

Why Do College Students Buy Counterfeit Movies?

Evelyn Hendriana, Agustine Puspita Mayasari, and Willy Gunadi

Abstract—The rise of Indonesian movie industry has been counterproductive due to rampant copyright infringement. This study provides a framework about the purchase intention on counterfeit movies. It aims at examining the impacts of ethical concern, collectivism, perceived quality, and hedonic shopping motivation on purchase intention toward counterfeit movies. Data were collected from 350 college students from middle and upper classes in two cities with 88.57 percent response rate. Structural equation modeling was used to analyze the data. It is found that ethical concern and collectivism significantly influenced purchase intention toward counterfeit movies.

Index Terms—Culture, ethics, motivation, perception, purchase intention.

I. INTRODUCTION

Counterfeiting includes any manufacturing activity of a product that is closely imitates the appearance of original product that may mislead the customers. The production and selling of counterfeit products bring negative economic and social consequences, such as loss of sales revenues, disincentive to engage in creative works and research, loss in tax revenues, reduction in direct investment, and job losses [1].

The sales of counterfeits accounts for nearly 7 percent of the world's merchandise trade [2]. Indonesia is one of the thirteen countries having the worst record of intellectual property rights violation. Consumer's intention to buy counterfeit products has increased due to the lack of ethical concern towards intellectual property rights. Even though the government has protected the intellectual property rights by implementing Law of the Republic of Indonesia Number 19 Year 2002 regarding copyright, its effectiveness is still a problem. The products that have been imitated include both the luxurious or high-involvement and low-involvement products such as movies, music, and software.

One of the industries affected by counterfeiting activity is the movie industry. According to [1], counterfeit movies contribute more than fifty percent of counterfeit products in the world. Indonesia is known as the haven for counterfeit movies, where nearly 80 percent of the products sold in the market are pirated. People tend to purchase counterfeit movies because of cheaper price, wider availability of the product in the marketplace, and the weakness of law

enforcement [3]-[5].

Most previous studies partially examine the possible factors that may affect purchase intention toward counterfeit products. It is essential to conduct a more comprehensive research framework to understand the purchase and consumption of counterfeit products [6]. The objective of this study is to examine the impact of ethical concern, collectivism, perceived quality, and hedonic shopping motivation on purchase intention toward counterfeit movies in Indonesia. This study replicates the model of [7] tested in different cultural setting.

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Counterfeiting refers to any manufacturing of copies that violate the intellectual property rights [1]. It can be classified into counterfeit, pirated, imitation, and gray-area goods [8]. The counterfeit or deceptive goods are produced and sold to mislead consumers into believing the products are genuine. In contrast, pirated goods, also called non-deceptive goods, are purchased by consumers who know the products are fakes. Imitation goods are products that look alike but not identical to the genuine ones. Gray-area products include any genuine goods that are sold at unauthorized channels. Based on this categorization, counterfeit movies are pirated goods as most consumers realize that the products are not original.

The study of counterfeiting can be seen from the supply-side or the demand-side. The factors that affect counterfeiting from the supply-side include illegal supply chain, legal issues, and law enforcement, while the demand-side sees this phenomenon as the result of consumer's inquiry [6]. A study conducted by [9] shows that growth of counterfeit trade is perceived to be more seller-driven than buyer-driven. However, the knowledge of the underlying factors that may influence consumers' tendency to purchase counterfeit products is essential to determine the most appropriate anti-counterfeiting actions.

As counterfeiting conveys many negative consequences, purchasing counterfeit products is considered as an unethical behavior. It is believed that consumers' purchase intention on counterfeit products is influenced by lack of ethical concern [7], [10]-[12]. Hunt and Vitell [13], [14] develop theory of ethics to understand how an individual makes a decision regarding ethical dilemma. After identifying an ethical problem, an individual search the possible alternatives to solve it. These alternatives are evaluated based on deontological norms to justify if they are appropriate. The individual also regards the perceived consequences of the alternatives that form the teleological evaluation. Based on the result of deontological and teleological evaluation, the individual makes ethical judgment in accordance with his or her moral intention and behavior.

One of the factors forming ethical judgment is moral

Manuscript received October 4, 2012; revised February 12, 2013.

Evelyn Hendriana was with University of Pelita Harapan, Indonesia. She is now with the Prasetya Mulya Business School, Indonesia (e-mail: e.hendriana@gmail.com; evelyn.hendriana@pmbs.ac.id).

Agustine Puspita Mayasari was alumnus of University of Pelita Harapan, Indonesia. She is now working at PT Millenium Danatama Sekuritas, Indonesia (e-mail: agustine2608@yahoo.com).

Willy Gunadi is with University of Pelita Harapan, Indonesia (e-mail: willy.gunadi@uph.edu).

philosophies. Forsyth [15] explains moral philosophies consist of two concepts of belief systems, namely idealism and relativism. Idealism believes there is an absolute ethical standard that concerns with the welfare of others. In contrast, relativism rejects universal moral standard as it is culturally-related and it depends on situations or circumstances. According to these beliefs, an idealist consumer considers purchasing counterfeit product as an unethical act as it infringe intellectual property rights, while relativist may consider it as ethical [7], [16]-[18]. Based on these arguments, the following hypotheses are tested:

H1: idealism has a positive effect on ethical concern

H2: relativism has a negative effect on ethical concern

H3: ethical concern has a negative effect on purchase intention toward counterfeit movies

Another theory of moral philosophies associates economic ideology and culture [19], [20]. It assumes societal norm and individual ethical behavior are influenced by existing moral philosophy in a country. Culture is a sum of shared belief, values, and customs that usually transferred from one generation to another which can help an individual to understand the acceptable behavior in a particular society [21], [22]. The collectivism values which dominated the culture among Asian people are predicted to influence consumers' tendency to purchase counterfeit products [7], [23]-[25]. However, references [26], [27] found no significant relationship between collectivism and purchase intention toward counterfeit products. The inconsistent findings lead us to examine the following hypothesis:

H4: collectivism has a positive effect on purchase intention toward counterfeit movies

Motivation plays an important role in the construction of consumer's purchase intention toward counterfeit products. The types of motivation can be divided into utilitarian and hedonic shopping motivation [28] [30]. These classifications refer to utility theory. Utilitarian motivation presents the acquisition utility that emphasizes the economic benefits from the purchase. It assumes consumers are value-conscious and they purchase a product based on its functionality and benefits. In contrast, hedonic motivation is related to transaction utility that refers to shopping enjoyment. This motivation leads the consumers to purchase counterfeit product based on interactions, experiences, and emotions. Many recent studies focus on the impact of emotions on consumers' purchase decision. The positive emotion created by counterfeit purchase experiences is believed to influence consumers to repurchase [7], [30]-[33]. Therefore, we test this following hypothesis:

H5: hedonic shopping motivation has a positive effect on purchase intention towards counterfeit movies

Consumers' attitude toward counterfeit product is affected by their perception on product quality and value. For the value-conscious consumers, they favor to purchase counterfeit products at lower prices subject to some degree of quality constraints. If the quality of counterfeits is comparable to the genuine products, then consumers are more likely to purchase the counterfeit ones [25], [32]-[36]. This tendency is higher if consumers are able to assess the quality prior purchase. Based on this argument, the following hypothesis is examined:

H6: perceived quality has a positive effect on purchase intention towards counterfeit movies

Fig. 1 shows the six hypotheses tested in this study.

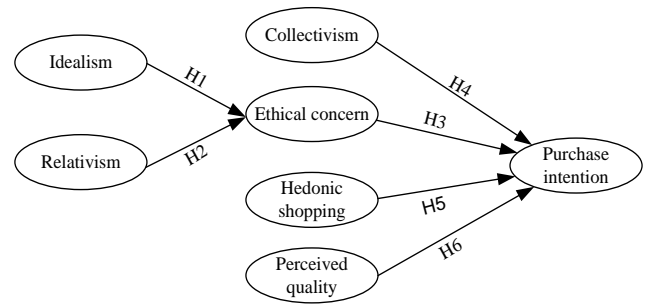


Fig. 1. Research model.

III. RESEARCH METHODOLOGY

Data were collected from questionnaire distributed to 350 college students in Jakarta and Tangerang. College students were chosen as the sample because they had good ethical knowledge, yet they like to buy counterfeit products [30], [37]-[39]. It was believed that income level had a negative effect on consumers' intention to purchase counterfeit products [30], [38], [40]. However, references [8] and [41] found that the purchase of counterfeit products was not related to purchasing power. Therefore, we focused on the purchasing behavior of college students from middle and upper classes. Purposive sample was used in comprising college students who purchased counterfeit movies during the last one year.

This research used a pool of indicators based on the items used in several studies. All items were measured on 5-point Likert scales, ranging from strongly disagree to strongly agree. This study had eight constructs.

Idealism and relativism measured the moral philosophies of the respondents. These construct were individually measured by six indicators adopted from the studies by [7] and [42]. The moral philosophies were predicted to influence ethical concern which was measured through four items taken from [7], [42], and [43]. The five items to measure hedonic shopping motivation and the four items of purchase intention toward counterfeit products were adopted from [7]. There were three items adopted from [7] and [25] to measure collectivism. The nine indicators that were utilized to measure perceived quality were adopted from [7], [44], and [45].

In this study, the internal consistency reliability was measured by Cronbach's alpha with minimum score of 0.60 [46]. We also assessed convergent and discriminant validity. Convergent validity of each construct was measured by confirmatory factor analysis (CFA) and construct reliability. The lowest limit for factor loading was 0.50 and for construct reliability was 0.60 [46]. Discriminant validity could be evaluated by comparing the square root of average variance extracted (AVE) and correlation between two constructs. Data were analyzed using structural equation modeling. This study assessed the overall model fit before testing the structural model using chi-square (χ^2), root mean square error of approximation (RMSEA), goodness of fit index (GFI),

adjusted goodness-of-fit index (AGFI), and comparative fit index (CFI).

IV. RESULTS

There were 310 questionnaires returned by respondents resulted in 88.57 percent response rate. Table I presents the respondents' profile. The majority of respondents in the sample were female. About 38.1 percent of respondents belonged to upper class and the rest was middle class. Apparently, 65.2 percent of respondents purchased more than three counterfeit movies per month.

TABLE I: PROFILE OF RESPONDENTS (N = 310)

Variables	Frequency	Percentage
Gender:		
Male	142	45.8%
Female	168	54.2%
Monthly allowances:		
Less than IDR 1,500,000	80	25.8%
IDR 1,500,000 – 3,000,000	112	36.1%
IDR 3,000,000 – 5,000,000	99	31.9%
More than IDR 5,000,000	19	6.1%
Frequency of purchasing counterfeit DVDs per month:		
Less than 3 times	108	34.8%
3 - 4 times	52	16.8%
5 - 6 times	135	43.5%
More than 6 times	15	4.8%

TABLE II: RESULTS OF RELIABILITY AND CONVERGENT VALIDITY TESTS

Measurement items	Factor loading	Construct reliability	Cronbach's alpha
Idealism:		0.735	0.785
IDE1	0.621		
IDE2	0.740		
IDE3	0.715		
Relativism:		0.645	0.799
REL1	0.570		
REL2	0.677		
REL3	0.594		
Ethical concern:		0.721	0.714
ETH1	0.896		
ETH2	0.587		
Collectivism:		0.715	0.710
COL1	0.727		
COL2	0.631		
COL3	0.665		
Hedonic shopping motivation:		0.812	0.814
HED1	0.773		
HED2	0.787		
HED3	0.743		
Perceived quality/value:		0.879	0.816
PQL1	0.722		
PQL2	0.745		
PQL3	0.725		
PQL4	0.713		
PQL5	0.731		
PQL6	0.696		
PQL7	0.656		
Purchase intention:		0.731	0.797
PIN1	0.697		
PIN2	0.728		
PIN3	0.628		

The constructs reached internal consistency reliability shown through Cronbach's alpha ranging from 0.710 to 0.816. However, only twenty four out of 37 items were fulfilled the convergent validity criteria. These items had

factor loading ranging from 0.570 to 0.896 and construct reliability between 0.645 and 0.879. The results of convergent validity and reliability tests are shown in Table II, while results of discriminant validity are presented in Table III. The overall model was a good fit based on CMIN/DF = 1.890, RMSEA = 0.054, GFI = 0.902, AGFI = 0.872, and CFI = 0.943.

TABLE III: RESULTS OF DISCRIMINANT ANALYSIS

	IDE	REL	COL	ETH	PQL	HED	PIN
IDE	0,693						
REL	0,026	0,615					
COL	0,096	-0,002	0,675				
ETH	-0,152	0,039	0,080	0,757			
PQL	-0,049	0,035	0,052	0,058	0,726		
HED	-0,146	-0,152	0,144	-0,003	-0,102	0,768	
PIN	0,147	0,085	-0,095	-0,094	-0,002	0,019	0,685

Table IV shows that ethical concern had a significant negative influence, whereas collectivism gave a significant positive influence on purchase intention towards counterfeit movies. Meanwhile, this study found that idealism had a significant negative impact on ethical concern.

TABLE IV: RESULTS OF HYPOTHESES TESTING

Path	Regression weight	C.R.	Hypothesis
Idealism → Ethical concern	-0,537	-4,588	Not supported
Relativism → Ethical concern	-0,145	-1,368	Not supported
Ethical concern → Purchase intention	-0,403	-5,303	Supported
Collectivism → Purchase intention	0,359	2,326	Supported
Hedonic shopping → Purchase intention	0,174	1,551	Not supported
Perceived quality → Purchase intention	0,035	0,243	Not supported

V. DISCUSSION

Before deciding to purchase a movie, an individual has two options: to buy an original copy or the counterfeit one. If he buys the original, he complies with the law of intellectual property rights protection, but he has to pay at higher price. On the other hand, purchasing counterfeit movies is perceived as an act of defiance of the law, but he obtains a fairly good quality product at much a cheaper price. Based on these considerations, the individual may construct an ethical judgment before making ethical purchase decision.

The finding in this study shows that ethical concern has a significant negative influence on consumers' intention to purchase counterfeit movies, which is consistent to the findings of [7] and [10]. College students are aware that purchasing counterfeit movies is an illegal act as it goes against intellectual property rights. Those who have a high ethical concern are not likely to buy counterfeit movies. However, this intention is not always shown in their actual behavior. It can be inferred that most respondents tend to keep on buying counterfeit movies at the market and encourage their peers to do the same thing. This pattern is similar to the findings in the studies by [32], [47], and [48]. Many factors may cause inconsistency between their

intentions and behaviors, which can be seen from ethical, cultural, legal, transactional, and situational aspects.

An individual's ethical concern is formed by his ethical belief and moral philosophies. According to [15], there are two dimensions of ethical beliefs namely idealism and relativism. This study found a reverse effect of idealism toward ethical concern. It supports the results of [49] and [50] which show that an idealist individual is more often involved in unethical behaviors. The influence of relativism on ethical concern is found insignificant which is consistent to the findings of [10].

The respondents who have a moderate level of idealism ($M = 3.32$) and high level of relativism ($M = 3.54$) is classified as situationists according to moral philosophies taxonomy [16]. They tend to reject ethical norms, but feel contend that an individual has to produce desirable outcomes for everyone. Thus, they are likely to prioritize individual analysis on every situation.

Based on cognitive moral development, they are between pre-conventional and conventional stages. In the late pre-conventional stage, an individual tends to be egocentric and prioritizes his personal gains over others. In contrast, a person in the early phase of conventional stage tries to get conformity from others by evaluating the consequences of a particular action on his relationship with other people. The Indonesians are permissive and less likely to ask a person to be responsible for any unethical behavior. Many people do not perceive a movie counterfeiting act as a serious problem, since it is a low-risk and low-involvement product. This view enables the purchasers of counterfeit movies to justify their behavior. It is consistent with the findings of [8], [34], [51], [52], and [53].

The moral justification regarding counterfeits is within cultural context. There is tendency that Indonesians are the mix of relativism and utilitarianism based on [19] moral philosophies. Their perception of the ethical rules is culturally related, thus the ethical acts must prioritize society welfare. This study finds collectivism has a significant positive influence on consumers' purchase intention toward counterfeit movies which is consistent to the findings of [7], [25], [36], and [54]. Indonesians are dominated by collectivism values, which assume that everyone should get the benefit from a new invention. Therefore, they cannot truly accept the concept of intellectual property rights.

The quality, availability of counterfeit movies, and law enforcement are several factors that may influence the justification of the violating purchase behavior. The advance technology enables the producers of counterfeit movies to produce the counterfeit movies with a good quality in a relatively short time. The similarity quality between counterfeits and original movies, along with a significant price difference, encourages many consumers prefer to buy the counterfeits. As being revealed by [36], [55], and [56], for low-involvement product like movies, price-sensitive consumers are less likely to take ethical concern into their pre-purchase evaluation. The International Intellectual Property Alliance [3] reported that the counterfeit movies are sold at more than 90 percent of the malls in Indonesia and the enforcement to catch the counterfeit sellers is ineffective. The easiness to purchase counterfeit movies and the small possibility of being caught and to be persecuted by the police

do not create a unique experience for the respondents. Therefore, this study finds a weak relationship between hedonic shopping motivation, perceived quality, and purchase intention toward counterfeit movies.

VI. CLOSING REMARKS

The rampant selling of counterfeit movies is due to the weak law enforcement, accompanied by a high demand for such goods. Licensees should cooperate with law enforcers to eradicate the spreading of counterfeit movies.

Despite the fact that Indonesian government already passed regulations on copyrights with penalty sanctions for those who are involved in piracy, the implementation of such law is still ineffective. Hence, the government must establish a law which is not only targeted at the ones who produce it, but also the sellers and consumers. Furthermore, the penalty must be severe as a relatively light penalty will not induce fear and cannot act as a deterrent for those who infringe the law. The curbing efforts by the police must be done continuously and consistently to eradicate piracy in Indonesia.

From the viewpoint of consumers, it was apparent that the willingness to buy counterfeit movies stems from the lack of ethical judgment and collectivism values. Even though college students from middle and upper classes have adequate purchasing power, it does not reduce their intention to purchase counterfeit movies. It may be due to low moral awareness of the students, by prioritizing their personal views in determine their actions. To counter this problem, an effort to educate consumers must be put forward, as an example through a seminar, with the purpose to remind people and increase their awareness on intellectual property rights.

There is an indication of relationship between culture and moral justification. Therefore, we suggest examining the relationship between collectivism and ethical concern. Future studies should involve customers from different cultural and demographic characteristics. Moreover, this model may be tested on counterfeit luxury brands.

APPENDIX

Measurement items	Mean	S.D
Idealism:		
A person should ensure that his/her actions never intentionally harm others (IDE1)	3.14	1.26
A person should never psychologically harm others (IDE2)	3.64	1.08
A person should not sacrifice the welfare of others (IDE3)	3.17	1.07
Relativism:		
Codes of ethics should reflect cultural differences (REL1)	3.70	1.07
What is perceived as ethical varies from one situation to another (REL2)	3.25	1.08
What is perceived as ethical varies from one individual to another (REL3)	3.67	0.92
Ethical concern:		
Movie counterfeiting violates intellectual property rights (ETH1)	3.40	0.93
Obtaining counterfeit movies is illegal (ETH2)	3.35	0.76
Collectivism:		
A person that shares should be rewarded, even if the product being shared is not theirs (COL1)	3.94	0.91
I wish others can share with me, even if they do not want the product they are sharing (COL2)	4.04	0.85

The more people share a product, the more valuable the product is (COL3)	4.10	0.78	[15]	D. R. Forsyth, "Judging the morality of business practices: The influence of moral philosophies," <i>Journal of Business Ethics</i> , vol. 11, no. 5-6, pp. 461-470, 1992.
Hedonic shopping motivation:			[16]	L. M. Chan, J. Othman, and R. Joned, "The conceptual model of personal moral philosophy (PMP) and ethical decision making (EDM)," <i>Journal of Management Research</i> , vol. 3, no. 2, pp. 1-14, 2011.
I would shop because I wanted to (HED1)	3.20	0.89	[17]	A. L. Dubinsky, R. Natarajan, and W. Y. Huang, "Consumers' moral philosophies: Identifying the idealist and the relativist," <i>Journal of Business Research</i> , vol. 58, no. 12, pp. 1690-1701, 2005.
I often shop unintentionally (HED2)	3.33	0.74	[18]	H. Park, "The role of idealism and relativism as dispositional characteristics in the socially responsible decision-making process," <i>Journal of Business Ethics</i> , vol. 56, no. 1, pp. 81-98, 2005.
While shopping, I would feel a sense a adventure (HED3)	3.51	0.88	[19]	C. J. Robertson and W. F. Crittenden, "Mapping moral philosophies: Strategic implications for multi-national firms," <i>Strategic Management Journal</i> , vol. 24, no. 4, pp. 385-392, 2003.
Perceived quality/value:			[20]	C. J. Robertson, D. A. Ralston, and W. F. Crittenden, "The relationship between cultural values and moral philosophy: A generational subculture theory approach," <i>AMS Review</i> , vol. 2, no. 2-4, pp. 99-107, 2012.
Picture quality of counterfeit movies is similar to the legal version (PQL1)	3.80	0.86	[21]	R. D. Blackwell, P. W. Miniard, J. F. Engel, P. Di-ching, N. M. Yasin, and W. J. Hood, <i>Consumer Behavior</i> , Singapore: Cengage Learning Asia, 2012, ch. 9, pp. 334-343.
Counterfeit movies are as reliable as the legal version (PQL2)	4.03	0.81	[22]	L. G. Schiffman and L. L. Kanuk, <i>Consumer behaviour</i> , 10 th ed. Upper Saddle River, NJ: Pearson Prentice Hall, 2010, pp. 366-376.
Audio quality of counterfeit movies is similar to the legal version (PQL3)	3.71	0.80	[23]	K. K. Kwong, W. Y. P. Yu, J. W. K. Leung, and K. Wang, "Attitude toward counterfeits and ethnic groups: Comparing Chinese and Western consumers purchasing counterfeits," <i>Journal of Euromarketing</i> , vol. 18, no. 3, pp. 157-168, 2009.
The quality of counterfeit movies is in accordance to their price (PQL4)	3.67	0.87	[24]	I. Phau, M. Teah, and M. Lwin, "Are you a peer to peer pirate? Attitudes towards downloading movies and TV series through P2P networks", presented at Australia and New Zealand Marketing Academy (ANZMAC) Conference, Melbourne, November 30-December 2, 2009.
I received what I have paid for the counterfeit movies (PQL5)	3.33	0.84	[25]	F. Wang, H. Zhang, H. Zang, and M. Ouyang, "Purchasing pirated software: An initial examination of Chinese consumers," <i>Journal of Consumer Marketing</i> , vol. 22, no. 6, pp. 340-351, 2005.
The price of counterfeit movies is cheap (PQL6)	3.35	0.82	[26]	S. Chaipooirutana, "Pirated software purchase behavior in the Asia-Pacific region," <i>American Society of Business and Behavioral Sciences e-Journal</i> , vol. 7, no. 1, pp. 131-142, 2011.
Purchasing counterfeit movies is a wise decision (PQL7)	3.46	0.87	[27]	I. Phau and M. Teah, "Devil wears (counterfeit) Prada: A study of antecedents and outcomes of attitudes towards counterfeits of luxury brands," <i>Journal of Consumer Marketing</i> , vol. 26, no. 1, pp. 15-27, 2009.
Purchase intention:			[28]	H. C. Chiu, Y. C. Hsieh, S. H. Chang, and W. R. Lee, "Exploring the effect of anticounterfeiting strategies on customer values and loyalty," <i>Ethics and Behavior</i> , vol. 19, no. 5, pp. 403-413, 2009.
I would buy counterfeit movies on the Internet (PIN1)	2.87	1.12	[29]	M. C. Ferreira, D. Botelho, and A. R. D. de Almeida, "Consumer decision making in a counterfeit-plentiful market: An exploratory study in the Brazilian context," <i>Latin American Advance in Consumer Research</i> , vol. 2, pp. 109-115, 2008.
I would encourage friends to buy counterfeit movies (PIN2)	3.29	1.13	[30]	P. Sharma and R. Y. K. Chan, "Counterfeit proneness: Conceptualisation and scale development," <i>Journal of Marketing Management</i> , vol. 27, no. 5-6, pp. 602-626, 2011.
I would buy counterfeit movies from a vendor or at the market (PIN3)	3.74	0.81	[31]	L. Jiang and V. Cova, "Love for luxury, preference for counterfeits – A qualitative study in counterfeit luxury consumption in China," <i>International Journal of Marketing Studies</i> , vol. 4, no. 6, pp. 1-9, 2012.

REFERENCES

- [1] Organization for Economic Co-Operation and Development. (1998). The Economic Impact of Counterfeiting. [Online]. Available: <http://www.oecd.org/sti/industryandglobalisation/2090589.pdf>.
- [2] International Anticounterfeiting Coalition. (2011). About Counterfeiting. [Online]. Available: <http://iaacc.org/about-counterfeiting>.
- [3] International Intellectual Property Alliances. (2012). 2012 Special 301 Report on Copyright Protection and Enforcement: Indonesia. [Online]. Available: <http://www.iipa.com/rbc/2012/2012spec301indonesia.pdf>.
- [4] D. N. Sari, "Fenomena CD dan VCD bajakan," *Warta Indag*, vol. 1, no. 2, pp. 13-18, 2007.
- [5] W. Wijayanto, "Penerapan UU No. 19 tahun 2002 tentang hak cipta dalam rangka memerangi pembajakan," presented at Lokakarya Terbatas Masalah-Masalah Kepailitan dan Kawasan Hukum Bisnis Lainnya, Jakarta, February 17-18, 2004.
- [6] S. H. Lee and B. H. Yoo, "A review of the determinants of counterfeiting and piracy and the proposition for future research," *Korean Journal of Public Studies*, vol. 24, no.1, pp. 1-38, 2009.
- [7] P. E. Chaudhry and S. A. Stumpf, "Consumer complicity with counterfeit products," *Journal of Consumer Marketing*, vol. 28, no. 2, pp. 139-151, 2011.
- [8] G. Prendergast, L. H. Chuen, and I. Phau, "Understanding consumer demand for non-deceptive pirated brands," *Marketing Intelligence and Planning*, vol. 20, no. 7, pp. 405-416, 2002.
- [9] S. A. Stumpf and P. E. Chaudhry, "Country matters: Executives weigh in on the causes and counter measures of counterfeit trade," *Business Horizons*, vol. 53, no.3, pp. 305-314, 2010.
- [10] A. Ha and S. J. Lennon, "Purchase intent for fashion counterfeit products: Ethical ideologies, ethical judgments, and perceived risks," *Clothing and Textile Research Journal*, vol. 24, no. 4, pp. 297-315, 2006.
- [11] S. Lysonski and S. Durvasula, "Digital piracy of MP3s: Consumer and ethical predispositions," *Journal of Consumer Marketing*, vol. 25, no. 3, pp. 167-178, 2008.
- [12] J. K. Ratnasingam and C. H. Ponnu, "The influence of consumers' moral intensity, perceived risks and moral judgment in purchasing pirated software," *Communications of the IBIMA*, vol. 1, pp. 47-61, 2008.
- [13] S. D. Hunt and S. J. Vitell, "The general theory of marketing ethics: A revision and three questions," *Journal of Macromarketing*, vol. 26, no. 2, pp. 1-11, 2006.
- [14] S. D. Hunt and S. J. Vitell, "Personal moral codes and the Hunt-Vitell theory of ethics: Why do people's ethical judgment differ?" in *Business Ethics: New Challenges for Business Schools and Corporate Leaders*, R.A. Peterson and O.C. Ferrell, Eds. New York, NY: M.E. Sharpe, 2005, pp. 18-37.
- [15] D. R. Forsyth, "Judging the morality of business practices: The influence of moral philosophies," *Journal of Business Ethics*, vol. 11, no. 5-6, pp. 461-470, 1992.
- [16] L. M. Chan, J. Othman, and R. Joned, "The conceptual model of personal moral philosophy (PMP) and ethical decision making (EDM)," *Journal of Management Research*, vol. 3, no. 2, pp. 1-14, 2011.
- [17] A. L. Dubinsky, R. Natarajan, and W. Y. Huang, "Consumers' moral philosophies: Identifying the idealist and the relativist," *Journal of Business Research*, vol. 58, no. 12, pp. 1690-1701, 2005.
- [18] H. Park, "The role of idealism and relativism as dispositional characteristics in the socially responsible decision-making process," *Journal of Business Ethics*, vol. 56, no. 1, pp. 81-98, 2005.
- [19] C. J. Robertson and W. F. Crittenden, "Mapping moral philosophies: Strategic implications for multi-national firms," *Strategic Management Journal*, vol. 24, no. 4, pp. 385-392, 2003.
- [20] C. J. Robertson, D. A. Ralston, and W. F. Crittenden, "The relationship between cultural values and moral philosophy: A generational subculture theory approach," *AMS Review*, vol. 2, no. 2-4, pp. 99-107, 2012.
- [21] R. D. Blackwell, P. W. Miniard, J. F. Engel, P. Di-ching, N. M. Yasin, and W. J. Hood, *Consumer Behavior*, Singapore: Cengage Learning Asia, 2012, ch. 9, pp. 334-343.
- [22] L. G. Schiffman and L. L. Kanuk, *Consumer behaviour*, 10th ed. Upper Saddle River, NJ: Pearson Prentice Hall, 2010, pp. 366-376.
- [23] K. K. Kwong, W. Y. P. Yu, J. W. K. Leung, and K. Wang, "Attitude toward counterfeits and ethnic groups: Comparing Chinese and Western consumers purchasing counterfeits," *Journal of Euromarketing*, vol. 18, no. 3, pp. 157-168, 2009.
- [24] I. Phau, M. Teah, and M. Lwin, "Are you a peer to peer pirate? Attitudes towards downloading movies and TV series through P2P networks", presented at Australia and New Zealand Marketing Academy (ANZMAC) Conference, Melbourne, November 30-December 2, 2009.
- [25] F. Wang, H. Zhang, H. Zang, and M. Ouyang, "Purchasing pirated software: An initial examination of Chinese consumers," *Journal of Consumer Marketing*, vol. 22, no. 6, pp. 340-351, 2005.
- [26] S. Chaipooirutana, "Pirated software purchase behavior in the Asia-Pacific region," *American Society of Business and Behavioral Sciences e-Journal*, vol. 7, no. 1, pp. 131-142, 2011.
- [27] I. Phau and M. Teah, "Devil wears (counterfeit) Prada: A study of antecedents and outcomes of attitudes towards counterfeits of luxury brands," *Journal of Consumer Marketing*, vol. 26, no. 1, pp. 15-27, 2009.
- [28] H. C. Chiu, Y. C. Hsieh, S. H. Chang, and W. R. Lee, "Exploring the effect of anticounterfeiting strategies on customer values and loyalty," *Ethics and Behavior*, vol. 19, no. 5, pp. 403-413, 2009.
- [29] M. C. Ferreira, D. Botelho, and A. R. D. de Almeida, "Consumer decision making in a counterfeit-plentiful market: An exploratory study in the Brazilian context," *Latin American Advance in Consumer Research*, vol. 2, pp. 109-115, 2008.
- [30] P. Sharma and R. Y. K. Chan, "Counterfeit proneness: Conceptualisation and scale development," *Journal of Marketing Management*, vol. 27, no. 5-6, pp. 602-626, 2011.
- [31] L. Jiang and V. Cova, "Love for luxury, preference for counterfeits – A qualitative study in counterfeit luxury consumption in China," *International Journal of Marketing Studies*, vol. 4, no. 6, pp. 1-9, 2012.
- [32] C. A. de Matos, C. T. Ituassu, and A. A. V. Rossi, "Consumer attitudes toward counterfeits: A review and extension," *Journal of Consumer Marketing*, vol. 24, no. 1, pp. 36-47, 2007.
- [33] E. Penz and B. Stöttinger, "A comparison of the emotional and motivational aspects in the purchase of luxury products versus counterfeits," *Journal of Brand Management*, vol. 19, no. 7, pp. 581-594, 2012.
- [34] M. Eisend and P. Schuchert-Güler, "Explaining counterfeit purchases A review and preview," *Academy of Marketing Science Review*, vol. 2006, no. 12, pp. 1-22, 2006.
- [35] I. M. Monir and J. H. Han, "Cross-cultural counterfeit characteristics and anti-counterfeiting strategy," *International Journal of Physical and Social Sciences*, vol. 2, no. 7, pp. 341-359, 2012.
- [36] I. Phau, M. Sequeira, and S. Dix, "Consumer willingness to knowingly purchase counterfeit products," *Direct Marketing: An International Journal*, vol. 3, no. 4, pp. 262-281, 2009.
- [37] M. Carrigan and A. Attalla, "The myth of the ethical consumer – do ethics matter in purchase behaviour?" *Journal of Consumer Marketing*, vol. 18, no. 7, pp. 560-577, 2001.
- [38] E. A. Ergin, "The rise in sales of counterfeit brands: The case of Turkish consumers," *African Journal of Business Management*, vol. 14, no. 10, pp. 2181-2186, 2010.
- [39] J. Lee, "Understanding college students' purchase behavior of fashion counterfeits: Fashion consciousness, public self-consciousness, ethical

- obligation, ethical judgment, and the theory of planned behavior," Master thesis, Ohio University, Athens, OH, 2009.
- [40] C. H. Wee, S. J. Ta, and K. H. Cheok, "Non-price determinants of intention to purchase counterfeit goods: An exploratory study," *International Marketing Review*, vol. 12, no. 6, pp. 19-46, 1995.
- [41] K. K. Kwong, O. H. M. Yau, J. S. Y. Lee, L. Y. M. Sin, and A. C. B. Tse, "The effects of attitudinal and demographic factors on intention to buy pirated CDs: The case of Chinese consumers," *Journal of Business Ethics*, vol. 47, no. 3, pp. 223-235, 2003.
- [42] M. B. A. Cooper, "Ethical ideologies and decision making among college student athletes," Ph.D. research report, Case Western Reserve University, Cleveland, OH, 2009.
- [43] R. McGovern, "Irish student downloader's behaviour and attitudes toward music downloading," Undergraduate thesis, Dublin Institute of Technology, Dublin, 2009.
- [44] H. H. Chang and H. W. Wang, "The moderating effect of customer perceived value on online shopping behavior," *Online Information Review*, vol. 35, no. 3, pp. 333-359, 2011.
- [45] I. Sirkeci and L. B. Magnúsdóttir, "Understanding illegal music downloading in the UK: A multi-attribute model," *Journal of Research in Interactive Marketing*, vol. 5, no. 1, pp. 90-110, 2011.
- [46] J. F. Hair, Jr., W. C. Black, B. J. Babin, R. E. Anderson, and R. L. Tatham, *Multivariate Data Analysis*, 6th ed. Upper Saddle River, NJ: Pearson Education, Inc., 2006, pp. 137, 776-778.
- [47] A. Chatzidakis, S. Hibbert, and A. P. Smith, "Why people don't take their concerns about fair trade to the supermarket: The role of neutralisation," *Journal of Business Ethics*, vol. 74, no. 1, pp. 89-100, 2007.
- [48] J. S. Chiou, C. Y. Huang, and H. H. Lee, "The antecedents of music piracy attitudes and intentions," *Journal of Business Ethics*, vol. 57, no. 2., pp. 161-174, 2005.
- [49] C.A. Cruz, W.E. Shafer, and J.R. Strawser, "A multidimensional analysis of tax practitioners' ethical judgment," *Journal of Business Ethics*, vol. 24, no. 3, pp. 223-244, 2000.
- [50] G. Fleischman and S. Valentine, "Professionals' tax liability and ethical evaluations in an equitable relief innocent spouse case," *Journal of Business Ethics*, vol. 42, no. 1, pp. 27-44, 2003.
- [51] J. Kim, J. E. Kim, and J. Park, "Effects of cognitive resource availability on consumer decisions involving counterfeit products: The role of perceived justification," *Marketing Letters*, vol. 23, no. 3, pp. 869-881, 2012.
- [52] E. Penz and B. Stöttinger, "Original brands and counterfeit brands – Do they have anything in common?" *Journal of Consumer Behavior*, vol. 7, no. 2, pp. 146-163, 2008.
- [53] D. Strutton, S. J. Vitell, and L. E. Pelton, "How consumers may justify inappropriate behaviour in market settings: An application on the techniques of neutralization," *Journal of Business Research*, vol. 30, no. 3, pp. 253-260, 1994.
- [54] P. J. Harvey and D. Walls, "Laboratory markets in counterfeit goods: Hong Kong versus Las Vegas," *Applied Economic Letter*, vol. 10, no. 14, pp. 883-887, 2003.
- [55] P. Auger, P. Burke, T.M. Devinney, and J.J. Louviere, "What will consumers pay for social product features?," *Journal of Business Ethics*, vol. 42, no. 3, pp. 281-304, 2003.
- [56] R. Belk, T. Devinney, and G. Eckhardt. (2005). Consumer ethics across cultures. *Working Paper Series, Center for Responsible Business, UC Berkeley*. [Online]. Available at <http://excholarship.org/uc/item/08h9j3f4>.

Evelyn Hendriana is a faculty member of Prasetiya Mulya Business School, Indonesia. Previously, she was working at University of Pelita Harapan, Indonesia. She holds a master degree in managerial accounting from University of Indonesia and bachelor degree in marketing management from University of Pelita Harapan. Her research interests are in middle-class consumer behavior, tourism marketing, marketing for educational institution, and strategic management accounting. Some of her research works have been presented in international forums and published in scientific journals. Recently, she is international ambassador of Marketing in Asia Group (MAG) Scholar. For correspondence, please contact her through the following e-mail address: e.hendriana@gmail.com.

Agustine Puspita Mayasari was graduated from University of Pelita Harapan in 2011. Now, she works in at PT Millenium Danatama Securities as sales equity that her concern is in investment of Indonesian stock exchange. She can be contacted through her email at agustine2608@yahoo.com.

Willy Gunadi is a lecturer and Head of Research for Business School at University of Pelita Harapan, Indonesia. He teaches several subjects such as Management Information System, Marketing Research, Global Marketing, and Customer Relationship Management. He earned his PhD degree in Digital Business Management from Soongsil University, South Korea. He was a project member of APEC Education Foundation for several projects in South Korea. His research interests are in the area of consumer behavior, e-commerce, and social media marketing. His research works have been published in several international conferences and scientific journals. He can be contacted at willy.gunadi@uph.edu.