

## A Qualitative Study on Risk Reduction Behaviors in Purchase Process of the Counterfeit of Fashion Luxury Brands

– Focused on Risk Reduction Behaviors  
on Psychological Risk Perceptions –

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### Abstract

This research is to classify psychological risk perceptions in purchases process of counterfeit of fashion luxury brands, into a risk perception on purchase activity itself and a risk perception on the post-purchase situation, and to analyze types and characteristics of risk reduction behaviors to reduce each risk perception. In this research a qualitative method was employed, and research-related data were collected and analyzed through in-depth interviews.

Results were shown that risk reduction behaviors of psychological risk perception on purchase activity itself included rationalization of purchase, accompanied purchase, reduction and discontinuance of purchase, and that risk reduction behaviors of psychological risk perception on the post-purchase situation included information search, establishment of selection criteria, establishment of marginal limit, selective purchase, planned and compared purchase, and reduction and discontinuance of purchase. Previous researches suggested brand loyalty, selection of famous brands, utilization of information agents by marketers, pre-purchase usage and guaranteed purchase, but these risk reduction methods were not utilized, this probably being interpreted as a result of characteristics of counterfeit. In addition, risk reduction behavior of one type tended to reduce risk perception of several other types, and risk reduction behaviors of various types were utilized to reduce a certain type's risk perception. Not only types of risk perception but also levels of risk perception appeared to have exerted influence to risk reduction behaviors.

**Key words :** counterfeit, perceived risk, psychological risk, risk reduction behavior

## I . Introduction

It is common for consumers to perceive a variety of types of risks in the process of products purchases. Thus there were risk reduction behaviors to reduce these risk perceptions. Risk perception and risk reduction behaviors were identified in the purchasing process of clothing products(Kim Chan Ju, 1995).<sup>1)</sup> Especially, in case of counterfeit of fashion luxury brands(hereinafter to be called "counterfeit"), not only the risk perception for general clothing products but also a variety of risk perceptions for illegal products have been found(Kim Il, 2005).<sup>2)</sup> Therefore, we expect to find various risk reduction behavior characteristics for illegal products, in addition to those characteristics for general clothing products.

So far, various researches have been done for risk perception in relation to clothing products, but there have been a limited number of researches on risk reduction behaviors in relation to risk perception. Particularly, there were very few researches on risk reduction behaviors in relation to counterfeit. However, in the process of previous research on risk perception of counterfeit, it was found that risk reduction behavior was a very important variable in understanding consumer behavior in counterfeit(Kim Il, 2005)<sup>2)</sup>. And the risk reduction behaviors for clothing products should be regarded as an important concept in understanding consumer behavior, but in a different aspect from risk perceptions.

In this regard, this research tries to classify psychological risk perceptions of higher degree on purchases of counterfeit into a risk

perception on purchase activity itself and a risk perception on the post-purchase situation, and to analyze types and characteristics of risk reduction behaviors to reduce these psychological risk perceptions. Results of the analysis will contribute to the understanding of risk perception and risk reduction behaviors in relation to counterfeit.

## II . Theoretical Background

### 1. Definition of Risk Reduction Behavior

Consumers, when having perceived risks in certain situations related to products purchases, try to find ways to reduce these risks(Kim Chan Ju, 1992 ; Bauer, 1960). Roselius(1972)<sup>3)4)5)</sup> defined these various ways to reduce perceived risks in purchasing products as risk reduction methods and suggested rankings of risk reduction methods. Kim Chan Ju(1992)<sup>3)</sup> defined the utilization of these methods as risk reduction behaviors. Risk perception and risk reduction behavior in clothing products could have conceptual differences when compared to other categories of products because of the characteristics of clothing products(Kim Chan Ju and Rhee Eun Young, 1995).<sup>6)</sup>

However, these definitions, like risk perceptions, identified risk reduction behaviors in the process of purchases, but failed to explain the risk reduction behaviors in the process of consumption of products. Consumers perceive risks not only in the process of product purchases but also in the process of product consumption, and they can utilize a

variety of risk reduction methods. In this regard, risk reduction behaviors could be defined as activities to reduce or eliminate risks perceived in the process of purchase and consumption of products. And as types and levels of perceived risks differ depending on clothing products, risk reduction behaviors also can differ depending on types and levels of perceived risks.

## 2. Types and Levels of Risk Reduction Behaviors

Types of risk reduction behaviors(methods) are identified as different depending on researchers, but it is common in suggesting ways to enhance outcome of purchases by reducing perceived risks in the purchasing process. Assael(1984)<sup>7)</sup> divided types of risk reduction behaviors of consumers into a method to reduce failures in purchase and a method to enhance certainty of purchase outcome. Methods to reduce purchase failures include selection of low-priced brand, purchase in small amount and reducing expectation level. And methods to enhance certainty of purchase outcome include brand loyalty, selection of famous brands, information search and pre-purchase consideration. The method to reduce purchase failures is a passive risk reduction behavior while the method to enhance certainty of purchase outcome is comparatively active risk reduction behavior. Kim Chan Ju(1992)<sup>3)</sup> suggested risk reduction behaviors for consumers to take in purchasing clothing products as follows; utilization of information agents by marketers, pre-purchase trials, observations, dependence on previous purchase experience, utilization of neutral

information agent, utilization of consumer-driven information agent, brand attachment, and guaranteed purchase. Among these behaviors, observation and dependence on previous purchase experience were most frequently used while the method of neutral information agent was the least used. There were types of information search by consumers because risk perception caused to change activity types of consumers' information searches(Lim Kyung Bock, 2001).<sup>8)</sup>

Even the levels of risk reduction behaviors also differ depending on viewpoints of researchers as in the case of risk perception. Researches of risk reduction behaviors focused on a single level were based on analysis of risk reduction methods including information search and brand loyalty(Lutz and Reilly, 1973 ; Zikmund and Scott, 1977)<sup>9)10)</sup>, but researches of multi-level viewpoints suggested a variety of risk reduction methods of different levels(Roselius, 1972 ; Assael, 1984 ; Kim Chan Ju, 1992).<sup>5)7)3)</sup> Since perceived risks have multilateral characteristics(Jun Dal Young and Jung Hye Yeon, 1999),<sup>11)</sup> risk reduction behaviors should be understood in multilateral view-points so that consumer behaviors are adequately understood.

## 3. Influence Factor of Risk Reduction Behaviors

Risk perception is influenced by factors like characteristics of products and consumers (Jun Dal Young and Jung Hye Yeon, 1999; Son Kyung Hee and Lee Hyun Kyu, 2003),<sup>11)12)</sup> and risk reduction behaviors are also influenced by various factors. Especially, types and levels of risk reduction behaviors of consumers

regarding clothing products are greatly influenced by characteristics of clothing products(Prasad, 1975 ; Kim Chan Ju, 1995 ; Kim Young Ran and Yoo Tai Soon, 1998 ; Hwang Jin Sook, 2002),<sup>13)14)15)</sup> and risk reduction behaviors also differ depending on characteristics of clothing products. These reflect that consumers' preferred risk reduction behaviors differ depending on characteristics of clothing products(Kim Chan Ju, 1995),<sup>1)</sup> and they also are influenced by attitudes towards clothing products(Kim Chan Ju and Rhee Eun Young, 1995).<sup>6)</sup> In addition, characteristics of clothing products that can exert influence to risk reduction behaviors include product prices, usage of products and life cycle of products. As counterfeit have characteristics different from those of other general clothing products, so risk reduction behaviors are assumed to differ from those for general clothing products.

Even consumer's characteristics are found to influence risk reduction behaviors; Kim Chan Ju(1992)<sup>3)</sup> discovered that types of risk reduction behaviors differed according to factors of population statistics such as sex, age, education level and occupation, and Kim Chan Ju and Rhee Eun Young(1995)<sup>6)</sup> discovered that risk reduction behaviors were influenced by personality of consumers. However, Kim Soo Jin and Chung Myung Sun(1998)<sup>16)</sup> discovered that consumers of high perception level toward social psychological risks and fashion risks tended to frequently use personal and non-personal information to reduce risks.

Even situational characteristics are found to exert influence to risk reduction behaviors. Sheth and Venkatesan(1968)<sup>17)</sup> discovered that

risk reduction behaviors differed according to purchasing experience and purchasing process of consumers, and that in the initial stage of purchase they reduced risk perception through active information search, but with more experiences in purchasing they more often used brand loyalty for reducing risks. Also, purchasing situations were found to influence risk reduction behaviors. Hwang In Chang et. al.(2001)<sup>18)</sup> have found that in order to reduce risk perception of consumers who purchased products through e-commerce, pre-purchase trial opportunity was most effective.

Lastly, it was found that types of risk perception also correlated with risk reduction behaviors(Kim Chan Ju, 1992),<sup>3)</sup> and they were the most important influencing factor to risk reduction behaviors(Kim Chan Ju and Rhee Eun Young, 1995).<sup>6)</sup> Not only types of risk perception but also level of risk perception could exert influence to risk reduction behaviors because it could correlate with intensity of risk reduction behaviors.

These researches showed that risk reduction behaviors, like the case of risk perception, were influenced by characteristics of products, consumers and purchasing situations as well as types and levels of risk perception.

### III. Methodology

#### 1. Selection of Research Method

Existing researches on risk reduction behaviors in relation to clothing products used a quantitative method and analyzed

relationships between variables. These researches could provide right viewpoint for understanding the overall frame of risk reduction behaviors of consumers of clothing products. However, when it comes to counterfeit, a qualitative analysis rather than a quantitative analysis is better utilized for an in-depth analysis for diverse research themes. Also, since qualitative data were collected through previous research on risk perception of counterfeit (Kim II, 2005),<sup>2)</sup> it would be more consistent to use a qualitative method in interpreting the result of the researches.

## 2. Process of Data Collection

For a wider research on risk reduction behaviors of counterfeit, documents research and in-depth interviews were utilized. For documents research, data of previous researches related to the research themes were collected, and in-depth technical data were collected through in-depth interviews with consumers of counterfeit. The six interviewees that had been interviewed for the previous researches were re-selected for this in-depth

interviews. The reason for the re-selection of interviewees was that they already established a relationship with previous interviewers so that a more frank and in-depth data could be expected for this sensitive themes like risk reduction behaviors of counterfeit. Characteristics of selected interviewees are shown below in (table 1).

On average two in-depth interviews were conducted per each interviewee. At the first interview a descriptive questions were made in order to get overall risk reduction behaviors of counterfeit, and at the second interview there were additional questions related to the first interview and questions related to psychological risk perceptions. In these two interviews, structural and unilateral questions were evaded so that they could frankly talk about diverse experiences and reflections of risk reduction behaviors of counterfeit.

In order to secure a more precise analysis, under permission of the interviewees, digital recorders and camcoders were employed as auxiliary devices, and collected data were immediately filed right after the interviews so

〈Table 1〉 Statistical characteristics of interviewees

Interviewee	1	2	3	4	5	6
Age	23	41	25	28	24	26
Sex	Female	Female	Male	Female	Female	Female
Occupation	University student	Instructor	Personal business	Restaurant manager	Company clerk	Model
Purchase situation	Discontinue	Continue	Reduce	Discontinue	Discontinue	Reduce
Consumption situation	Discontinue	Continue	Continue	Reduce	Reduce	Reduce

that any errors in interpretation be contained to a minimum. Analysis of collected data was done as follows: first, the entire interviews were recorded as the interviewees described, then those parts not related to risk reduction behaviors were discarded, and related parts were classified according to small themes. Interview contents were filed as exactly as described by the interviewees including slangs and rumors, and in some cases auxiliary expressions were added in parentheses as needed for a better understanding.

### 3. Selection of Research Themes

According to the previous researches on risk perception of counterfeit, there were diverse

types of risk perception, and diverse methods were utilized for reducing these risk perception. Thus a main theme of risk reduction behaviors of consumers of counterfeit was selected, and sub-themes of risk reduction methods and risk reduction behaviors by type of risk perception of counterfeit were selected. And among types of risk perception it was found that the level of psychological risk perception was the highest, so there was a need to in-depth research on risk reduction behaviors for this. Thus, the psychological risk perception in purchasing counterfeit was classified into risk perception on purchasing behavior itself and risk perception on the post-purchase situation, and then types and characteristics of risk reduction behaviors of each perception were analyzed. Specific research themes were as follows in (table 2).

〈Table 2〉 Selected research themes

Psychological risk perception in purchasing counterfeit	Psychological risk perception reduction behaviors in purchasing counterfeit
<ul style="list-style-type: none"> <li>– Risk perception on purchase behavior itself</li> </ul>	<ul style="list-style-type: none"> <li>– Rationalization of purchase</li> <li>– Accompanied purchase</li> <li>– Reduction and discontinuance of purchase</li> </ul>
<ul style="list-style-type: none"> <li>– Risk perception on post-purchase situation</li> </ul>	<ul style="list-style-type: none"> <li>– Information search</li> <li>– Establishment of Selection criteria</li> <li>– Establishment of marginal level</li> <li>– Selective purchase</li> <li>– Planned purchase and compared purchase</li> <li>– Reduction and discontinuance of purchase</li> </ul>

## IV. Result of Analysis

In case of counterfeit, psychological risk perception is classified into risk perception on purchases behavior itself and risk perception on the post-purchase situation, and is recorded a high preception level compared to other types of risks. Especially, there was a high level of risk perception on the post-purchase situation, and diverse risk reduction behaviors were identified.

Risk reduction behaviors to reduce psychological risk that were perceived in the purchase process of counterfeit can be classified into risk reduction behaviors on purchases behavior itself and those of post-purchase situation as below.

### 1. Risk Reduction Behavior on Purchases Behavior Itself

Behaviors to reduce psychological risk perception on purchases behavior itself include rationalization of purchases, accompanied purchases, and reduction and discontinuance of purchases. Among these, rationalization and accompanied purchases can be regarded as passive behaviors while reduction and discontinuance of purchases as active behaviors. These risk reduction behaviors are to reduce negative feelings (uneasy i1, without self-respect and without consciousness i2, nervous i3, uncomfortable i4, displeased i5, dishonored i6) felt in purchasing counterfeit, and they are found to occur in different forms according to the characteristics of interviewees.

#### 1) Rationalization of Purchases

Rationalization of purchases is a risk reduction behavior that all interviewees used in order to reduce risk perception on purchases behavior itself. This is rationalization or justification of purchases, utilizing a sort of psychological defense mechanism. This is regarded as the most passive risk reduction behavior in purchases of counterfeit. As for reasons of rationalization, most interviewees stated that 'they bought counterfeit because they had the desire but not the ability to buy premium fashion goods.' However, interviewee No. 2 who had some economic means rationalized not only in the aspect of prices but also in the aspect of quality compared to prices. Other rationalizations included 'other people too bought counterfeit' (interviewee No.2), 'purchase itself does not mean anything(interviewee No.4), 'sellers of counterfeit are bad'(interviewee No.6).

Rationalization was utilized not only for reducing risks in purchases of counterfeit but also for reducing social risks in purchasing counterfeit.

..Then I was so young, I wanted to have pretty things, wanted to carry this one and that one, At that time I didn't have money, and there were many pretty things, any way all theses were fake... i1

..(Real premium goods) prices are enormous, and if you see closely, many hand makes and things like that are not real premiums. No, they are not, 'So, at this price this quality, then maybe fake is better..' i2

..I really want to have real premium goods, but no way. too expensive. So I buy alternatives... i3

..If I am able to, then I'll buy better ones like premium fashion goods. But not able to and they are too expensive to buy... i4

..If I am able to, then I'll buy real things, but I am not.  
Even if I want to buy, I simply cannot... i5  
..No money to buy real things. And those domestic  
brands in the markets aren't pretty... i6  
..The comforting thing is these people around me with  
some money and some means, they too buy them...i2  
..Buying itself is good or bad is not something to talk  
about, not that much valuable thing to talk about.. i4  
..Selling people are bad. If asked, I say I bought it as  
real, then everything's O.K.... i6

## 2) Accompanied Purchase

Most interviewees got help in purchasing  
decisions through accompanied purchases with  
friends, and thereby reduced the risk perception  
on the purchases of counterfeit.

Interviewees No.1, No.4, and No.6 made  
accompanied purchases in order to reduce risk  
perception in buying counterfeit. Interviewees  
No.1 and No.6 tried to reduce anxiety in buying  
counterfeit through accompanied purchases,  
while No.4 reduced guilty consciousness of the  
purchase by disclosing the purchase of  
counterfeit to friends. In contrast, interviewees  
No.2 and No.5 rather evaded the  
accompaniment in order to reduce the risk  
perception. Actually, they reduced their negative  
feelings against the purchases by keeping their  
purchases secret. This illustrates that for a  
same risk perception the risk reduction  
behaviors can occur in the opposite way  
according to consumer's characteristics.

Moreover, the accompanied purchases were  
also utilized to reduce risk perception on the  
post-purchase situation.

...I never went to buy alone. Those days, whenever I  
went , I went with them. And If I didn't know, she

knew. And it's scaring to go alone. The shop-owners  
holding me, not letting go out...i1

..If I go alone, I'm nervous. Being alone, I feel like  
committing some crimes. With friends it means, 'I'm  
buying, without secret. I told you' It's something like  
this. And If I go with friends, I can confirm those  
things that I don't know.... i4

..I can't go alone, going alone is scaring. And I don't  
know anything. A woman like me going alone is  
uncomfortable. So I always went together with my  
friends. Friends helped me to choose the right one...  
i6

..I go alone. I don't want to let anybody know that I go  
buy fake. I don't want to show them, either...i2

..When I go to buy fake, I don't want to go with them.  
Well, maybe they will think I have real things. Why  
should I let them see me buying fake... i5

## 3) Reduction and Discontinuance of Purchase

When people perceive risks from a purchasing  
activity, the most active risk reduction behavior  
to reduce or completely eliminate the risk  
perception is to discontinue or reduce the  
purchase itself. Among those who have  
currently discontinued or reduced purchases of  
counterfeit, interviewee No.1, No.4 and No.5  
have discontinued the purchases and thereby  
eliminated the risk perception. They had  
comparatively high level of self-esteem, and  
they discontinued the purchases out of their  
own internal judgment.

..Well, my self-esteem doesn't let me buy those things.  
In fact, I used to buy them.... i1

..I don't like it, 'cause I feel I'm telling lies. It was on  
my own judgment. It's something like a growth of  
myself. I feel like doing wrong and cheating, that's  
why I don't buy them... i4

..Those things are profitable to buy for a while, but it  
won't go long. So it's similar to acquainting myself with



somebody. Outside is O.K., but the inside is not real...  
i5

## 2. Risk Reduction Behavior on Post-Purchases Situation

Psychological risk perception on the post-purchase situation is shown in the worry that the purchase might be disclosed as an counterfeit. In that this perception is greatly influenced by other people's reaction, this is different from the risk perception of purchases of counterfeit.

Risk reduction behaviors for this post-purchase situation include information search, establishment of selection criteria, pre-purchase consideration (cautious purchase decision), establishment of marginal limit (reduction of expectation level), selective purchase (evasion of certain brands), compared purchase, planned purchase, dependence on observation and previous purchase experience, and reduction and discontinuance of purchases. Compared to types of risk reduction behaviors for the purchases behavior itself, this type of behaviors for the post-purchase situation is more diverse. This is because the level of psychological risk perception in this case is higher than that of the previous case.

### 1) Information Search

Information search for counterfeit was mainly for reducing psychological risk perception on the post-purchase situation (disclosure of counterfeit).

Interviewees were shown to have made active and positive search for information on

counterfeit, but in consideration of the characteristics of counterfeit, 'marketer-driven information agent' was not utilized. And unlike general clothing goods, information collection after purchase was more frequent than the case for pre-purchase collection (interviewees No.1, No.4 and No.6), this being interpreted as level of risk perception was higher in case of post-purchase situation. Information search was mainly made in shops of premium fashion goods and internet shopping malls, and most of the search was for conforming how much the purchased imitation was similar to the original ones. Also, more frequent information search was made in case of impulse purchases than in planned purchases. As suggested by Assael (1984),<sup>7)</sup> information search is interpreted as a risk reduction behavior to reduce psychological risk perception by enhancing the certainty of purchase outcome.

..After the purchase I went to find out 'whether there was a similar one,' I did that many times. I did that more often afterwards to find out, searching for many things, searching for whether there was any other... i1  
..I bought it. Then afterwards, I confirmed backwards. I went to the shops to have another look into the real things. Or confirmed it in the internet... i4

..To collect information, and compare with this and that. Afterwards I went to the shops to have a look. Well, it's exactly the same (laugh). I went to department stores to confirm it... i6

..When doing market searches, if there was something for my eye, then I checked it... i2

..This is my know-how. I have learned it by searching markets... i3

..Well I did much search. I looked into the internet, and if I didn't know, I asked where's a good place... i5

### 2) Establishing Selection Criteria

The interviewees have purchased counterfeit according to diverse selection criteria, and contents of the criteria were related to psychological risk, economic risk and outcome risk. Similarity to the real premium goods' was the most important selection criterion. It was because the psychological risk perception level on the post-purchase situation (disclosure of counterfeit) was the highest. This differed from the selection criteria of clothing products because of the characteristics of counterfeit.

In case of counterfeit, as psychological risk perception has a correlation with economic risk perception (Kim Il, 2005),<sup>2)</sup> so psychological risk reduction behavior for post-purchase situation also has a correlation with economic risk reduction behavior. For the more similar is the imitation to the real goods, the psychological risk perception on the post-purchase situation gets decreased, but economic risk-perception level can increase. Interviewees No.1, No.3 and No.4 took it very important to reduce psychological risk perception on the post-purchase situation, but interviewees No.2, No.5 and No.6 established selection criteria to reduce not only psychological risk perception but also economic risk perception.

..When I buy (the counterfeit), the first thing to look into was, well, how much it looks similar. If that one is of high quality, then the design must be more similar. The more similar it is, the less worry. One looks into the lower ones, and that's it. 'That's a fake.' So I look for a more expensive one. Because there is less the worry... i1

..Of course, the most important thing in the first look is 'whether it is fake or not'. The first selection criterion was 'if it looks like the real one.' If it should pass this criterion, then I buy this one, because I cannot tell,

and any other cannot tell which one is real. However, if the prices are too much, then I cannot buy.... i2

..The one that is most similar to the real one, then I buy because I don't want to get screwed. So even if prices are high, I buy A class products.. i3

..I look into if this is exactly the same thing to the real one. When I buy imitation, I check whether it's the same look. As for me, I don't buy C class products, ... i4

..How much it goes well with me, and how long I can use it. These are what I consider. The next thing is the prices. If prices are good, then I buy. I also look into the density. Yes, the thing with some density is A class, with a great value. Well, A class is better than B class. However, the prices... because this one is imitation. If prices are too much, I don't buy.... i5

..When I have the first look, I check whether it looks the same, and then the prices. When compared to the real thing, if there's a difference, I don't buy. That's the first thing to check. If it's O.K., then I look into the prices. Expensive ones I don't buy. And the next things are whether it's useful, whether it's firm, and how long I can use it....i6

### 3) Establishing Marginal Limit

As rationalization of purchases, a sort of psychological defense mechanism, was utilized to reduce risk perception on purchase activity itself, so interviewees reduced risk perception on the post-purchase situation by establishing limits on the counterfeit, which could also be regarded as a psychological defense mechanism. Establishing a marginal limit is establishing a limit of counterfeit in terms of similarity to the real goods. By establishing a marginal limit interviewees more or less accept risks on the post-purchase situation. This is the most passive behavior among the risk reduction behaviors on the post-purchase

situation. Establishing a marginal limit could be regarded as a concept similar to lowering expectation level among the risk reduction methods that Assael(1984)<sup>7)</sup> suggested. Establishing a marginal limit is utilized as a risk reduction behavior to reduce not only the risks on the post-purchase situation of counterfeit but also economic risks, outcome risks and fashionability-loss risks.

..As for me, When I buy a fake, I buy it for the similarity, but I feel a lot of counterfeit that a fake has. So the degree of perfection of a fake has to be limited to a certain extent. .. i2

..Anyway, there's a difference in quality. I think, 'it's a fake, it's different.' This is what we should accept, because we buy it cheap. We think, 'Buy it cheap. Use it for a while.'.. i4

..Those(counterfeit) are, at most, consumed for a season only. So I don't expect much. 'Just use it for a while.'.. i5

..Just cheap, that's the reason. 'At this money, this quality, not bad.' Because I use it for a while, it's almost same to buying expensive one. Nobody knows it's a fake. Just for a while. It's O.K. .. i6

#### 4) Selective Purchase

Interviewees No.2, No.3 and No.6 reduced the risk perception on the post-purchase situation by excluding counterfeit of certain brands from the purchase list. They are those brands that many people buy counterfeit like LOUIS VUITTON and PRADA. In contrast, interviewees No.4 and No.5 reduced economic risks and fashionability-loss risks by not purchasing fashion-sensitive counterfeit.

..Why I don't buy LOUIS VUITTON is it's everywhere,

so they know it's a fake... i2

..Everybody knows it's a fake, I never buy common ones. It's important that others don't know it....i3

..Something like LOUIS VUITTON is a common thing. Some brands are all fake. In the past PRADA shoulder bags used to be a fashion. I didn't want to buy it. Everybody had it. The product was good, but too many people had it, they know it's fake. I want those brands people don't see very often, because they don't know it's fake... i6

..When I buy a fake, I don't buy brands that are so sensitive to trends... i4

..When I buy a fake, I don't buy trendy ones. I buy basic ones that I can use for a long time... i5

An interesting thing with selective purchases is that when they buy gifts they buy real goods(Interviewees No.2, No.3, No.4 and No.6). When they buy goods for gifts they perceive comparatively a higher level of psychological risk. Thus, to buy real goods for gifts is regarded as a risk reduction behavior to eliminate this psychological risk perception.

..I buy real goods for gifts. It should be 100% real. I can't buy a fake for a gift. If they happen to know this, oh, it's nonsense...i2

..I never bought a fake for a gift. It's uncomfortable. If they knew it, I'm nothing. If they are friends, I'm screwed. They know it's a fake.... i3

..No fake for gifts. It's so sorry. It's like cheating. I never buy a fake to give it to others... i4

..I never gave a fake to others. I give a lot of gifts. If it's a gift, you can't give a fake. Later they will know it and get angry. How can you give fakes for gifts? You should give good ones...i6

#### 5) Planned Purchase and Compared purchase

Also, planned purchase(interviewees No.2 and

No.3) and compared purchase(interviewees No.3, No.4, No.5 and No.6) are risk reduction behaviors to reduce psychological risk perception on the post-purchase situation. These are similar to the case of pre-purchase consideration among risk reduction methods suggested by Assael(1984).<sup>7)</sup> Planned purchase and compared purchase are utilized to lower not only psychological risks but also economic risks and outcome risks.

..Anytime it can be disclosed, so I cannot buy on impromptu. I can buy impulse purchase for national brands, but never for the fakes... i2

..If I use it everyday or very often, then I buy it very seriously. If it's expensive, I do a planned purchase...i3

..Quality is different depending on each shop. Prices are cheap at this shop, but the texture is lighter. And the other shop, the prices are a little expensive, but the texture is thick and sophisticated, and so with the needlework. ..i3

..I compare, consider, and I buy. They say it's exactly the same, but I go to other shops, too. I compare prices, quality, and colors, and the shape, too. I look for something more real.... i4

..I don't buy on the spot. I go to other fake shops. I always compare prices and quality. I look into every thing... i5

..In the mean time I compare it with the real goods. Which one is more similar. Which product to buy. I ask questions and buy it carefully.. i6

## 6) Reduction and Discontinuance of Purchase

Reduction and discontinuance of purchases of counterfeit are to reduce not only risks on purchases of counterfeit but also risks on the post-purchase situation. Interviewee No.1

completely reduced psychological risk perception on the post-purchase situation by discontinuing purchases of counterfeit completely, and interviewee No.6 did the same by reducing the purchases of counterfeit. Reduction and discontinuance of the purchases as a risk reduction behavior on the purchases of counterfeit are carried out according to internal judgment of interviewees. However, when it comes to risk reduction behavior on the post-purchase situation, reduction and discontinuance of purchases of counterfeit is carried out according to the outside factors.

..I felt others were watching me, or I was just nervous. I bought it for my satisfaction, but I felt like that, then I got screwed(laugh). That's why I didn't buy.... i1

..They say it's exactly the same, but there is some difference from the real. I didn't know this when I used all the fakes. Something's different. So I seldom buy. When I didn't know this, I thought people didn't know either. But I came to distinguish the difference. Then, oh, everybody will know this. So, I got uncomfortable, and I didn't buy any. .. i6

In addition to the above-mentioned risk reduction behaviors, observation and dependence on previous experience of purchase were also utilized to reduce psychological risks on post-purchases of counterfeit.

## V. Conclusions and Suggestions

The analysis of risk reduction behaviors to reduce psychological risk perception in the process of purchasing counterfeit can be

summarized as follows.

First, the risk reduction behaviors to reduce psychological risk perception on purchase activity itself include rationalization of purchase, accompanied purchase, and reduction and discontinuance of purchase. And the risk reduction behaviors to reduce psychological risk perception on the post-purchase situation include information search, establishment of selection criteria, establishment of marginal limits(lowering expectation level), selective purchase, planned purchase and compared purchase, and reduction and discontinuance of purchase. Among these, rationalization of purchase and establishment of marginal limits are passive risk reduction behaviors, while reduction and discontinuance of purchase are active risk reduction behaviors. Compared to the risk reduction behaviors on the purchases behavior itself, the risk reduction behaviors on the post-purchase situation are more diverse. This can be interpreted that the level of psychological risk perception on the post-purchase situation is comparatively higher. This means that levels of risk perception can exert influence to risk reduction behaviors.

Second, among the risk reduction methods Assael(1984)<sup>7)</sup> suggested, 'information search' and 'pre-purchase consideration' were frequently utilized to enhance the certainty of purchase outcome, while, considering characteristics of counterfeit, 'brand loyalty' and 'selection of famous brands' were not utilized. Instead, we could see a selective purchasing behavior that evaded the purchase of certain brands. And 'lowering expectation level' and 'purchasing a small amount' were frequently utilized to reduce failures of purchase, while,

considering the characteristics of counterfeit, 'selection of cheap brands' was not utilized. Among the risk reduction methods Kim Chan Ju(1992)<sup>3)</sup> suggested, 'observation', 'dependence on previous experience of purchase' and 'consumer-driven utilization of information agent' were frequently used, while, considering the characteristics of counterfeit, 'marketer-driven utilization of information agent', 'pre-purchase trials', 'brand attachment' and 'guaranteed purchase' were not used. This means that risk reduction behaviors can differ depending on characteristics of products.

Third, one type of risk reduction behavior did not reduce one type of risk perception, but it reduced several types of risk perception simultaneously. This means that risk reduction behavior, like risk perception, should be analyzed in multilateral aspects(not in a single-level aspect). Also, as each type and level of risk perception were correlated, so each type and intensity of risk reduction behavior were correlated. This means that each type of risk reduction behavior should be analyzed in interdependent aspect(not in independent aspect).

Fourth, if perceived risks actually occurred, level of risk perception is enhanced, and accordingly, there occur active risk reduction behaviors to reduce this, but even if the perceived risk did not actually occur, there occur passive risk reduction behaviors. This means that not only types of risk perception but also levels of risk perception can exert influence to risk reduction behaviors.

Above risk reduction behaviors to lower psychological risk perception that occurred in the process of purchasing counterfeit differed

from the risk reduction behaviors that occurred in the process of purchasing general clothing products. This phenomenon seemed owing to the characteristics of counterfeit.

Considering the analysis results and counterfeit of research as above, future researches on risk reduction behaviors need to analyze the influence that characteristics of clothing products and types and levels of risk perception exert to risk reduction behaviors. Also, in the sequential researches on risk reduction behaviors that occur in the process of consumption of counterfeit, it would be meaningful to compare risk reduction behaviors between purchasing process and consumption process of the counterfeit.

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