

## Could Indignation toward Social Segregation practiced by branded companies, explain purchasing counterfeits?: An empirical study of the apparel market in the city of Constantine, Algeria.

هل يمكن للاستنكار اتجاه الفصل الاجتماعي المطبق من طرف الشركات ذات العلامة أن يفسر السلوك الشرائي للمنتجات المقلدة؟ دراسة ميدانية في سوق الألبسة في مدينة قسنطينة، الجزائر.

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### Abstract:

**Purpose:** this paper is an attempt to analyzing whether or not we could consider "Indignation" toward "Social Segregation" practiced by branded companies through commercial campaigns, that thought to be unethical. **Methodology:** as a first step we tried to clarify the concept of purchasing behavior towards counterfeits. Second, we tried to uncover the mystery surrounding "indignation" and "social segregation" through a series of interviews. And third, we tried to verify empirically if these concepts could explain the purchasing behavior towards counterfeits. **Findings:** The results show a significantly positive impact of indignation on both purchasing counterfeits and Social Segregation, whereas no effect of mediation was found of Social Segregation. **Originality:** the authenticity of this paper resides in the hypothesis that counterfeits were not considered as harmful to consumers.

**Keywords:** Counterfeiting, Indignation, Social Segregation, Purchasing Behavior, Brand Hate.

**JEL Classification :** D18, M31, R21.

### الملخص:

الهدف من البحث: هذه الورقة عبارة عن محاولة لتحليل ما إذا كان بإمكاننا اعتبار "الاستنكار" تجاه "الفصل الاجتماعي" الذي تمارسه الشركات ذات العلامات التجارية من خلال الحملات التجارية، التي يعتقد في كثير من الأحيان أنها غير أخلاقية. المنهجية: حاولنا في توضيح مفهوم سلوك الشراء تجاه المنتجات المقلدة، ثم كشف الغموض المحيط بمصطلحي "الاستنكار" و "الفصل الاجتماعي" من خلال سلسلة من المقابلات، لنقوم بالتحقق من الناحية الميدانية إذا كانت هذه المفاهيم يمكن أن تفسر سلوك الشراء تجاه المنتجات المقلدة. النتائج: تظهر النتائج تأثيراً إيجابياً لـ "الاستنكار" على كلاً من "سلوك الشراء" و "الفصل الاجتماعي"، في حين يغيب تأثير الواسطة حيث أن الفصل الاجتماعي ليس له أي تأثير على سلوك شراء الأصالة: تكمن أصالة هذه الورقة في المقاربة التي اخترناها حول فرضية أن المنتجات المقلدة لا تعتبر ضارة للمستهلكين، وأن "الاستنكار" و "الفصل الاجتماعي" يمكن أن يكونا دافعين وراء شراء المنتجات المقلدة.

الكلمات المفتاحية: التقليد، الاستنكار، الفصل الاجتماعي، السلوك الشرائي.

تصنيف JEL: D18, M31, R21

## Introduction

Since the birth of humans, imitation<sup>1</sup> has become indispensable to the economic development; while innovation<sup>2</sup> was basically driven by the necessity for surviving, and not considered as a well thought technological process, which was limited specifically to the compelling feeling of adaption to the changing environment, and the circumstances that were coping with their lives.

The rapid progress of society in all its aspects, economic, cultural, professional,..., ect, has changed the person's perception and methodology of work. In addition to that, the upsurge in the growth of societies' continuous need for new ways to upgrading the quality of life, and therefore the acquisition of new products, transformed without a doubt this imitation from a natural and a sane way of progress to a commercial greed of despicable opportunists. Thereof and inevitably, counterfeiting was born as a result to the imperfections that had been underlying the socio-economic growth.

Although counterfeiting appeared during the roman era, as most literature argue, when unscrupulous merchants affixed a famous trademark of a fine wine on their counterfeit products (cheap wine) (Chaudhry & Walsh, 1996), it had been a common practice for hundreds of years before that. Many researchers might agree with our logic, or not, that counterfeiting is a greedy representation of what, initially, was called imitation, that has escaped, and still is, the control of governments. However, we have always considered counterfeits as risky products that harm - without a question (according to researches and diverse reports)- consumers, companies, and governments as well.

For the last 30 years, the academic and professional researches have shown and proved (still controversial) that counterfeiting is a serious infringement and violation of companies' rights, who have been subject to continuous losses in revenue and image (Staake, Thiesse, & Fleisch, 2009; Phau & Teah, 2009; Perez, Castaño, & Quintanilla, 2010; Malet-Martino & Holzgrabe, 2011; Stumpf, Chaudhry, & Perretta, 2011; Bian & Moutinho, 2011; Eisend, Hartmann, & Apaolaza,

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<sup>1</sup> we refer to imitation here as the process of benchmarking or copying, without considerations to the brand or the trademark.

<sup>2</sup> which was primitive and therefore limited to imitation.

2017; Eisend, 2019; Eisend & Tarrahi, 2019). And yet the companies are far away from being totally innocent. Most of people may consider the commercial practices of most branded companies as unethical and not responsible, and see the brand as a way to overestimate the true value of a product<sup>3</sup>. Therefore a genuine critical overlook of the literature should be seriously conducted to clearly apprehend what is lying between the lines, and construct a holistic perception of the phenomenon. Nonetheless, counterfeiting is, in numerous ways, affecting the well functioning of the market and altering the curb of creativity and (Bamosy & Scammon, 1985; Bloch, Bush, & Campbell, 1993).

### 1.Problem discussion

So, **are we looking to counterfeiting from the wrong side?** a question that has to be answered legitimately, as literature has failed (deliberately) to deal properly with it. Furthermore the researchers ought to take in consideration what consumers feel and think about conterefts, and ask them: **"is it wrong to buy counterfeits?**, and not just evaluate their behavior according to the so called "companies' ethical comittment". The mentally auto-programmed answer to the previous question would certainly be " yes, burchasing counterfeits is wrong", as we are predisposed to give it without reflection. However it is not that easy, for the simple reason that the consumers also think that companies -and specifically the branded ones- are deceiving them through brands and overestimated products. Therefore, we decided to give a serious look to it. Along, more questions have surged and the most persistent one is: **"For whom counterfeiting is harmful?"**, sure for the branded companies and the public treasury (Wilke & Zaichkowsky, 1999), and yet as far as the consumer is concerned the situation is no more the same as it was before, where most people don't consider the act of purchasing counterfeits as unethical, and hence try to legitimate the behavior (Ang, Cheng, & Tambyash, 2001) .

For the consumer, counterfeits are no more synonyms of bad quality or harmful products (at least not for all the products), as counterfeiters now use an advanced technological process in producing counterfeits that assure merely the same high quality as the authentic or branded

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<sup>3</sup> Once was said that a brand was created to fool rich people but poor ones believed it.

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products, which makes us question the liability of the non deceptive consumer as an accomplice in helping wide-spreading the phenomenon, and more likely give him/her the benefit of doubt, in order to comprehend the motive behind the behavior, for which many researchers have provided a rich literature. Yet, none could, speciously, give a clear answer to the question, which means that we are, hypothetically, looking to the wrong side, so:

**Why couldn't we treat counterfeiting as a cultural response to greedy commercial campaigns of greedy companies who created brands to fool people and "culturally segregate" them?.**

Thereby we don't aim through this paper to expose the risks of counterfeiting or even present its extent and magnitude, as there are many researches, academic papers, professional articles, and government reports, that have thoroughly examined the phenomenon and have presented therefore thousands of statistics and conclusions, but we try to give another logic to analyzing the phenomenon from a perspective other than economic, consumerist, or legal one.

## **2.Comprehend the consumer's behavior toward counterfeits**

Past research on counterfeit consumption focused on branded products that mainly present luxury goods (Wilcox, Kim, & Sen, 2009; Phau & Teah, 2009; Commuri, 2009), and pirated media and software (Shoham, Ruvio, & Davidow, 2008) . Through these studies the researchers have tried generally to evaluate the consumer's counterfeits through surveys (Davies, Lee, & Ahonkhai, 2012; Chaudhry & Stumpf, 2011) . And yet, there are few qualitative studies which look in-depth to verifying to what extend we could accept or reject the behavior of purchasing counterfeits.

What is missing from the literature, from our research's point of view, is a broad understanding of consumer's motivations and purchasing path in studying counterfeiting. Furthermore, less literature presents fine works on whether or not the consumer is aware when he/she purchases counterfeits (Fejes & Wilson, 2012), which question his/her liability. The consumption of counterfeits has been repeatedly found to be "fun" and "harmless" by the consumer (Nia & Zaichkowsky, 2000; Perez, Castaño, & Quintanilla, 2010).

For decades, researchers have been trying to profile the consumers who purchase counterfeits, and explain their behavior through different factors: attitudinal, situational, environmental...,etc, some have shown that demographic factors have no effect on the purchasing intention of the consumer toward counterfeits, and that neither age nor professional status, nor even the revenue has a direct impact on the behavior (**Bloch, Bush, & Campbell, 1993; Tom, Garibaldi, Zeng, & Pilcher, 1998; Phau, Prendergast, & Chuen, 2001; Prendergast, Chuen, & Phau, 2002**).

Furthermore, and according to **Xuemei & Luiz (2011)**, the consumer's perception hinges on decoding the right message sent by the company, and assert that there are three primary components of a sought brand's image that control the behavior: the physical attributes, the functional characteristics/benefits/consequences, and the brand personality, so when a consumer purchases a branded product, he/she is looking mostly for the personality's characteristics that a brand could procure for him/her, and assure him/her the wanted social status, therefore, most of people when purchasing a branded product they purchase the identity it might procure for them, as they are continuously seeking social acceptance and approval. In contrast, purchasing a branded product doesn't always mean looking for high quality, as there are several products that are well known by their country of origin<sup>4</sup> more than by the brand.

Morocce, in different studies, it was argued that 17 to 38 percent of the respondents (researched) claimed they would purchase counterfeit brands for products such as clothing, CDs, software, purses, perfumes, videos, and watches, and not for products that are considered as dangerous to health and personal security such as medicines and home security devices (**Bloch, Bush, & Campbell, 1993; Wee, Tan, & Cheok, 1995; Tom, Garibaldi, Zeng, & Pilcher, 1998; Phau, Prendergast, & Chuen, 2001**).

Other studies have tried different approach to identify the factors that might lead the consumer to purchasing counterfeits. Some have used surveys (**Bian & Veloutsou, 2006; Penz & Stöttinger, 2008**), some lab experiments (**Nunes, Hsee, & Weber, 2004**) and others behavioral analysis (**Commuri, 2009; Bian & Moutinho, 2011**), and most of them have agreed on the fact that the consumer is well aware about purchasing counterfeits and thus made him/her an

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<sup>4</sup> For many countries, country of origin is synonymous of good quality (Germany, USA, Japan...,etc).

accomplice to counterfeiters and not a victim. In order to confirm this statement, **Peggy E. & Stephen A. (2011)** conducted a study, through the test of a set of factors: collectivism, hedonic shopping experience, ethical concern, and perceived quality, and their relationship with complicity. They reached the result that expressing less idealism, more hedonic shopping experience, less ethical concern, and perceiving product quality to be higher, are each related to consumer complicity with counterfeits. It means that the counterfeits buyer is a scrupulous person, as he/she expresses less idealism and ethical concern, and yet according to the study, he/she has a high sense of perception when it comes to quality. Which makes us, again, question the starting basis idea from where most of the studies have made an already judgment of the prejudice on counterfeits, and therefore none has conducted a profound study and tried to undoubtedly comprehend the motives of keeping purchasing counterfeits despite all the risks related to it.

In their study, **Fionda & Moore (2009)** argued that a branded product possesses a symbolic function on both personal and social levels: what would it mean?, well, from our appreciation of the literature we could argue that the branded companies are overestimating that symbolic function, and that the true value of the product is no more presented by its intrinsic functions, but to how far the consumer is willing to go in paying for that symbolic value. Which means that the price of the product reflects the person's acceptance of a certain rise in the price though the constancy of the quality's level.

From another perspective, in a study conducted by **Aron & Aron (1986)**, it was argued that love underlies the consumer's relationship with the original brand, but not with the counterfeited, which make us wonder if indignation may underlie the relationship between non deceptive consumer and counterfeits. Indignation toward original brand may lead the consumer, who couldn't purchase the brand - for different reasons: the low purchase power, the social need for recognition..., etc- to socially and culturally exhibiting a behavioral pay-back to branded companies by purchasing their counterfeits. The consumer, in his/her pursuit to fit the image that he/she has been constructing for a long time, and whatever are the motives (personal, social, professional...), is seeking the brand components that might be in accordance with his/her image

descriptions, which, as has been said before, creates a relationship of love with the brand (**Raquel & Maria Eugenia, 2014**).

However, if we go on exposing the risks related to counterfeits we can spend a whole year just enunciating the innumerable ways in which counterfeited products may harm both consumers and companies, and yet we still can not give with certitude if really the non deceptive consumers think alike. Although it is a bubbling thought, but we have a keen belief that there is a more psychosocietal behavior behind the purchase where brand perception and its social implication are thought to be the drives to it.

### **3.Model presentation**

As the economy is harshly floundering between seeking new financial resources, highly qualified labor, and new natural resources, counterfeiting has found a breach to satisfying the non satisfied demand and taking advantage of economic disparity and social inequality, and proposing to "**socially segregated**" consumers a way to stand tall. The term "**socially segregated**" pumped up into our mind after a series of interviews, we conducted with different groups of people presenting different profiles: friends; family members, coworkers and colleagues, and neighbors.

The objective of the interviews was to determine whether a person's perception of counterfeits (From a consumerist POV) might agree with our use of "**social segregation**" and "**Indignation**", in answering the question (already hinted to above): "**Is it wrong to purchase counterfeits?**", and might as well justify conducting an empirical study.

#### **3.1 Brand, Social Segregation and Indignation**

".....A positive brand reputation synthesizes the positive opinion  
that brand's stakeholders (i.e., consumers, retailers, etc.) have  
about the brand.....",

that what **Varadarajan, DeFanti, & Busch (2006)** argue in their study that demonstrates the associations held in memory, and affirming that products supported by favorable brand reputations are highly desired by consumers (**Rapp, Beitelspacjer, Grewal, & Hughes, 2013**). Specifically, in the case of luxury brands, the reputation is more about what the brand symbolizes

as valuable rather than about the technical aspects of the product (**Wiedmann, Hennigs, & Siebels, 2007**). In other words, the consumers purchase the image that luxury brands are offering rather than the functional utility of the products (**Beverland, 2019**). Moreover Luxury products are usually perceived as a vassal of authenticity and a source of a prestigious image within distinguish markets that inspire deep connections with consumers (**Ko, Costello, & Taylor, 2019**).

These brands have the capability to evoke imageries of wealthy people who can afford the cost of luxury at any price, as long as it provides exclusivity and hard accessibility to a highly desired lifestyle (**Kapferer, 2016**). Since consumers create an image of others on the basis of what branded products they wear (**Willems, et al., 2012**), luxury products allow consumers to exhibit higher social status (**Bian & Forsythe, 2012**) and envies - along with it - amongst those who cannot economically and socially afford neither the price of the brand nor the status behind its image, as a consequence, the luxury retailers with premeditation generate a sense of "adoration" in their stores that has not only a sense of praise for some, but a sense of rejection for others as well (**Pantano E., 2021**). Therefore, when negative incidents occur for luxury brands the effects of those can be extremely negative and may lead to the brand hate (**Bryson, Atwal, & Hulten, 2013**).

"...Signaling is the act of sending a signal, which could in turn be any action, movement, or sound that gives information, a message, a warning, or a directive..."

**Berthon, Lord Ferguson, Pitt, & E., (2021)** explain the term of signaling by referring to the idea that a party termed "the agent", plausibly, communicates information about itself to another party, called "the principal" (from the theory of contract). That principal could be adapted to a more elaborated understanding of signaling, that occurs between a concept, the "Brand", and a human, the "Consumer". Ultimately, it is this signal which aims to create the "Emotional Attachment" to the company's brand that carries the seeds of its own failure, when consumers switch from lovers to haters. Indeed, the brand that is created in order to stimulate the consumer's desire and eager towards it, by boasting and praising its unique virtue, becomes the cradle of haters when it fails to



convince them of this virtue. We all recognize somehow the virtue signaling, because we see it everywhere: in advertising, on stickers, in email taglines, and increasingly, in social media. Surely, virtue signaling ranges from being genuine and sincere to fabricated and disingenuous, which means that the acts of virtue signaling are always questionable, and the reactions to it will always depend on the observer's perception.

Saying that, we can analogically stipulate, that technology and social media play a great role making it easier, in some cases inevitable, for brands to signal virtue, where customers can express themselves by responding to the brands they align with and those they despise, in fair measure **(Reddy, Terblanche, Pitt, & Parent, 2009)** At a time when emotions have in many ways become detached from deeds and responses, brands will strive not only to support societal positions but also upgrade them within viable markets, at the highest value that less and less consumers could identify themselves to the brand messages and resonate with their own preconceptions.

On the other hand,

".....A comprehensive review of the consumer behavior literature reveals that customers' negative experiences may cause them to develop adverse feelings towards a given brand, ultimately translating into a need for a covert response like avoidance or for overt aggression, such as seeking revenge...."

that is the theory formulated and confirmed by **Fauzia Jabeen, Puneet Kaur, Shalini Talwar, Suresh Malodia, & Dhir (2022)** after a thorough examination of literature, giving credence to the so-called dark side of the customer-brand relationship **(Odoom, Kosiba, Djamgbah, & Narh, 2019)**. In this regard, a negative feeling or emotion that has attracted the attention is brand hate, which represents an extremely risky manifestation since it can be contagious and affect others especially through social media **(Cooper et al., 2019)**. Prior literature has suggested that brand hate can damage the reputation of firms **(VanMeter, Grisaffe, & Chonko, 2015)**. Though, hate is just the outcome of a deeper negative feeling that has been for so long nourishing from branded companies' unethical practices, by using the brand's imageries in creating a VIP social status for

VIP people and give the sentiment to the lefts over of being secondly classified and not so worthy, which at the end grow a boogeyman against the brand in each and everyone who is becoming by time a brand hater - rather than a lover.

Furthermore, during interviews with members of our family and many friends, it was stipulated, as they were answering the question: "**Do you think that purchasing counterfeits is wrong?**"; that the question of counterfeiting wasn't that crucial, and they thought that the branded companies were in some way robbing the consumers by overcharging them and pushing them to pay more for a product, because it was simply branded. In addition to that, through some interviews with some colleagues, it was stated in many occasions that the brand was no more representing the high quality of the product, but a way to uprisings its value due to the increase of competitiveness, that is becoming more and more bloody fearless, and that the price was no more reflecting the high quality of the product but to justify the companies' colossal budgets dedicated to the campaigns of communication.

As we were intrigued by the answer, we were more and more submerged by thoughts that people may not consider counterfeits as harmful. Therefore, we have extended the study to some neighbors and some acquaintances, and conducted other interviews. The main question was: "**Do you feel that you're socially classified when you shop?**"<sup>5</sup>, surprisingly the answers were merely the same. They stated that shops and boutiques presented the products according to a socio-professional status, and that the more you care about social image, the more probable you find branded products in these shops. As we pursued our interviews, a clear opinion about indignation was being constructed. In an interview with family members of different ages, about the difference between a branded product and a counterfeit, and their relation to the purchasing behavior, they stated clearly that when they shop for cloths they felt uncomfortable, as the experience was not reflecting their general behavior, and yet they felt compelled to preserve their engagement to the social image they were seeking, which led to a feeling of being socially segregated, because these shops offered products to a certain social class, they did not necessarily belong to.

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<sup>5</sup> The main objective was to determine whether a person perceives the branded product as an economic response to social classification.

### 3.2. Conceptual Model and Hypotheses

The following figure presents the relationships between indignation, social segregation, and purchasing counterfeits, where social segregation mediates the relationship between Indignation and Purchasing Counterfeits.

**Fig.1: Conceptual model: the mediation effect of Social Segregation.**



Source: established by the author.

### 3.3 General hypotheses

1. Indignation has a significant impact on purchasing counterfeits.
2. Indignation has a significant impact on Social Segregation
3. Social Segregation has a significant impact on Purchasing counterfeits.
4. Social Segregation has a significant effect of mediation.

## 4. Methodology

### 4.1 Sampling method and sample's description

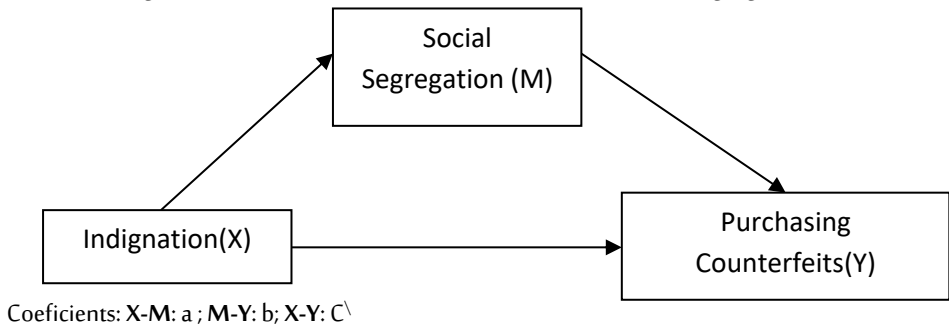
The study was conducted in the city of Constantine, the respondents were chosen according to convenience sampling method. The population from which we have chosen the sample responds to characteristics believed to be fitting our requirements of best representing the target-profile: people who purchase counterfeits and don't have any consideration to ethical question. The best place that was chosen and where we could find this profile, was downtown which is known to be the best recipient of counterfeits and consumers who fit the target profile. A questionnaire was created according to the implications of the study that have been stipulated by the conceptual model -presented above- and administered to 250 persons, 200 questionnaires were valid and treated accordingly.

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4.2 Statistical model:

In this model we try to analyze whether or not Indignation would have a statistically significant impact on purchasing counterfeits, and if Social Segregation would have statistically a significant effect of mediation between the dependant and the independent variables (X,Y).

fig.2: Statistical model: the mediation effect of Social Segregation.



Source: established by the author.

4.3 Hypotheses

- Indignation does statistically have a significant impact on Purchasing Counterfeits at a P-value<0.05.
- Social segregation does statistically have a significant impact on purchasing counterfeits at a P-value<0.05.
- Indignation does statistically have a significant impact on Social segregation at a P-value<0.05.
- There is statistically a significant indirect effect of Indignation on Purchasing counterfeits.

4.4 Inferential Statistics

The following table shows the statistics related to the test, as we have conducted a simple regression analysis based on Hayes' process conditional analysis ([www.afhayes.com](http://www.afhayes.com)).

Tab1. OLS Regression coefficients with Confidence Intervals<sup>6</sup>

Variables	Outcome:		Sig.	Outcome:		Sig.
	Social Segregation			Purchasing Counterfeits		
	Coefficient	CI		Coefficient	CI	
Indignation	,1568	,0243 ,2893	,0206	,3757	,1526 ,5988	,0011
Social Segregation	-	-	-	-,1005	-,3288 ,1278	,3866
R <sup>2</sup> =,0515 ; F(2,197)=5,5704 ; P=,0044						
Indirect Effect	-,0158	-,0899 ,0180	-			
Regression Equation	Y= 1,9876+,3757X-,1005M					

**Source:** According to SPSS outputs(see Appendix).

As is shown in the table there is a significant direct impact of Indignation on Purchasing Counterfeits as the confidence interval doesn't contain zero ( $C=,3757$ ,  $CI= [ ,1526 \quad ,5988]$ ,  $P=,0011$ ), whereas the indirect impact that represents the mediation effect of Social Segregation doesn't occur and therefore is not significant as confidence interval does contain zero ( $CI=[-,0899 \quad ,0180]$ ), while the relation breaks down between Social Segregation and Purchasing Counterfeits ( $CI=[-,3288 \quad ,1278]$ ,  $P=,3866$ ). Although the indirect impact is not significant, we depict another significant impact of Indignation on Social Segregation ( $CI=[,0243 \quad ,2893]$ ,  $P=,0206$ ).

## 5. Discussion and Conclusion:

From the results presented above in the section Inferential Statistics, we can say that two of the hypotheses are rejected. The first rejected hypothesis is that Social Segregation doesn't play the role of mediation between **Indignation and Purchasing counterfeits**, as the effect is not

<sup>6</sup> Number of bootstrap samples for bias corrected bootstrap confidence intervals: 10000, Level of confidence for all confidence intervals in output: 95,00.

significant; yet when it comes to the direct impact (**the hypothesis that yields the impact of Indignation on Purchasing Counterfeits is confirmed**), it is obviously clear that **Indignation** does drive consumers to purchase counterfeits, and it confirms what the interviews have revealed that people who purchase counterfeits (who are mostly from lower and middle classes) do feel **indignation** toward the branded companies for their commercial practices and campaigns that are thought to be means of classifying people socially, as they are targeting rich people (who belong to the upper class) and therefore leave the others with a printed feeling of being socially segregated (**the hypothesis that yields the impact of Indignation on Social Segregation is confirmed**), which creates in them the feeling of hate, as it has been shown in numerous studies, where researchers have investigated the negative emotion toward the brand for different reasons, and have stipulated that whatever the reason is the outcome is the same: "brand hate", as is shown in the study of **Romani, Grappi, & Dalli (2012)** who argue that consumers often express negative feelings such as hatred, dissatisfaction and revenge towards their brands, and they associate their hatred towards the product. Indeed this kind of hate is different from interpersonal hate, and such a phenomenon is catastrophic to the brands (**Curina, Francioni, Hegner, & Cioppi, 2020**). In another study, (**Bryson, Atwal, & Hulten, 2013**) affirm that consumers may develop extreme negative emotions of hate, which is an intense form of emotional affect. Accordingly, it is crucial that we investigate the importance of negative consumer-brand relationships, as positive consumer-brand relationships can quickly turn into repulsive and resentful behaviors (**Johnson, Matear, & Thomson, 2011**), which is clearly noted in a recent study that consumers' attachment is linked to both favorable and unfavorable consumer behaviors (**Japutra et al., 2018**).

Nonetheless, even though the direct effect of **Indignation** on both **Social Segregation** and **Purchasing Counterfeits** is valid, the results show weak impacts. The second rejected hypothesis states so far that **Social Segregation** doesn't have a significant impact on **Purchasing Counterfeits**. But considering the result that confirms the impact of **Indignation** on both **Social Segregation** and **Purchasing Counterfeits** leads us to think that the impact of **Social Segregation** may not occur as a mediator but as a moderator, which needs to be aggregated to other variables so it can significantly occur.

As a result people do feel revulsion and hate toward brands and companies, and not just persons; and purchasing counterfeits (as far as the apparel market is concerned) is just a way to pay back to these branded companies by purchasing their counterfeits, or just a way to fulfill and satisfy the need to socially be accepted by an upper class which they (people who purchase counterfeits) don't belong to, but are eager to be considered so, unfortunately researches about brand hatred in marketing and consumerism are very limited (**Zarantonello, Romani, Grappi, & Bagozzi, 2016**). There are only five studies conceptualizing brand hate in consumer and marketing research. First, **Gr'egoire, Tripp, & Legoux (2009)** who refer hatred as an inclination for revenge (punishing and causing harm to companies for the damages that they have induced). Second, **Johnson, Matear, & Thomson (2011)** who refer hatred as having powerful opposition towards the brand due to critical incidents that claim retaliation. Third, **Alba & Lutz (2013)** who refer brand hatred as consumers' disgust towards the brand due to monopoly and immense switching costs. Fourth, **Romani, Grappi, & Dalli (2012)** who refer hatred as having negative emotions towards the brand and disliking it. Fifth, **Bryson, Atwal, & Hulten (2013)** who refer brand hate as consumers' negative emotional affect towards a particular brand.

## 6. Limitations and Acknowledgement:

The present paper is just an attempt to analyze the counterfeiting phenomenon from a perspective other than what literature has been yielding in numerous studies, and yet the results should not to be generalized. We hope that this attempt shifts away the academic minds from questioning the ethical perspective of "the one side story" that considers counterfeiting as 1000% harmful, and gives the opportunity to reseatchers to bring in their own code of ethics vis-à-vis contreversial subjects. We adress big thanks to eveyone who helped us in achieving this humble work.

## Appendix (SPSS Output)

Run MATRIX procedure:

\*\*\*\*\* PROCESS Procedure for SPSS Release 2.16.3 \*\*\*\*\*

Written by Andrew F. Hayes, Ph.D. [www.afhayes.com](http://www.afhayes.com)

Documentation available in Hayes (2013). [www.guilford.com/p/hayes3](http://www.guilford.com/p/hayes3)

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Model = 4

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Y = Purch\_count

X = Indig

M = So\_seg

Sample size

200

\*\*\*\*\*

Outcome: So\_seg

Model Summary

R	R-sq	MSE	F	df1	df2	p
,1604	,0257	,5728	5,4428	1,0000	198,0000	,0206

Model

	coeff	se	t	p	LLCI	ULCI
constant	2,9335	,2059	14,2446	,0000	2,5275	3,3395
Indig	,1568	,0672	2,3330	,0206	,0243	,2893

\*\*\*\*\*

Outcome: Purch\_count

Model Summary

R	R-sq	MSE	F	df1	df2	p
,2270	,0515	1,5822	5,5704	2,0000	197,0000	,0044

Model

	coeff	se	t	p	LLCI	ULCI
constant	1,9876	,4822	4,1219	,0001	1,0369	2,9383
So_seg	-,1005	,1158	-,8676	,3866	-,3288	,1278
Indig	,3757	,1132	3,3205	,0011	,1526	,5988

\*\*\*\*\* DIRECT AND INDIRECT EFFECTS \*\*\*\*\*

Direct effect of X on Y

Effect	SE	t	p	LLCI	ULCI	
	,3757	,1132	3,3205	,0011	,1526	,5988

Indirect effect of X on Y

Effect	Boot SE	BootLLCI	BootULCI	
So_seg	-,0158	,0252	-,0899	,0180

\*\*\*\*\* ANALYSIS NOTES AND WARNINGS \*\*\*\*\*

Number of bootstrap samples for bias corrected bootstrap confidence intervals:



10000

Level of confidence for all confidence intervals in output:

95,00

----- END MATRIX -----

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