Influence of Social Factors on the Attitudes towards Purchasing Counterfeit Luxury Products in Kazakhstan

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Abstract: This study aims to investigate the complex attitudes of consumers toward purchasing counterfeit luxury products. It proposes a conceptual model that examines the influence of social factors such as social belonging, social status insecurity, and value consciousness. In addition, the model explores the moderating social status insecurity and value consciousness effects on the relationships between the social of belonging and between social status insecurity and attitudes toward purchasing counterfeit luxury products, respectively. This study seeks to establish research on social factors behind purchasing counterfeit luxury products. The survey questionnaire was distributed conveniently among the residents of Almaty via Google Forms because it is practical considering the time and money constraints. The study sample consisted of 157 useable data, and a 6-point Likert scale was used to improve the depth of analysis by reducing neutral responses. Despite its limitations, this methodology comprehensively explains attitudes toward counterfeit luxury in Almaty. Descriptive statistics and hierarchical multiple regression analysis are conducted in SPSS version 24, while AMOS is used for validity measures. The study found that negative social belonging and the importance of quality are the primary motivators for purchasing counterfeit luxury products. Social status insecurity influences the relationship between positive social belonging and attitudes towards counterfeit luxury products, while value consciousness affects the effect of social status insecurity on attitudes. The study also acknowledges the limitations and implications of the results. Several primary limitations have been identified in this research. First, the sample size was small, with only 157 participants surveyed. A more extensive sample could uncover deeper insights. Second, the survey was created in English and then translated into Russian to present to respondents. The complexity of this process entails potential subtle differences lost or distorted in translation, affecting the authenticity of the responses. Finally, the scope of the study is also limited to the city of Almaty. A national perspective could be quite different. Perhaps conducting similar studies in several cities could help to create a more complete picture of how attitudes towards counterfeit luxury products manifest in Kazakhstan. Counterfeit luxury products can be risky for consumers who value high-quality goods. Genuine products that meet the highest quality standards ensure consumers get their money's worth and enjoy the product's benefits. Marketers should highlight the unique features of their authentic products to aid consumers in making informed purchasing decisions. Little research exists on the relationship between counterfeit luxury goods and social belonging, particularly in Kazakhstan, where brand product information is limited.

Keywords: Counterfeit luxury products, social belonging, social status insecurity, value consciousness.

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INTRODUCTION

The luxury goods market of Kazakhstan presents an issue of great interest for consumer behavior to multiple scholars and corporations. It is a market filled with high-status brands and their counterfeit alternatives (Yepanchintseva, 2013) It presents a perfect prism for observing how social and psychological factors may interact in the buyer's life. As LVMH, MaxMara, and Chanel, long, well-known names, come to the Kazakhstani market, the battle between authenticity and imitation only sharpens (Yepanchintseva, 2013) As such, the Kazakhstani consumer is often presented with a choice of either purchasing the recognized luxury and paying the full price for it or saving money by purchasing an item that copies it on almost every level. Note that this decision is not a financial one but rather a reflection of one's need for social belonging (Leary et al., 2013), social status (Kassim et al., 2019; Wu, 2001; Wyatt et al., 2008), and consciousness (Lichtenstein et al., 1990). Therefore, the counterfeit market of Kazakhstan's luxury goods provides a perfect place to investigate how these social factors may characterize one's choice. Social need for belonging, status insecurity, and value consciousness may influence attitudes toward purchasing counterfeit products. In this research, one of the major questions that need to be investigated is related to social factors influencing consumers' attitudes toward purchasing counterfeit products. Examining how the social need for belonging, status insecurity, and value consciousness may influence attitudes toward purchasing counterfeit products in the proposed model will contribute to understanding Kazakhstan and Almaty's counterfeit luxury goods market. This study intends to narrow theoretical and practical gaps by developing an integrated model focusing on the positive and negative social needs for belonging and the effects of social status insecurity and value consciousness. This study examined and discussed three theories: the theory of planned behavior, social identity theory, and conspicuous consumption theory. Each theory will be explored individually to understand its relevance to the research topics.

Research Objectives and Questions
This study investigates the complex ties between the intrinsic need for belonging, social status, and consciousness and the focus on value consumption in the context of consumer attitudes toward purchasing counterfeit luxury items in Kazakhstan.

The research objectives are to:
- investigate the relationship between (I) the need for social belonging, (ii) social status insecurity, and (iii) value consciousness and attitude toward counterfeit luxury products,
- examine whether the relationship between the social need for belonging and attitudes toward counterfeit items is moderated by social status insecurity and
- examine whether the relationship between social status insecurity and attitudes toward counterfeit items is moderated by value consciousness.

Research questions
- How does the urge for social factors (need for belonging, social status insecurity, and value consciousness) impact Kazakhstani consumers' attitudes toward purchasing luxury counterfeit products?
- To what extent is the need for belonging related to consumers' attitudes toward purchasing luxury counterfeit products, and is this relation moderated by social status insecurity?

- To what extent is social status insecurity related to consumers' attitudes toward purchasing luxury counterfeit products, and is this relation moderated by value consciousness?

The comprehensive study of these aspects represents the ambition of the study to contribute to the knowledge of consumer behavior of luxury goods, including the consumption attitude towards counterfeit products. The aim is to collate thorough data and analyze it to provide a comprehensive conclusion that can be incorporated into further academic and practical handling of the luxury market in Kazakhstan

LITERATURE REVIEW

The social factors of social belonging, status consumption, and value consciousness are critical to luxury goods consumer behavior. However, upon review, the current literature does not provide the application of the established theoretical frameworks, including the Theory of Planned Behavior, Social Identity Theory, and Conspicuous Consumption Theory, to the distinct context of Kazakhstan. Therefore, exploring the nature of such social attitudes to Kazakhstani consumers for counterfeit luxury goods is critical. Particularly, the theory of planned behavior (TPB) has been constructed as a comprehensive basis to explain the consumers' intentions towards purchasing counterfeit fashion products (Ajzen, 1991; Eisend, 2006) Moreover, the equity theory introduces the notion of balance within the exchange of the luxury product, meaning that attitude is constructed based on the transaction's perceived fairness and effectiveness under expectations of the worth, its prestige, or a role in the society (Sweeney, 1990)

According to the social identity theory (SET), people divide others into social groups and then define their own identities based on the norms and values that they associate with those groups. Muniz and O'Guinn (2001) examined how brand communities affect customers' feelings of "belonging" and commitment to a brand. The authors investigated the dynamics of brand communities and their influence on customer behavior in the luxury market. They applied SET to understand how people identify and form their identities inside brand communities and how this affects their loyalty to premium companies. They further suggested a need to develop a framework for a thorough analysis of the demand for belonging in the context of luxury purchasing (Muniz & O'Guinn, 2001). Meanwhile, Leary et al. (2013) found that the need for belonging strongly affects the relationship between moral beliefs towards counterfeits and willingness to purchase.

Finally, the theory of conspicuous consumption (CCT) explains the drivers for the consumption of luxury and counterfeit goods as an instrument for expressing consumers' social status insecurity (Purwanto, 2019). Consequently, such theory, coupled with cognitive, emotional, and social processes, may explain the nature of Kazakhstani consumers of counterfeit luxury goods.

Gaps in the literature. Despite the contribution of the existing works, there is a gap in the literature on the cultural context of the luxury goods market. The absence of works regarding the comparative analysis of the unique cultural behavior in Kazakhstan and psychological processes of value consumption, social status insecurity reflection, and the need for social belonging was demonstrated during the literature review. Moreover, there is limited research on the social need for belonging (positive and negative) that may predict Kazakhstani consumer attitudes toward purchasing counterfeit products, which poses a great interest to the Kazakhstani market because Kazakh people are at most considered to be a collectivist type.

Theoretical Framework. This theoretical framework outlines the relationships between the social need for belonging, social status insecurity, and value consciousness and their effects on attitudes toward purchasing counterfeit luxury products among consumers in Kazakhstan (see Figure 1).

The following are the hypotheses that guide this study:

H1:   The need for social belonging shapes perceptions of and attitudes toward purchasing "counterfeit" luxury products.

H2:   The degree of social status signaling shapes perceptions of and attitudes toward purchasing "counterfeit" luxury products.

H3:   The value consumption shapes perceptions of and attitudes toward purchasing luxury products.

H4:   The relationship between the need for social belonging and attitudes toward purchasing "counterfeit" luxury products is moderated by the desire for social status insecurity.

H5:   The relationship between the degree of social status insecurity and attitudes toward purchasing "counterfeit" luxury products is moderated by value consciousness.
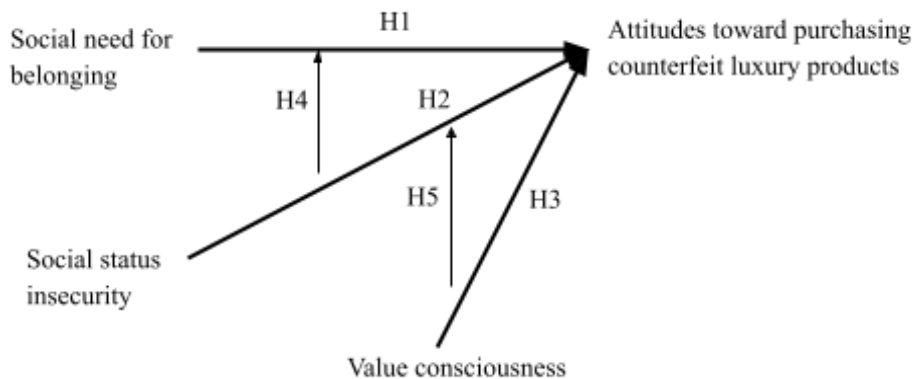

Figure 1. Proposed theoretical framework

Therefore, this theoretical framework essentially identifies the factors affecting customers' relationships with counterfeit luxury culture in Kazakhstan. It also introduces a foundation for their empirical examination within the country's cultural and social context. The above framework will provide a comprehensive explanation of the reasons behind the consumption of counterfeit luxury goods in this particular cultural and social setting.

Significance of the Study

This study and the research question are important in determining social factors that impact people's attitudes towards counterfeit luxury goods in Kazakhstan. Given the market's current position on this issue and the previously existing gaps in the literature, the research aims to provide a solid basis for further development. Previously, researchers have used theories to explain the tendencies in their countries of choice; however, considering the unique cultural orientation

of Kazakhstan, the one-size-fits-all strategy cannot be applied to such sensitive issues as attitudes towards counterfeit luxury goods.

Besides the literature gaps, the current study investigates the complex interactions between social belonging, status signaling, value consumption, and, subsequently, their combined effect on the consumers' attitude towards counterfeit luxury. Despite the estimated growth of the market, which is projected to amount to $255.90 by 2024, it is vital to explore the social predeterminants of its expansion and learn to address its challenges. (Statista, 2024) Thus, scientific knowledge could be expanded through this work, and implications for industry will be enabled.

Furthermore, as this study will consider the moderating impacts of social status signaling and value consumption, I expect that it will generate unique insights into how both impact decision-making. Consequently, the study's results would not only meet the academic needs. However, they would also be a valuable source of information for both international and local businesses operating in the luxury goods segment. Thus, the study would bridge the current gap in the theoretical background and facilitate a more holistic perspective on the issue of counterfeit luxury products.

METHODOLOGY

Survey Design and Structure. The study uses a survey to explore dependent and independent variables previously outlined in the paper. The survey comprises 26 questions adapted from previous research on the topics of sense of belonging, social status insecurity, value consciousness, and attitudes towards counterfeit luxury products. These were used to ensure reliability and relevance to the research objectives. For each participant to provide their opinion, the Likert Scale from 1 to 6, with "1" being strongly agree and "6" being strongly disagree, was used for the answers.

Sample Size and Demographic Focus. The research is tailored to a sample size of 157 respondents, who were selected and calculated using a specific formula to account for population size, level of confidence, and margin of error to properly represent the Almaty urban population.

Data Collection Method. The survey questionnaire was distributed via Google Forms, an online survey. It is easy to access and navigate, enabling a wide spectrum of potential respondents of different ages and backgrounds. It also allows anonymity, ensuring the principle of confidentiality, which is an essential part of ethical research.

Sampling Strategy. A convenient sampling method was adopted because of its rapidity and low cost. Even though this method does not enable the gathering of statistically representative data, which is considered a limiting factor, it is still appropriate for this type of study.

Ethical Considerations. Ethical standards were followed in this research to protect the participants' rights and research integrity. The participants were given a clear description of the purpose of this research and procedures, followed by a rationale consent form emphasizing their free will to participate. Confidentiality and anonymity were followed to protect the participants throughout the research process.

Pre-test and Survey Administration. A brief pilot survey was held to adjust the questionnaire and remove any unclear or biased questions. It was conducted to ensure the questionnaire's unambiguousness and practicality as a data-collection instrument. Afterward, the actual respondent-targeted survey was conducted in Almaty using social media and messenger channels.

Data Analysis. The collected data was analyzed using the SPSS software version 29 and AMOS version 29. Descriptive statistics were performed to summarize the data set by showing central tendencies, dispersion, and frequency distributions. Later, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), Pearson correlation analysis, and multiple regression hierarchical analysis) was conducted to test reliability, validity, and the hypotheses proposed, as well as check the relationships between the study variables. The purpose of using this strategy is to uncover the effects of social factors on counterfeit luxury brand attitudes. Utilizing this intensive process, I hope to obtain practical knowledge and develop a full picture of the study's question and its variables. The various steps and my analysis are expected to answer the main research question: *How do social factors influence consumer attitudes toward purchasing counterfeit luxury products?*

RESULTS

The following chapter will analyze and describe the findings made during the research. It will present a structured table with different types of analysis and interpret them. Starting with the EFA results of the study.

FEA and CFA. Based on the EFA results illustrated in Table 2 above, three distinct dimensional structures were discovered for the social need for belonging, two components for value consciousness, and one component each for social status insecurity, and one attitude towards purchasing counterfeit luxury products. All of the constructs are essential for analysis in understanding consumer behavior towards counterfeit luxury lifestyle products in Kazakhstan. The EFA results are characterized by impressive loadings on the constructs, indicating a strong relationship between the survey items and objective variables. Particularly, two key constructs, social need for belonging and social status insecurity, display high variance extraction, which means that these dimensions account for a large majority of respondents' perceptions and emotions about social relations and status anxiety. The Cronbach's alpha figures, ranging from 0.62 to 0.81, demonstrate the reliability of the survey items; the two aspects, SB and SSI, which exhibit the highest internal consistency, demonstrate incredible rigor in measuring their particular meanings.

Table 1. EFA results

Variable/Component	1	2	3
Sense belonging (SB) (KMO= 0.83)			
I feel accepted by others	0.79		
I have a place at the table with others	0.75		
I feel connected with others	0.83		
I feel as if people do not care about me.		0.72	
Because I do not belong, I feel distant during the holiday season.		0.65	
I feel isolated from the rest of the world.		0.88	

18

When I am with other people, I feel like a stranger.		0.90	
I feel like an outsider.			0.69
Friends and family do not involve me in their plans.			0.65
% of variance extracted	41.3	12.0	9.0
Cronbach's alpha	0.77	0.81	0.68

Social status security (SSI) (KMO=0.65)

Sometimes, others view me as second-class	0.76
People are biased against me sometimes	0.76
Sometimes, I have to work very hard to prove that I am just as good as anyone else	0.80
% of variance extracted	59.33
Cronbach's alpha	0.62

Value Consciousness (VC) (KMO=0.72)

I generally shop around for lower prices on products, but they still must meet certain quality requirements before I buy them.	0.62	
When shopping, I compare the prices of different brands to be sure I get the best value for the money.	0.86	
I always check prices at different stores to be sure I get the best value for the money.	0.65	
I am very concerned about low prices, but I am equally concerned with quality.	0.75	
When purchasing a product, I always try to maximize the quality I get for the money I spend.		0.92
When I buy products, I like to be sure I am getting my money's worth.		0.75
% of variance extracted	39.45	17.0
Cronbach's alpha	0.70	0.68

Attitude towards counterfeit products (ATPCLP)(KMO=0.65)

Counterfeit products are as reliable as genuine products	0.80
Counterfeit products have a similar quality to genuine products	0.85
Generally speaking, buying counterfeit products is a wise choice.	0.75
% of variance extracted	56.15
Cronbach's alpha	0.75

Source: data analysis

The CFA was conducted using AMOS to test the validity of the measurements. The results showed two components for the social need for belonging, positive and negative, and one item was removed from social status insecurity (SSI2). Table 2 results indicate the reliability and validity of the measurement scales.

Table 2. Table 3. Mean, std, deviation, and validity results

Variable	Mean	SD	CR	SBPos	SBNeg	SSI	VCQuality	VCPrice	ATPCLP
SBPos	5.15	0.57	0.79	**0.56**					
SBNeg	2.18	0.88	0.82	-0.39**	**0.53**				
SSI	2.32	0.95	0.63	-0.26**	0.42**	**0.48**			
VCQuality	4.96	0.77	0.86	0.05	0.02	-0.01	**0.53**		
VCPrice	4.57	0.89	0.97	0.12	0.03	0.12	0.34**	**0.91**	
ATPCLP	2.21	1.00	0.82	-0.14	0.23**	0.13	-0.24*	-0.08	**0.69**

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Note: The diagonal figures represent the average variance extracted, and CR= Composite reliability

Hypotheses testing. The results of the multiple regression analysis in Table 3 presented below add another dimension to these explanations by considering both direct and interaction effects. First, the support for H1(ii) – a significant positive relationship between SBNeg and ATPCLP – emphasizes that a person's need for social belonging, or lack thereof, can compel them to seek authenticity through counterfeit luxury goods consumption. Next, the significant negative effect of VCQuality on ATPCLP implies that the consideration of perceived product quality remains central to the consumers decision making process.

Table 3. Multiple regression analysis results

Hypothesis and path		β	t-value	P_value	Result
H1(i):	SBPos □ ATPCLP	-0.05	-0.601	0.55(ns)	Rejected
H1(ii):	SBNeg □ ATPCLP	0.24	2.668	0.01**	Accepted
H2:	SSI □ ATPCLP	-0.05	-0.535	0.60 (ns)	Rejected
H3(i):	VCQuality □ATPCLP	-0.25	-3.010	0.000***	Accepted
H3(ii):	VCPrice □ ATPCLP	0.01	0.08	0.10(ns)	Rejected
H4(i):	Interaction: SBPos_SSI	-1.64	-2.929	0.000***	Accepted
H4(ii):	Interaction: SBNeg_SSI	0.44	1.666	0.10 (ns)	Rejected
H5(i)	Interaction: SSI_VCQuality	-1.32	-2.438	0.02*	Accepted
H5(ii)	Interaction: SSI_VCPrice	-0.26	-0.574	0.57(ns)	Rejected

*$p< 0.05$; **$p<0.01$; ***$p<0.001$

The interaction effects, especially the meaningful moderating role of social status insecurity on the link to the positive social need for belonging and attitudes towards counterfeit luxury products, show sophisticated dynamics. Therefore, it can be implied that interventions towards counterfeit luxury goods consumption should consider the complexity of linkages between social and psychological factors.
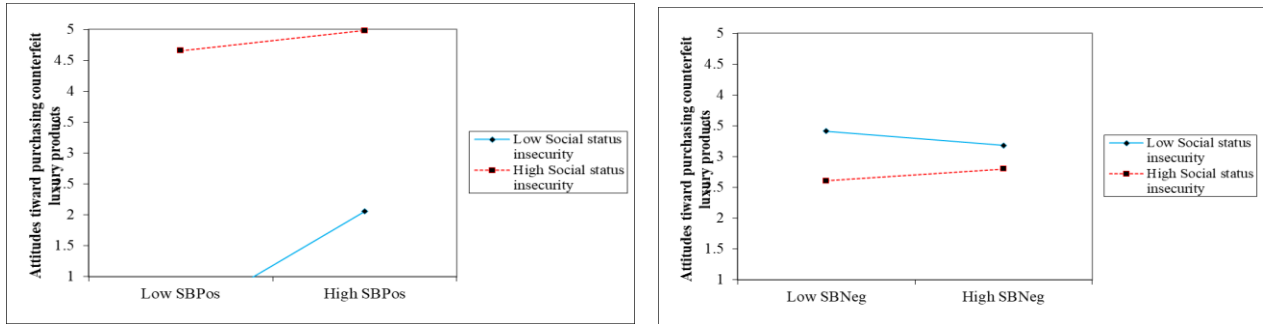

Figure 2. Interaction of positive (a) and (b) negative social need for belonging and attitudes toward purchasing counterfeit luxury products on social status insecurity
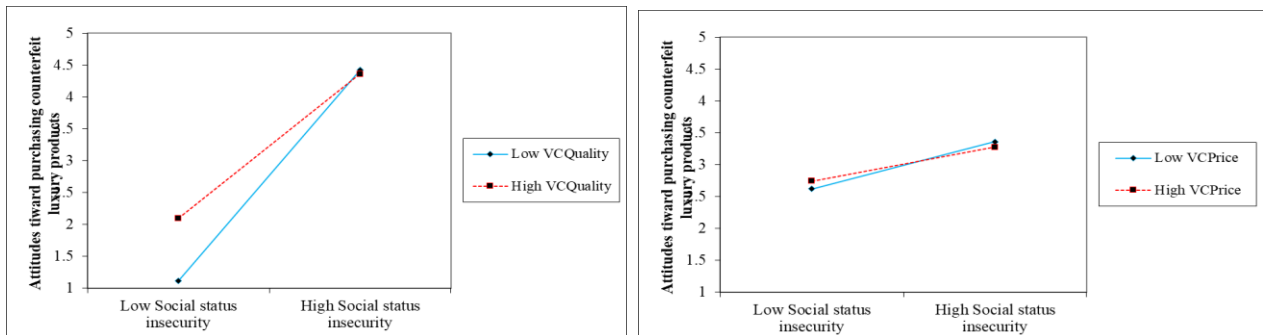

Figure 3. Interaction of social status insecurity and attitudes toward purchasing counterfeit luxury products on (a) value consciousness of quality and (b) price.

In conclusion, the EFA, CFA, Pearson correlations, and multiple regression analysis have presented a multi-layered picture of the social need for belonging, status insecurity, and value consciousness on attitudes towards counterfeit luxury goods. On the one hand, these findings support the theorization of the topic; on the other hand, the results suggest that the issue's dimensions are interconnected and should be addressed holistically based on understanding the complex socio-psychological environment in which perceptions of Kazakhstani customers unfold.

CONCLUSION, IMPLICATIONS, and LIMITATIONS

Overall, this study's findings offer important insights into consumer behavior regarding counterfeit luxury goods in Kazakhstan, indicating a relationship between social belonging, social status insecurity, and value consciousness. Indeed, multiple dimensions of a negative sense of belonging

negatively correlate with a counterfeit propensity, implying that increasing social inclusivity and community efforts could diminish the appeal of counterfeits. The study's findings did not support the previous study by Kassim et al. (2021) that SSI impacts ATPCLP but supported the impact of VC on ATPCLP.

Also, the increased importance of quality over price signaled by the regression of the variable in the analysis suggests that making the disparities in quality between counterfeit and authentic products more noticeable could drive down the counterfeit good's popularity. Although social status insecurity and value consciousness represent a mixed picture, indicating complex social- and psychologically-determined views, the data clearly demonstrates that both are equally important to eliminating the luxury counterfeit market. In conclusion, the present study contributes to this emerging literature by shedding light on this issue in Kazakhstan and offering critical implications for researchers, policymakers, and luxury managers or marketers. It is the hope of this research that a better understanding of consumer motivation and action can facilitate strategies that appropriately respond to dynamics in the counterfeit market. In the future, researchers would consider broader cultural variables and demographic differences to truly hone in on this problem and develop even more tailored solutions for Kazakhstan and other countries.

Several primary limitations have been identified in this research. First, the sample size was small, with only 157 participants surveyed. A more extensive sample could uncover deeper insights. Second, the survey was created in English and then translated into Russian to present to respondents. The complexity of this process entails potential subtle differences lost or distorted in translation, affecting the authenticity of the responses. Finally, the scope of the study is also limited to the city of Almaty. A national perspective could be quite different. Perhaps conducting similar studies in several cities could help to create a more complete picture of how attitudes towards counterfeit luxury products manifest in Kazakhstan

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