COUNTERFEIT GOOD BUSINESS IN OMAN. DOES ANY FACTORS AFFECT THIS BUSINESS?

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ABSTRACT

The illegal counterfeiting industry costs the global economy hundreds of billions of dollars every year. Through a descriptive approach, this article is trying to have an overlook on counterfeiting culture around the world and Gulf Countries in particular and little more details of its menace in Oman. The objective of the study is to explore the influencing factors behind the buying habits of counterfeit goods in Oman. As verity of factors that have an impact on customer's intention to buy counterfeit products, this study focused on psychographic variables like; perceived risk, product attributes, integrity and socio-demographics variables; like education, age, income etc. The sample will be randomly targeted from a total population of 375 participates; who are located in north Al- Batenah region, Oman. The questionnaire were distributed as the following; (100) in Sohar, (120) in Saham, (80) in Liwa, and finally (100) in Shinas. The data analyzed by the help of SPSS 11 software using descriptive analysis (mean, Standard deviation, Variance) and Regression analysis. The study findings shows that people's intention to purchase counterfeit products have positive impact in relation to the product attributes. Furthermore, the study concludes that there were a negative relationship between education, integrity, perceived risk and consumer's intention to buy the counterfeit products. This study can help policy makers to know about 'people perception' on counterfeiting business and they can frame some policy initiatives to reduce the people's purchase of counterfeits goods.

Keywords: Counterfeit goods, Patent goods, Attitudes, Gulf countries, Imitate

INTRODUCTION

To counterfeit means to illegally imitate something. The word *counterfeit* frequently describes both the forgeries of currency and documents, as well as the imitations of works of art, toys, clothing, software, pharmaceuticals, watches, electronics and company logos and brands. In the case of goods, it results in patent infringement or trademark infringement. The Agreement on Trade-related Aspects on Intellectual Property Rights (the TRIPs Agreement) defines counterfeiting as "counterfeit trademark goods" shall mean any goods, including packaging, bearing without authorization trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation". (Arabian Business, 2008). Technically, the English term "counterfeiting" only refers to specific cases of trademark infringement. However, in practice, the term is allowed to encompass any making of a product which so closely imitates the appearance of the product of another as to mislead a consumer that it is the product of another. Hence, it may also include the unauthorized production and distribution of a product that is protected by other intellectual property rights, such as copyright and neighboring rights. This is in line with the German term "*Produktpiraterie*" and the French term "*contrefaçon*", which both cover a broader range of intellectual property right infringement (Clark, 1997).

Through a descriptive approach, this research paper is trying to have an overlook on counterfeiting culture around the world and Gulf Countries in particular and little more details of its menace in Oman. This paper is giving a detail view of influencing factors behind the buying habits counterfeit goods in Oman.

The Counterfeiting Industry around the World-Middle East Countries in Particular

The illegal counterfeiting industry costs the global economy hundreds of billions of dollars every year. The trade in fake goods in the region is now worth billions of dollars a year, with governments, law enforcement agencies and major companies battling to tackle a global problem.(Arabian Business-2010).Counterfeit goods are so cheap is because they use inferior materials and manufacturing processes. The counterfeit market is widespread all over the world. In UK for example

20-25% of the market is counterfeit(Business Today,June-2011).In South Africa, as a result of a concerted effort, its comes to 5% of total business. For Brazil is also a big problem because it is so close to Paraguay one of the largest counterfeit cigarette producers after China, reflect how much a government can lose in revenues through lost tax. While the legitimate market in Paraguay is worth around US$3bn, the country has an installed manufacturing capacity of over US$50bn. In other words, Paraguay has the potential to make US$50bn worth of cigarettes but only US$3bn worth of tax is declared. It costs US$ 20 bn loss to government (British American Tobacco, BAT, 2010). Attitudes towards luxurious commodities may be a contributory factor to the increase in the counterfeiting of luxury goods in Europe. The United Kingdom and Italy, in particular, have become notorious for counterfeit fashion wear. Significant evidence of this trend came to light when UK customs officials smashed a £4.25 million racket in 1997 involving 100 000 counterfeit designer labels (HM Customs, 1997). The batches included labels for Ralph Lauren, Calvin Klein and Timberland, among others. The labels would most likely have been sewn into cheap fashion garments such as shirts, jeans and T-shirts made in the United Kingdom. In Perfume market American brands are popular targets for counterfeits, particularly Calvin Klein. (Comité Colbert, 1997).

Nintendo, the largest producer of video game products, claims that China, Chinese Taipei and Hong Kong (China) are the largest sources of counterfeit video games in the world. Trade in pirated software is said to be carried out through cartels with connections in all three countries and the United States. The operations of these cartels cost some US$800 million in losses to the US market for Nintendo in 1996 (Reuters News Service, 1990-97).

While UAE consumes a relatively low volume of pirated goods compared to its neighbors it serves as a major transit hub because of its strategic locations, excellent shipping and logistics facilities. These facilities made it as a distribution hub. Counterfeiters even take advantage in passing on illegal products from origin to markets –utilizing free zone areas to import, store and re-export to the rest of the world. This could be harmful to the countries reputation and to the legitimate business operating here. It also affects business attractiveness in terms of offering solid protection for intellection property rights. The counterfeit products are becoming increasingly sophisticated and harder to detect. We can see advanced imitations of the boxes and even the security holograms which is used to identify

original products. (Arabian Business, February, 2008)).Yemen is losing 70%to 80% of the total market to counterfeiting. Saudi It is as high as 30% to 40%. (Gulf Business, September, 2011)

Another major issue in the Middle East region is fake auto parts. The value of counterfeit auto parts in 2011 is around $150-200 million. (Gulf Business, September, 2011)The share of counterfeit spare parts in the region is between 12.5% and 40 %.(Gulf Business, September, 2011).

The reports suggest that these may be responsible for around half of all road fatalitilies in Saudi Arabia .Counterfeit brakes pads have been found to consist of a mixture of sawdust and wood particles. If we installed in the vehicle high chance that to catch Fire. Counterfeit spare parts can affect the other parts of the vehicle also. Likewise counterfeit windshields are mostly made from a one layer glass which, in case of an impact, will shatter in particles of different and uncontrolled sizes. An Economic Impact Study Analyzing Counterfeit Products in the United Arab Emirates, in association with Dubai's Brand Owners Protection Group (BPG), reveals that the value of fake goods in the UAE topped US$696m in 2006 with auto parts at the top of the list at 68.5%. Counterfeit tobacco totaled 22.2%, while cosmetics reached 5.9%, food and beverage, 2.5%, household products, 0.6% and pharmaceuticals 0.2%. (Arabian Business, August, 2010)These goods won't be found in shopping centers and malls but can end up on the many street markets of the region. If no counterfeit goods were bought or sold in the UAE, the report estimates that the UAE could have increased its non-oil GDP by US$1.72bn, its tax collection by over US$110m and its employment level by around 31,000 positions. But it is not only the UAE economy which suffers, it is the brands themselves.

The Royal Oman Police (ROP) have foiled a second attempt recently to smuggle counterfeit cigarettes into Oman from the Wadi Jizzi border post near Buraimi, according to a press release from the police(May-22/2011).The officers at the customs check point at Wadi Jizzi detected 700 packs of counterfeit cigarettes concealed in a water tank. Last time the customs officers had recovered counterfeit cigarettes worth 10,000 Omani riyals but this time the value of the contraband has not been revealed by the police. But the country of origin of this counterfeit is still not available. (The week, October, 2011).Dubai is particularly attractive for counterfeiters because of its close proximity to the Persian Gulf between Asia, Europe and Africa.

Records show that nearly one third of all counterfeit goods in Europe came through the UAE.

A Case of Counterfeiting: Pharmaceutical and Cosmetic Sector

Counterfeit medical products are defined by the WHO as ones that are "deliberately and fraudulently mislabeled with respect to identity and/or source" (WHO/IFPMA, 1992). Today they are members of organized transitional criminal enterprises with complex distribution networks (Arabian Business, August, 2009).There are significant increase in the number of countries where counterfeit medicines have breached the legitimate supply chains –from just seven in 2006 to 50 in March 2011. Six of these countries are in the MENA region: Egypt, Jordan, Kuwait, Libya, Saudi Arabia and U.A.E. These products are made in locations that are unlicensed, unregulated, not inspected and insanitary. (Gulf Business, October, 2011)). A variety of factors account for why medicines are attractive for counterfeiting. Medicines are high value items in relation to their bulk and the demand for medicines is vast. Furthermore, for the counterfeiter, ingredient costs can be very low if cheap substitutes are used or if these are omitted altogether, as is often the case. Last year Dubai Customs announced they had seized five million counterfeit tablets and out dated food products from a warehouse belonging to Euro Gulf Trading in the Jebel Ali Free Zone. (Gulf Business, September, 2011)

The US-based Centre for Medicines in the Public Interest predicts that counterfeit drug sales will reach US$75bn globally in 2010 - up more than 90% from 2005. And in many cases these counterfeit drugs are fatal. In 1999 at least 30 people in Cambodia died as a result of taking counterfeit anti-malarias prepared with an older less-effective ant malarial which were sold as Artesunate. In 1995 over 80 children in Haiti and 30 infants in India died after taking a paracetamol cough syrup containing a toxic chemical most commonly used in antifreeze products. We are not even imagine the situation where the parent, who thinks their child has been protected from pneumococcal diseases, never finds out that in fact they were given a counterfeit that has no active ingredient, (Interview- Robert Essner, CEO of Wyeth Pharmaceuticals)

Counterfeit cosmetics are also proving to be a growing market, and like medicine is a highly profitable trade with sometimes dangerous consequences. The counterfeit cosmetic industry is such a lucrative business because if you take any good brand and offer a product that looks the same but is cheaper than the product in terms of

price. People don't knowingly want to buy counterfeit cosmetics because ultimately they are applying it to the skin and the effects can be quite harmful. The biggest issue with counterfeit cosmetics is microbiological contamination because they simply do not have the same high standard of manufacturing process or quality of raw materials that the branded companies use because these are factors which help keep the cost low. Oman showcased the rampant spread of counterfeit fragrances in Oman. (The Week, September, 2011). Omar bin Faisal al Jahaadmi the Director General of consumer services and market control at the Ministry Of Commerce and Industry had admitted that ministry is well aware of this menace but it's pretty difficult to move off these products from market by department level. The pharmaceuticals from Dubai Customs' September, 2011 seizure were traced back to China - the beginning of a trading route which continues to Hong Kong, the UAE, Britain and the Bahamas. If the drugs had made it to the Bahamas, they would have eventually been sold to customers in America who would have been led to believe the products originated from Canada.

REVIEW OF LITERATURE

Counterfeiting of goods has received much attention from both scholars and policy makers during the past decades because there is growing revenue loss to companies and ethical concerns to societies. Many academic studies exit and here we have reviewed a few.

Nia, Lynne & Zaichkowsky, (2000) in their research paper titled, 'Do counterfeits devalue the ownership of luxury brands?, explore the perceptions and attitudes of original luxury brand owners towards counterfeit luxury goods. The study findings show that, whether they buy counterfeit products or original, respondents of the study does not find any difference at all. Respondents only consider luxury products are fun. Survey respondents (30%) owned no counterfeits and only original goods. These respondents believed that counterfeits were below their dignity to use and ownership of original luxury products was more prestigious. Other way, owners of counterfeits had a positive image of them without out any inferior feeling. In general, 70 percent of respondents indicated that the presence of counterfeit products will not reduce the value, satisfaction, and status of original luxury brand names of original goods and they all prefer original goods rather than counterfeits..

Matos, Trindade, Carlos, Rossi (2007) wrote a research paper on 'Consumer attitudes toward counterfeits: a review and extension'. The study intended to test a model that integrates the main predictors of consumers' attitude and behavioral intentions toward counterfeits;. The study took a sample of 400 consumers in the Brazilian market and the Structural Equation Modeling technique was used to test the hypothesized relationships. The main findings of the study are: consumer intentions to buy counterfeited products are depend on the attitudes they have toward counterfeits, which in sequence are more influenced by perceived risk, whether consumers have bought a counterfeit before, subjective norm, integrity, price-quality inference and personal gratification. This paper explores the consumer attitudes toward counterfeits so it a good addition to counterfeit research reviews.

Wee, Ta, Kim-Hong Cheok, (1995) wrote a research paper on 'Non-price determinants of intention to purchase counterfeit goods: an exploratory study' which uses well known scale development procedures to create multi-item scales for these non-price constructs. The study outline the relation between multi –item scales and purchase intention responses for four common counterfeit consumer products, through multiple regression analyses. The study used convenience sampling technique in survey on consumers in a South-East Asian city, Singapore. Results of the study shows those non-price determinants, mainly those relating to perceived product attributes and attitude towards counterfeiting, affect consumers' intention to purchase counterfeit products. The kind and size of influence will differ across products as well as individuals.

Albers-Miller, (1999) wrote a paper on 'Consumer misbehavior: why people buy illicit goods.. The purpose of this study was to model the decision to purchase illicit goods, using four predictor measures: product type, buying situation, perceived criminal risk, and price. Consumers evaluated the purchase of illicit goods differently. The study used Cluster to segment the respondents. The overall model was shown to be significant. Even though, the results varied by cluster, the main effects of product type, buying situation and price were all significant interpreters of willingness to buy. The relations of risk with product type and price with product type were also important predictors for some clusters.

Ang, Cheng, Elison, Lim, Tambyah (2001) in their paper titles' Spot the difference: consumer responses towards counterfeits' they examines consumers' motivation for buying counterfeits or pirated goods. The findings shows that, compared to those who did not buy pirated music CDs, those who bought the counterfeits viewed such purchases as less risky and trusted stores that sell counterfeits more. Respondents never see it is unfair to singers or the music industry and unethical as well. The study investigated the influence of social, personality, and demographic factors on consumers' attitude towards piracy. The most

important findings were, those who favored pirated goods are having less integrity and value consciousness. One's attitude and demographical characteristics also plays a big role on the purchase of counterfeit goods. Moreover, men, those who from lower income groups held more favorable attitudes than women.

Staake, Frédéric Thiesse, Fleisch (2009) in their paper titled' The emergence of counterfeit trade: a literature review', seeks to understand the economic principles of counterfeit trade and the basic illicit supply chains. A widespread literature review was conducted that on different areas of management research. Moreover, this study shed some light on why despite of much government intervention on selling of counterfeit good, the so called industry is booming around the world. The underground nature of the counterfeit market limits direct accessibility to the phenomenon, as a result, the existing body of literature does not essentially cover all aspects of counterfeit activities.. The paper is a critical review on the current state of research across different management-related disciplines. In an academic point of view, this study is very important for future researchers as it may fill the current knowledge gaps.

From these reviews, we have come to the focus on our project. Our selected variables will be socio -demographic variables and perceived risk, integrity and product attributes (price and quality).These will be discussed detail in this paper.

Research problem

Counterfeit products have been found to be a serious problem around the world in recent days. Purchasing counterfeit products can have different effects on the economics and on consumer's welfare as a whole. In this research we are going to investigate the influencing factors that have an impact on the consumer's intention to purchase counterfeit products.

Research question

1.   Is there any negative relationship between integrity and intention to purchase counterfeit products?
2.   Whether the product attributes positively influence on the consumer's intention to purchase counterfeit products?
3.   Is there any negative relationship between education and the intention to buy counterfeit products?
4.   Is there any negative relationship between perceived risk and consumer's intention to buy counterfeit products?

Research objective

1. To analyze the negative relationship between integrity and intention to purchase counterfeit products.
2. To analyze the product attributes positive influence on the consumer's intention to purchase counterfeit products.
3. To analyze the negative relationship between education and the intention to buy counterfeit products.
4. To analyze the negative relationship between perceived risk and consumer's intention to buy counterfeit products

Research hypothesis

H1: There is a negative relationship between integrity and intention to purchase counterfeit products.

H2: Product attributes have a positive influence on the consumer's intention to purchase counterfeit products.

H3: There is negative relationship between education and the intention to buy counterfeit products

H4: There is negative relationship between perceived risk and consumer's intention to buy counterfeit products

## RESEARCH METHODOLOGY

Period of Study

Survey Questionnaire was given to 375 people on June15th to July 15 th-2013, in different regions of Sultanate of Oman and a statistical analysis was conducted.

This study has taken theoretical support from a conceptual model which conducted by Martin Eisend, Pakize Schuchert-Güler, (2006) in studying Counterfeit Purchases, which investigate variables like people demographic and psychographic variables, product attributes, scarcity, social, cultural context and purchase situation mood. This model based on the "The Theory of Planned Behavior" which has been developed by Ajzen and Fishbein(1991). Unlike the above said model we incorporate variables like integrity, perceived risk in addition to socio- demographics, and product attributes which is being used by the above mentioned researchers. Our point of view these variables (integrity and perceived risk) have an impact on the consumer's intention to purchase counterfeit products.

Figure-1: The referred model
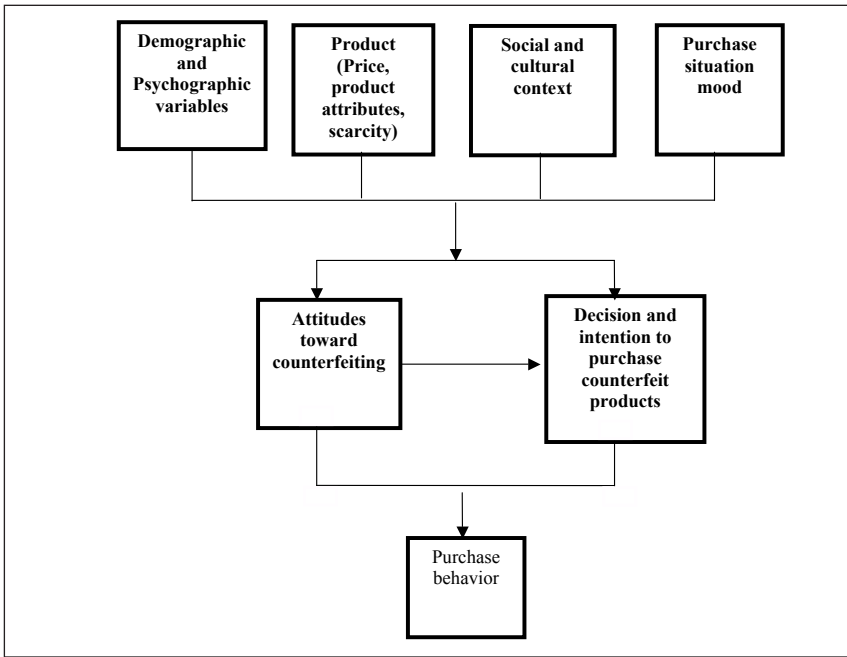
Figure- 2: Our adopted model
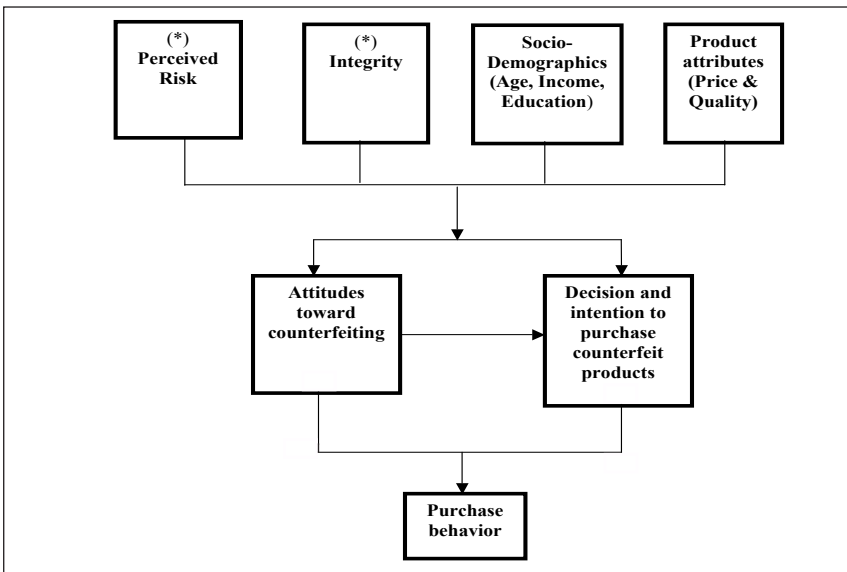
(*): refer to the new added variables we are planing to study.

Let us go little deep to the study variables; consist of socio -demographic variables, psychographic variables; perceived risk, integrity and product attributes (price, brand image and perceived quality). Five survey questions related to perceived risk are adopted from (Huang et al., 2004; Donthu and Garcia, 1999; Dowling and Staelin, 1994). Two questions about Integrity are adopted from (Ang et al., 2001).Three questions of the price have been adopted from Phau and Tech (2009). Whereas, the two questions of perceived quality have been adopted from Tom et al (1998). Three questions related to brand image have been adopted from Kim, 2005. Two questions related to subjective norms and two questions related to behavioral intention have been adopted by (Shih-I, et al. 2009).

An Outline of Independent Variables Used in the Study Psychographic Variables

Perceived Risk

Perceived risk is an independent variable hypothesized to affect consumer's attitude and intentions. Several studies have established evidence that perceived risk decreases consumer's intention to buy counterfeit products or pirate. For example, the study by de Matos et al. (2007) revealed that perceived risk was the most important variable to predict consumer attitude toward counterfeits. Furthermore, Bian and Moutinhou (2009) found evidence that perceived risk is a factor that negatively influences the purchase intention of counterfeits. In conclusion the importance of the perceived risk construct is proven.

Integrity

Integrity can be defined as individual's personal ethical standard and this group of people normally follows the law (Wang et al. 2005; Phau & Teah 2009). If Consumers regard integrity as important especially in their behavior towards counterfeit, consequently they would have a negative attitude towards counterfeit, and in turn will not have the intention to purchase counterfeit products. However, consumers who possess less ethical value will not feeling guilty when they purchase counterfeit products. Those who have higher integrity on the other hand will not have a favor on counterfeit products (Ang et al. 2001; Wang et al 2005; De Matos et al. 2007). However, it is found that consumers who purchase counterfeit do not have the feeling that they are performing a criminal act in reality; these consumers are in fact supporting the illegal activity such as counterfeit selling. (De Matos et al. 2007).

Product Attributes

Product attributes known as the functions and benefits the consumer is getting from the product. The consumer is buying the product for two reasons; physical product attributes and the intangible brand image associated with the product. They buy the brand product to build specific self –image. This is especially true for luxury goods, which are bought much more for what they mean than for what they are (Dubois, Paternault, 1995; Nia, Zaichkowsky, 2000). That lead to the conclusion that the fake products may not fully comply with physical attributes the original product offer, the image dimension of the original branded product is preserved.

Price Advantage

Price is considered as one of the most important factor that effect the consumer's intention to purchase counterfeit products. A study conducted by Bloch et al. (1993) found that the consumer will select a counterfeit product over genuine product when there is a price advantage. The consumer believes that he\she will save money by buying counterfeit products.

Brand Image

Many companies work hard to build certain brand. Each brand gives a specific image about the consumer. The consumers use these brands to build certain self- image self-concept and need for social conformity (Chaudhry & Majumdar, 2006). Counterfeit product gave these conformity with less cost 'that buying fake products means getting the prestige of branded products without paying for it (Cordell, et al.1996; Grossman & Shapiro, 1988)].

Perceived Quality

Quality defined as consumer's judgment about a product's overall excellence and superiority'. The perceived quality plays major role when the consumer think to buy counterfeit products consumers' intention to purchase counterfeits is dominated by perceived quality (Zeitham, 1998, Wee, et al., 1995). In the past there was the idea the all counterfeit products are low quality products. However, the new trend is to have high quality counterfeit that can be used as the original one. (Gessler, 2009)

SOCIO- DEMOGRAPHIC VARIABLES

Age

Casola, Kemp & Mackenzie, (2009) conducted a study to measured purchase intention on 51 students from the University of Canterbury. Their participants' age ranged from 15 to 68 years and they find that Age has been found to contribute a small effect size, accounting for 6-14% of the variance. To sum up, the variability of purchase intention based on age may be due to the fact that younger consumers view counterfeit products to be more acceptable and, as a consequence, are more likely to purchase counterfeit goods than older consumers.

Gender

Gender can be consider as a good factor to be studies, thus because different consumers have different perceptions. Over the last several years, researcher has begun to address the demand side of counterfeit products market. However the effect on gender to the intention to purchase counterfeits has been examined, with most studied reporting that males are more likely to purchase counterfeit products (Bain and Veloutsou, 2007). In addition to the study conducted by Kwong et al. (2003) found gender and age were significantly related to the intention to buy pirated CDs, with male respondents more likely to purchase counterfeit CDs than were female respondents.

Education

Education can influence consumer's perception on buying counterfeit products. Consumers who have attained higher education tend to see the negative impact of counterfeit consumption on society and, as a result, are less likely to engage in this behavior (Kwong, et al. 2009).

Income

Consumers coming from wealthy households are less likely to purchase counterfeit goods. Rutter, Bryce (2008) found that the highest portion of counterfeit consumers came from the lowest household income brackets. Nia, Zaichkowsky (2000) who found that 59% of higher income of Canadians people purchased at least one counterfeit product within the last 3 years.

Age, education, and income are interrelated variables. The older a consumer is, the higher education and income they are likely to have: on the

other hand, the more educated a consumer is, the higher the income they are likely to have. These generalizations have to be carefully interpreted, as to not overshadow other segments of counterfeit consumers.

This study has adopted a descriptive survey research that tried to explore the influencing factors on the consumer's intention to purchase counterfeits products in Oman. The sampling method that has been used was stratified. Each variable will be measured using the Likert scale in the questionnaire. The Likert scale ranged from 1 (strongly disagree) to 5 (strongly agree).The nominal scale will use for demographic information as well. The primary data will be obtained through a self-administrated questionnaire. Selected students will help to distribute the questionnaire and they will also ensure that survey participant's understand the questions well before they answer it. Furthermore, we design the questionnaire in both languages Arabic and English in order to get more respondents. We use the questionnaire approach because we believe it will save time and it will guarantee confidentiality. The sample will be randomly targeted from a total population of 400 participates; who are located in north Al- Batenah region. The questionnaire will be distributed as the following; (100) in Sohar, (120) in Saham, (80) in Liwa, and finally (100) in Shinas. The data will be analyzed by the help of SPSS 11 software using descriptive analysis (mean, Standard deviation, Variance) and Regression analysis.

DATA ANALYSIS AND DISCUSSION

Demographic profile of the respondents

A total of 400 questionnaires were distributed to individual customers, only 357 were collected and used for the purpose of this study. Majority of the respondents were female, constituting 53.5% and the remaining 46.5% were males. Majority of respondents considered to be young where 42.9% are between 18-28 years of age group. The second highest percentage is between 29-39 years with 40.1% of the study respondents. As for the marital status, it's noticeable that more than half of the respondents are married with 51.3% to 45.9% single respondents. Majority of the respondents were with university degree that is 66.4% of the study. In addition, the percentage of respondents with high school certificate and respondents with higher studies are so close with 17.6%and 16% of the study respectively. 25.5% of the respondents were from Shinas, 21.6% from Liwa, 27.2% from Sohar, and 25.8% from Saham. As for Income earned per month, 43.1% of the respondents earn O.R 650 and above followed by 24.4% earn between O.R 350-450.

Descriptive Analysis

The table.1 shows that, the mean value of Perceived risk, Integrity, and Price are 4.08, 4.50, and 3.29 respectively which mean that these three factors are the most important factors that affect the consumer intention to purchase counterfeit products. Whereas, the table also indicates that the mean of perceived quality and brand image are 2.90 and 2.92 respectively which mean that these two factors have equal influence on customer intention. As for the remaining factors which are subjective norms and behavioral intention, they are less important and have less influence on the customer intention.

Table - 1-Descriptive Data

	N	Mean	Std. Deviation	Variance
1- Perceived Risk	357	4.08	.587	.345
2- Integrity	357	4.50	.677	.459
3- Price	357	3.29	.681	.464
4- Perceived Quality	357	2.90	.963	.928
5- Brand Image	357	2.92	1.007	1.013
6- Subjective Norms	357	4.56	1.040	1.082
7- Behavioral Intention	357	2.32	1.099	1.208
8- Intention	357	2.25	1.207	1.456
Valid N (list wise)	357	4.08		

Testing of Hypothesis –Liner Regression Analysis

The data has tested with linear regression analysis and the results are as follows:

H1: There is a negative relationship between integrity and intention to purchase counterfeit products.

The table. 2 shows the R Square = .043 means that 4.3% of the variation in Y (Customer intention) is explaining by X (integrity). Also, ANOVA shows P value is .000 and the level of significant is 0.05%, P>0.05. So, there is a negative relation between integrity and customer intention to purchase counterfeit products because Beta = -.208, P>0.05.

Table -2 -Liner Regression

Model Summary

model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.208[a]	.043	.040	1.182

a. Predictors : (Constant), Intergrity

ANOVA[b]

model		R	R Square	Mean Square	F	Sig.
1	Regression	22.326	1	22.326	15.980	15.980
	Residual	495.983	355	1.397		
	Total	518.308	356			

a. Predictors : (Constant), Integrity
b. Dependent Variable : I have positive intention to purchase counterfeit product

COEFFICIENTS[a]

model	Unstandardized Coefficents		Standardized Coefficents	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.912	.421	-.208	9.285	.000
VAR2	-.370	.093		-3.997	.000

a. Dependent Variable : I have positive intention to purchase counterfeit product

H2: Product attributes have a positive influence on the consumer's intention to purchase counterfeit products.

Product attribute which is perceived Quality and its relationship with customer's intention to buy counterfeit products, the tables shows, table-3, that R Square = .124. The ANOVA shows P value is .000 and the level of significant is 0.05%, P>0.05. Also, Beta = .352, P>0.05. So, there is a positive relationship between product attributes (perceived Quality) and customer intention to purchase counterfeit products.

Table -3 -liner regression

Model Summary

model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.325[a]	.124	.122	1.131

a. Predictors : (Constant), Perceived Quality

ANOVA[b]

model		R	R Square	Mean Square	F	Sig.
1	Regression	64.331	1	64.331	50.305	.000[a]
	Residual	453.977	355	1.279		
	Total	518.308	356			

a. Predictors : (Constant), Perceived Quality
b. Dependent Variable : I have positive intention to purchase counterfeit product

COEFFICIENTS[a]

model	Unstandardized Coefficents		Standardized Coefficents	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.966	.190	.352	5.081	.000
VAR2	.441	.062		7.093	.000

a. Dependent Variable : I have positive intention to purchase counterfeit product

Brand image also has an impact on customer's intention to buy counterfeit products. The following table 4 show that R Square = .075. The ANOVA shows P value is .000 and the level of significant is 0.05%, P>0.05. Also, Beta = .274, P>0.05. So, there is a positive relationship between product attributes (Brand Image) and customer intention to purchase counterfeit products.

Table -4 -liner regression

Model Summary

model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.274[a]	.075	.072	1.162

a. Predictors : (Constant), Brand Image

ANOVA[b]

model		R	R Square	Mean Square	F	Sig.
1	Regression	38.855	1	38.855	28.769	.000[a]
	Residual	479.453	355	1.351		
	Total	518.308	356			

a. Predictors : (Constant), Brand Image
b. Dependent Variable : I have positive intention to purchase counterfeit product

COEFFICIENTS[a]

model		Unstandardized Coefficents		Standardized Coefficents	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.288	.189	.274	6.812	.000
	VAR5	.328	.061		5.364	.000

a. Dependent Variable : I have positive intention to purchase counterfeit product

Product attribute, price and its relationships (see table 5) with customer's intention to buy counterfeit products, shows in the below table.5, the R Square = .052 Also, ANOVA shows P value is .000 and the level of significant is 0.05%, P>0.05. Moreover, Beta = .228, P>0.05. So, there is a positive relationship between product attributes (Price) and customer intention to purchase counterfeit products.

Table -5 -liner regression

Model Summary

model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.228[a]	.052	.049	1.176

a. Predictors : (Constant), Price

ANOVA[b]

model		R	R Square	Mean Square	F	Sig.
1	Regression	26.937	1	26.937	19.462	.000[a]
	Residual	491.371	355	1.384		
	Total	518.308	356			

a. Predictors : (Constant), Price
b. Dependent Variable : I have positive intention to purchase counterfeit product

COEFFICIENTS[a]

model	Unstandardized Coefficents		Standardized Coefficents	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.917	.308	.228	2.980	.000
VAR3	.404	.092		4.412	.000

a. Dependent Variable : I have positive intention to purchase counterfeit product

H3: There is negative relationship between education and the intention to buy counterfeit products

ANOVA shows P value is .677 and the level of significant is 0.05%, $P>0.05$. So, there is a negative relation between education level and customer's intention to purchase counterfeit products. Also, Beta = -.022, $P>0.05$.

Table -6 -Liner Regression

Model Summary

model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.022ᵃ	.000	-002	1.208

a. Predictors : (Constant), Education Level
b. Dependent Variable : I have positive intention to purchase counterfeit product

ANOVAᵇ

model		R	R Square	Mean Square	F	Sig.
1	Regression	.254	1	.254	.174	.677ᵃ
	Residual	518.054	355	1.459		
	Total	518.308	356			

a. Predictors : (Constant), Education Level
b. Dependent Variable : I have positive intention to purchase counterfeit product

COEFFICIENTSᵃ

model	Unstandardized Coefficents		Standardized Coefficents	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.338	.228	-.022	10.256	.000
	-4.6E-02	.110		-.417	.677

a. Dependent Variable : I have positive intention to purchase counterfeit product

H4: There is negative relationship between perceived risk and consumer's intention to buy counterfeit products

The table. 7 show the R Square = .065 means that 6.5% of the variation in Y (Customer intention) is explaining by X (perceived risk). Also, ANOVA shows P value is .000 and the level of significant is 0.05%, P>0.05. So, there is a negative relation between perceived Risk and customer intention to purchase counterfeit products. Also, Beta = -.254, P>0.05.

Table -7 - liner regression

Model Summary

model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.254[a]	.065	-062	1.169

a. Predictors : (Constant), Risk
b. Dependent Variable : I have positive intention to purchase counterfeit product

ANOVA[b]

model		R	R Square	Mean Square	F	Sig.
1	Regression	33.432	1	33.432	24.477	.000[a]
	Residual	484.876	355	1.366		
	Total	518.308	356			

a. Predictors : (Constant), Risk
b. Dependent Variable : I have positive intention to purchase counterfeit product

COEFFICIENTS[a]

model	Unstandardized Coefficents		Standardized Coefficents	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.338	.228	-.254	10.063	.000
	-4.6E-02	.110		-4.947	.000

a. Dependent Variable : I have positive intention to purchase counterfeit product

DISCUSSION

Apparently, our study findings either agreed or disagreed with other studies on 'consumer behavior on the purchase of counterfeit goods. For instance; Arghavan Nia, Lynne Zaichkowsky (2000) found that, whether people buy counterfeit products or original, respondents of the study does not find any difference at all. These respondents believed that counterfeits were below their dignity to use and ownership of original luxury products was more prestigious. But in our study on Omani people indicate that the customer is buying the counterfeit product that imitated the

popular brands, to gain the image of popular and well-known brands. Furthermore, Elison A.C. Lim, Siok Kuan Tambyah (2001) study examines consumers' motivation for buying counterfeits or pirated goods. The findings show that respondents never see it is unfair and unethical as well. On the same time Omani consumers believes that higher the quality of the product, higher the intention to buy counterfeit product even it's not an original product.In addition, our study accept the study findings of Elison A.C. Lim, Siok Kuan Tambyah (2001) that more integrity and honesty the individual have, the less intention he/she has to purchase the counterfeit products.

In fact, there is much news about counterfeit goods business in Oman and on the same time Government of Oman is very alert to eradicate this menace. We feel that, youngsters in Oman, 18-25 years, as they are in high proportion as we compare the entire population of Oman, are more interested in fashion, brands and glamour. In our study, majority of respondents considered to be young where 43% are between 18-28 years of age group. So one of our finding is, mainly young consumers are more interested to buy the counterfeit product that imitated the popular brands, to gain the image of popular and well-known brands. Moreover, we can say that, demographic differences would also play a major role in consumer's intention to purchase counterfeit goods in Oman.

RESEARCH IMPLICATIONS

Counterfeiting is a severe problem and the common perception is that it is increasing in considerable levels. However, it is virtually impossible to find accurate statistics to substantiate these perceptions, not least because of the clandestine nature of the activity. Many seminars/conferences are happening around the globe to frame strategies combating counterfeiting. Anti-counterfeiting work is regarded as goodwill rising, and more and more companies are seeing the advantages of publicizing their efforts.

At this juncture, this study will help policy makers to know about ' people perception' on counterfeiting business and they can frame some policy initiatives to reduce the people's purchase of counterfeits goods, which will leads to a reduction in the production of counterfeit goods. Moreover, this study will help future researchers/ academicians to raise their words against Counterfeit traders who pose health hazards and endanger the lives humans as they extend their ventures into pharmaceuticals and fast moving consumer goods. More and

more companies are taking a proactive role in preventing their products from being counterfeited. (The Week, October-2011). This study will add value ,as this is the peak time, to build new relationships with authorities and consumer protection organizations in the GCC and the greater Middle East region, mainly to Oman to focus on to prevent counterfeit goods. It would be unrealistic to expect any measures to eliminate counterfeiting forever, but the aim should be to make it unattractive for the fraudsters to target the company's products.

CONCLUSION

The study, factors influencing the purchase of counterfeit good in Oman, results shows that there is negative relation between the integrity and the customer intention to purchase counterfeit products. This means that the more integrity and honesty the individual have, the less intention he/she has to purchase the counterfeit products. Product attributes is presented in two factors (Perceived Quality, and Brand Image). The finding shows that higher the quality of the product, higher the intention to buy counterfeit product even it's not an original product. Moreover, the study results indicate that the customer is buying the counterfeit product that imitated the popular brands, to gain the image of popular and well-known brands. This study found that there is a negative relationship between the consumer education level and his/her intention to purchase counterfeit product in Oman. Which mean that the less educated consumer intends more to buy the counterfeit products. This may come from the less knowledge and awareness of the counterfeit product implications. It was found from the study that there is also a negative relationship between perceived Risk and costumer intention to purchase counterfeit product. The study shows that the higher the price of the counterfeit product, the higher the costumer intention to purchase. According to literature ,Oman have had are many anti-counterfeiting measures to tackle counterfeiting so this study can be useful to know about people perception on counterfeit goods in this regard.

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