they are herd mentality, then they are the people who are likely to buy counterfeit brand-name sports shoes. However, if no one directly expresses their own psychology of conformity, brand effect can also indirectly reflect the psychology of some people, because brand effect represents the loyalty of consumers to a specific brand.

Hypothesis 5: Most people will choose to buy brand-name sports shoes in physical stores and brand-name sports shoes in official flagship stores, so as to avoid the possibility of buying counterfeit brand-name sports shoes due to information asymmetry. In addition, brand-name sports also have a well-known secondary market. They mainly operate through online channels, and their users mainly want to buy brand-name sports with less money.

Hypothesis 6: Combined with my own experience, I think most people may use 1-3 hours to buy a pair of shoes.

Hypothesis 7: Most of them have a certain understanding of the counterfeit brand-name sports shoes market. Choosing answer A means that they are a group of people who know they are counterfeit brand-name sports shoes and still choose to buy; choosing item B is the main range, and the main components are those who don't buy counterfeit brand-name sports shoes.

Hypothesis 8: Most people choose to learn this information through publicity or news reports from relatives and friends.

Hypothesis 9: Almost no one will often stay up late to buy brand-name sports shoes for the original price. Those who choose items A and B are those who really love brand-name sports shoes. It is almost impossible for them to buy counterfeit brand-name sports shoes.

Hypothesis 10: Most people choose item A or item B. Such people are those who want to spend less and can buy real brand-name sports shoes.

Hypothesis 11: This is an analogy question, although we set a question which is asking friends' situation, however, we want to reflect people's own minds. Those who choose item A are those who know they are counterfeit brand-name sports shoes and still choose to buy; and those who know the specific industry insider, the second kind of people will not buy counterfeit brand-name sports shoes.

Hypothesis 12: Most people choose items A and D. Because option A is a more common possibility to buy counterfeit brand-name sports shoes unintentionally, and in many cases, counterfeit brand-name sports shoes can meet the basic functional needs of users, so it has become the original intention of consumers to buy one.

3. Questionnaire Analysis and Analysis Combined with Related Theories

3.1. Questionnaire Analysis

The following are descriptive statistics and preliminary analysis of 12 questions.

Descriptive statistics for question 1: In the question of whether you have purchased brand-name sports shoes, 83 of the 94 questionnaires returned, 88.3% of them chose Yes, which is the main part of our research. There are only 11 people, 11.7% of them choose None, which is a small part and is not our main research object.

Descriptive statistics for question 2: In the question of how many counterfeit brand-name sports shoes you buy each year, most people choose the two options of less than one pair and 2-4 pairs. Among them, the most selected are 2-4 pairs. The number of people selected is 50, accounting for 53.19%. Followed by within 1 pair, the number of selections is 38, accounting for 40.43%. Few people choose 4-6 pairs (>4) and more than six pairs. It can be seen that most of the annual purchases of brand-name sports shoes are between 0-4 pairs.

Descriptive statistics for question 3: In the question about how much you will spend to buy brand-name sports shoes each year, the most selected options are under 1,000 yuan and 1,000-3,000 yuan, each with 39 people, each accounting for 41.49%. Next is the 300-5,000 yuan option with a 13.83% selection rate. The least choice is the option of more than 5,000 yuan, accounting for only 3.19%. It can be seen that most people choose between 1,000-300 yuan and less than 1,000 yuan.

Descriptive statistics for question 4: In term of the question "When buying brand-name sports shoes, what is the factor that you considered most", more than half of the people chose practicality, accounting for 62.77%. The second most choice is aesthetics, accounting for 24.47%. Brand effect ranked third, with a selection rate of 12.77%. No one chooses herd mentality. It can be seen that most people fancy the practicability and aesthetics of brand-name sports shoes.

Descriptive statistics for question 5: In the question of what is your general way of buying sneakers, because this question is a multiple choice question, 81 physical stores of counterfeit brand-name sports shoes have been selected, accounting for 86.17%. The second most selected is Taobao, and Tmall's brand-name sports shoes official websites, with 35 choices, accounting for 37.23%. Almost no one chooses the two options of Weishang and Taobao's unapproved stores and well-known secondary markets such as Dewu. The selection rates are 5.32% and 6.38%. It can be seen that most people buy sneakers in physical stores.

Descriptive statistics for question 6: In the question

of the time it takes you to buy a pair of sneakers, the most selected option is 15min~60min, accounting for 62%, which is more than half, followed by the two options that $\leq 15\text{min}$ and 1h~3h accounted for 16% and 14%, and only 7% of people chose the option $>3\text{h}$. It can be seen that most people's selection interval is within the b option that which is 15min~60min.

Descriptive statistics for question 7: This question is about the counterfeit brand-name sports shoes market. The respondents' answers are scattered, and no option is selected by more than half of the people. From their own point of view, 40% of people have a certain understanding of the market. The proportion of people who learned from friends' rumors and news reports accounted for 33%. Only 14% of people are familiar with the market through their own purchases. In addition, only 13% of people don't understand it at all.

Descriptive statistics for question 8: In the multiple-choice question from what channel did you learn about counterfeit brand-name sports shoes, news reports have the highest selection rate, with a selection rate of 37%, followed by online advertisements recommended by mobile phones. The selection rate is 32%, and the third highest selection rate is the option of propaganda by relatives and friends, with a selection rate of 24%. The one with the least selection rate is that I have never heard of this option, with a selection rate of 7%. It can be seen that the most common channel for people to learn about counterfeit brand-name sports shoes is through news reports, and few people do not receive information about counterfeit brand-name sports shoes at all.

Descriptive statistics for question 9: In this question, we asked the respondents about the attitude of the limited edition brand-name sports shoes, 70% of people will not stay up late to buy brand-name sports shoes, which is enough to explain the attitude of most people. In addition, 27% of people believe that if they like this brand-name sports shoes enough, they will stay up late to buy it, but the proportion of this part of people is not high.

Descriptive statistics for question 10: When browsing Taobao to buy sports shoes, you happened to see a shop selling a pair of brand-name sports shoes you like, and compared with the official website price of this brand-name sports shoes, the price of this shop is only the official website 1/3 of the price one third of the official website's one. In the question of what would you choose at this time, the selection rate of no option is more than half. The highest selection rate is the option of carefully communicating with customer service and browsing comments, with a selection rate of 37%. The second option is to ask knowledgeable friends, with a selection rate of 29%. The third most selection rate is the option of searching for relevant information by myself, with a selection rate of 23%. The least selection

rate is the direct purchase option, with a selection rate of only 11%. It can be seen that most people's choices are within the range of item a to carefully communicate with customer service and browse comments and item b to ask knowledgeable friends.

Descriptive statistics for Question 11: When you heard that your friend bought a pair of limited-edition brand-name sneakers (such as Off-White×aj1 UNC) but your friend spent relatively little money on the purchase, what would you think of this? Among the questions, the one with the highest selection rate is a little curious and will ask friends about the purchase experience of this option, accounting for 42%. The option with the second selection rate is indifferent, not interested, accounting for 37%. The option with the least selection rate is that friends may have bought counterfeit shoes, accounting for 21%. It can be seen that most people's choice range is a little curious in item b, and they will ask their friends about their purchase experience.

Descriptive statistics for Question 12: In this question, we asked people around the respondent about their original intention to buy counterfeit brand-name sports shoes. Firstly, 38% of the people believed that they did not want to buy counterfeit brand-name sports shoes subjectively, but did not know the actual situation. In addition, 31% of people think that many people really like brand-name sports shoes, but its price is too high to afford. Furthermore, 17% of people think that the difference between brand-name sports shoes and counterfeit brand-name sports shoes in terms of quality and appearance is not obvious, so they choose to buy the latter. There are relatively few people choosing the remaining options.

3.2. Analysis Combined with Related Theories

Let's review the classic theories in the literature review section. There are two groups of people who buy counterfeit brand-name sports shoes.

The first kind of people's psychology is to admiring vanity. In their view, fake goods are more like a substitute for real goods. As long as the quality is reasonable and the price is not so expensive, even if they know it is a fake, they will choose to buy it-this is the so-called "knowing the fake and buying the fake."

The second one is being deceived. Regarding being deceived, it can be explained by the lemon market theory in economics. The lemon market is also called the defective product market. The information of buyers and sellers in market transactions is asymmetrical, and the seller has more information about the quality of goods than the buyer. In this case, it is difficult for consumers to distinguish the pros and cons of product quality, and they are more willing to buy cheaper products.

4. Conclusion

First of all, this article has certain limitations. We mainly study the consumer psychology of buying counterfeit brand-name sports shoes from a qualitative and quantitative perspective, but it is difficult to analyze from a quantitative perspective of how many people and what percentage of the population deliberately bought counterfeit brand-name sports shoes, or passively bought counterfeit brand-name sports shoes.

The descriptive statistical results of our questionnaire show that our previous research hypotheses are basically correct. Although our overall sample size is limited, the proportion of effective samples is relatively high, so it still has a certain statistical significance.

Next, we summarize the results of the questionnaire analysis. Our questionnaire distribution effect is good, the return rate of valid questionnaires is high, and it fits with our pre-assumptions. In the first 6 objectively descriptive questions, the options chosen by the respondents are basically in line with common sense, and we believe that the credibility is high. In the analysis on the counterfeit brand-name sports shoes market, most of the interviewees have a certain degree of understanding of the counterfeit brand-name sports shoes market through various channels, and there are few young people who don't understand it at all. In the survey on counterfeit brand-name sports understanding of channels, we can see that Internet channels have the strongest dissemination efforts. In the analysis on the purchase attitude of counterfeit brand-name sports, we believe that most people still hold a rational attitude towards it, and will not be excessively fanatical about it. The most important thing is the last three questions. These three questions help us to lock the people who buy counterfeit brand-name sports. They are divided into active purchase and passive purchase groups, that is, the former knows that the items purchased are counterfeit brand-name sports, still choose to buy, but the latter does not know its internal news.

According to our previous classification, the groups who buy counterfeit brand-name sports shoes mainly include those who buy them intentionally and those who are passively defrauded. According to the statistical results of our questionnaire, the surrounding groups have a high degree of awareness of the counterfeit sports shoes market, and the purchase frequency and price are in the normal range. Therefore, we have reason to believe that the proportion of passively deceived buying counterfeit sports shoes will not be very significant.

Appendix: Questionnaire Content

1. Do you usually have the experience of buying brand-name sports shoes (such as Nike, Adidas, Puma,

Converse)

A. Yes B. No

2. How many famous brand sports shoes do you buy each year

A.1 pairs and within B.2-4 pairs C.4-6 pairs (>4) D. more than six pairs

3. How much will you spend on brand-name sports shoes every year?

A. Below 1000 yuan B.1000-3000 C.3000-5000 D. Above 5000 yuan

4. When buying brand-name sports shoes, what is the factor that you considered most

A. Practicality B. Aesthetics C. Brand effect D. Herd mentality

5. How do you generally buy sneakers

A. Physical stores of brand-name sports shoes

B. Taobao, Tmall's brand-name sports shoes official website

C. WeChat E-commerce and Taobao shops that are not officially certified

D. Well-known secondary markets

6. The time you take to buy a pair of sneakers (name-brand sport shoes) is

A.≤15min B. > 15min~≤60min C. > 1h~≤3h D. > 3h

7. Do you know the counterfeit brand-name sports shoes market of Putian series (unofficial production factory, but the appearance, material and processing method of the finished product are similar)

A. I can accurately know my shopping needs and related channels

B. I haven't taken the initiative to learn about it, but I often get relevant information from friends and news, so I have a certain understanding.

C. I have heard it a little

D. I don't understand at all.

8. How do you learn about Putian's counterfeit brand-name sports shoes?

A. Online advertisements recommended by mobile phones

B. Propaganda by relatives and friends

C. News reports

D. Never heard of it

9. Would you stay up late or early in order to buy the original price name-brand sports shoes?

A. Certainly

B. High probability, depending on the quantity and color of the shoes

C. High probability not

D. No

10. While browsing Taobao to buy sports shoes, you happened to see a shop selling a pair of your favorite brand-name sports shoes, and compared with the official website of this brand-name sports shoes, the price of this shop is only 1/3 of the official website price, then you will choose

A. Communicate with customer service carefully and browse the comments.

B. Ask a friend who knows how to do it.

C. Search for relevant information by yourself.

D. Buy directly.

11. You heard that your friend bought a pair of limited-edition brand-name sports shoes (such as Off-White×aj1 UNC) but your friend spent less money on the purchase, you would think

A. A friend may have bought a counterfeit goods.

B. A bit curious, and will ask the friend about his purchase experience.

C. It doesn't matter, I'm not interested.

12. The reason you think that people around you buy counterfeit brand-name sports shoes is

A. I don't want to buy counterfeit goods, but I bought counterfeit goods without knowing it.

B. Recommended by others.

C. Value the appearance of brand-name sports shoes.

D. Fully functional.

[5] Analysis of the Reasons for the Existence of Counterfeit Goods in China [J]. Song Lianghe. *Technology and Market*. 2018(02)

[6] The Causes of Counterfeit and Inferior Phenomenon in China and the Countermeasures: An Analysis from the Perspective of Product Liability Law [J]. Su Xiangyu. *Legal System and Society*. 2019(21)

[7] Information Economics Analysis of "Counterfeit and Inferior" Phenomenon[J]. Chang Junwei, Sun Yufeng. *Market Modernization*. 2019(10)

[8] Economic Analysis of "Counterfeiting"[J]. Xu Zongling, Yin Yingtang. *Journal of Shantou University*. 2020(04)

[9] Economic Analysis of Counterfeit and Inferior Phenomena [J]. Xie Shiyu. *Economic Research*. 2019(08)

[10] Counterfeit Goods History of Western Economics [M]. Jiang Ziqiang. Liaoning People's Publishing House. 2017(02)

Reference

[1] Analysis of the Economic Roots of the Internet Counterfeit Trade and its Countermeasures[J]. Xu Guang. *Consumer Economy*. 2019(06)

[2] An Economic Game Analysis of Counterfeiting[J]. Qiu Dongyang, Meng Weidong. *Business Research*. 2019(17)

[3] On the Generation Mechanism and Governance of Counterfeit and Shoddy Products during China's Economic Transition Period [J]. Xia Xingyuan, Xiao Wenhai. *Journal of Zhongnan University of Economics and Law*. 2018(04)

[4] Economic Analysis of "Counterfeit Goods" [J]. Liu Zhenya, Yao Wenxiong. *Journal of Renmin University of China*. 2020(02)