

6-2022

Young Filipinos' Attitudes Towards Counterfeit Products: A Descriptive Study on Attitudes and Perceptions: A Study by the IP Academy of the Intellectual Property Office of the Philippines

Ma. Liezel Bumanglag

Intellectual Property Office of the Philippines, liezel.bumanglag@ipophil.gov.ph

Follow this and additional works at: <https://animorepository.dlsu.edu.ph/apjipmi>



Part of the [Intellectual Property Law Commons](#), and the [Technology and Innovation Commons](#)

Recommended Citation

Bumanglag, Ma. Liezel (2022) "Young Filipinos' Attitudes Towards Counterfeit Products: A Descriptive Study on Attitudes and Perceptions: A Study by the IP Academy of the Intellectual Property Office of the Philippines," *Asia-Pacific Journal of IP Management and Innovation*: Vol. 1: No. 1, Article 14.

Available at: <https://animorepository.dlsu.edu.ph/apjipmi/vol1/iss1/14>

This Research Article is brought to you for free and open access by the DLSU Publications at Animo Repository. It has been accepted for inclusion in Asia-Pacific Journal of IP Management and Innovation by an authorized editor of Animo Repository.

RESEARCH ARTICLE

Young Filipinos' Attitudes Towards Counterfeit Products: A Descriptive Study on Attitudes and Perceptions

A Study by the IP Academy of the Intellectual Property Office of the Philippines

Ma. Liezel Bumanglag

Senior Consultant for Education, Training, Research, and Publication, IP Academy, Intellectual Property Office of the Philippines

Assistant Professor, School of Physical Therapy, Emilio Aguinaldo College Cavite

*liezel.bumanglag@ipophil.gov.ph

Abstract: The prevalence of counterfeit goods is a problem that is affecting different countries, posing threats to individuals, businesses, and economies. Given that the Philippines is characterized by its largely young population, this study aims to describe the perceptions and attitudes of young Filipinos toward counterfeit goods, with the hope of using this data to assist the Intellectual Property Office of the Philippines (IPOP HL) in its fight against counterfeits. Specifically, this study aims to describe the demographic characteristics of young Filipinos who have bought counterfeit goods; to describe the frequency and willingness of young Filipinos to buy counterfeit goods; to identify their common reasons for buying counterfeit goods; and to determine possible reasons to make them stop buying. This study utilized a quantitative descriptive design through an electronic survey to answer the research objectives. A total of four hundred and six (406) respondents with an age range of 15 to 30 years old, who have bought at least one counterfeit good, were included in the study. The results showed that the respondents can easily spot counterfeit goods by their quality and price and they do not regularly purchase counterfeit goods. The top three (3) counterfeited goods mostly purchased by young Filipinos are apparel/accessories, footwear, and handbags/wallets. In addition, the results showed that online selling applications make up the majority of where these counterfeit goods are being bought from. As for the overall attitudes of young Filipinos on counterfeit goods, the study revealed that although most respondents buy counterfeit goods voluntarily and by personal choice, they believe that buying counterfeit goods does not improve their social and professional image, does not excite their consumption appetite, and it poses danger to their well-being. Furthermore, the results suggested that young Filipinos believe that since counterfeit products are easily accessible everywhere, especially in the advent of online apps and social media platforms, awareness campaigns geared towards discouraging people from buying counterfeit goods are needed, along with brand-related measures.

Keywords: *Counterfeits, Young Filipinos, Trademarks, Infringement, Intellectual Property, Attitudes*

Introduction

Counterfeiting, or the creation of goods and products and their packages which bear a similar or undistinguishable trademark to a registered trademark (Intellectual Property Office of the Philippines, IPOPHL, n.d.), is a profitable business. The rise of digitalization, which added virtual marketplaces to the retail scene, contributed to the upswing of this business. According to the International Chamber of Commerce in 2015 and the Interpol in 2009, the projected global impacts of counterfeiting economically and socially will total to around 2% of the world's total current economic output (Ting et al., 2016; Poddar, et al., 2012). In 2019, the Organization for Economic Cooperation and Development and the European Union Intellectual Property Office reported that this percentage has now risen to 3.3%. In Asia, billions of dollars are lost annually due to the manufacture and sale of counterfeit goods, 70% of which are centralized in China (Rosenbaum et al., 2016). China's retail marketplace ranges from luxury goods to the counterfeits of these same goods, to supply the demands of the whole spectrum of their consumers based on income. Counterfeiting is prevalent also in Hong Kong, South Korea, Singapore, Taiwan, Indonesia, Thailand, Malaysia, and the Philippines (Ting et al., 2016). According to the IPOPHL, there have been 67 reports of counterfeiting on 2020 alone, during the surge of the COVID-19 pandemic (Lim, 2021). In addition, on August 2020, the Bureau of Customs of the Philippines destroyed Php 500 million pesos worth of counterfeit goods (Lim, 2020).

Counterfeit Goods: What does purchasing them mean?

According to the Intellectual Property Code (2015), trademarks are visible signs that distinguish goods and services from each other and have passed both a formal and substantive examination by the IPOPHL to garner a sole certificate of registration for that trademark. Owning a trademark grants a person the exclusive right to use that trademark for his goods and products, and the right to prohibit others from using it. Counterfeits are goods which infringe upon these rights of trademark owners. They are also known as knock-offs, fakes, class A products, replicas, imitations, among other things. Essentially, "buying fakes means obtaining the prestige of a branded product without

paying for it" (Cordell et al., 1996). This practice of "buying fakes" is generally regarded as a serious social, economic, and political problem, not to mention the problems it is causing to different industries.

Consumer loyalty is the result of recognition and trust in a brand's goods and services, which is based on years of building and developing a brand identity. Eventually, a brand identity becomes a company's most valuable intangible asset. Huge amounts of money are being invested by these brand owners to ensure that they develop the brand identity's design, marketing, and manufacturing aspects. On the other hand, counterfeit owners benefit from these same brand identities without any design or marketing costs (Furnham & Valgeirsson, 2007). As a result, according to Ting et al. (2016), manufacturers of the original branded products have lost more than \$600 billion in revenue. The research and development costs that they spent to develop the brand also loses their value. On top of all that, enforcement of their rights could mean incurring huge legal fees. Aside from the financial damage, legitimate brand owners and manufacturers also face intangible losses. The brand identity that they have spent years building gets damaged, and the trust, or goodwill, that they were able to build with their consumers, get broken. Consumers lose confidence in the brands and, consequently, the respective goods (Ting et al., 2016).

The impacts on the economy of counterfeiting are multifaceted. Counterfeiting can take away billions of dollars in business from legitimate manufacturers and hurt economies by causing job losses, trade deficits, lost tax revenues and corruption. Counterfeiting negatively affects new product development and brand building because counterfeiting infringes on intellectual property rights (Poddar et al., 2012; Furnham et al., 2007).

Counterfeiting also negatively affects governments and countries by directly or indirectly funding criminal activities. The money people spend on counterfeit products is increasingly being invested in organized crime and international terrorism, as they are allegedly funding terrorist and criminal organizations, including Al-Qaeda, the Irish Republican Army, the Chinese Triad gangs, the Japanese Yakuza, the Russian Mafia, and more (Furnham et al, 2007). The counterfeit industry also plays host to around 246 million child laborers all over the world, as reported by the International Labor Organization (Rosenbaum et al, 2016).

Counterfeiting jeopardizes consumers, pose serious safety risks, and bear associated public health and societal costs (Swami et al., 2009). Specifically, the significant potential for dangerous ingredients or parts in counterfeit products may result in a range of adverse effects or outcomes (United States Chamber of Commerce, 2016). For example, counterfeit industrial parts in the airline, aerospace, and defense industries, have been linked to accidents and even plane crashes.

Counterfeit Buyers: What are the types?

The characteristics of people who buy counterfeit products are varied. In terms of gender, men and women equally buy counterfeit goods, but have different preferences as to what types of counterfeit products they would buy. Swami et al. (2009) reported that men often buy electronic counterfeit goods, while women often buy clothing-related counterfeit goods. They also reported that younger age groups are predisposed to buying counterfeit goods more than older age groups. Bian et al. (2009) reported that education does not play a role in the decision-making of whether to buy counterfeit goods or not as both those with low- and high-level educational attainment tend to buy counterfeit goods, albeit for different reasons. Meanwhile, they reported that income plays a role in their decision-making process as people with lower incomes would show more predisposition to buy counterfeit goods.

Cessareo & Stottinger (2015) developed a classification system for the types of counterfeit buyers according to their intentions and motivations for buying. They identified four types: the wannabees, hybrids, outsmarted, and the brand lovers. Wannabees are buyers who are financially incapable of buying the original brands, and thus resort to buying counterfeit goods. Brand owners do not have much against these buyers as they consider the wannabees' counterfeit buying as a promotional campaign for their brand and this buying does not lead to a significant loss in sales. Hybrids are financially capable of buying the branded goods, but because of a variety of reasons, such as "fun, pleasure, circumstance", sometimes tend to buy counterfeit goods as well, along with branded goods. This group affects the sales of the brand owners, because of their capacity to buy the branded goods. The outsmarted are buyers who are not completely capable of distinguishing the branded goods from the counterfeit goods, thus are sometimes deceived by

counterfeit sellers. Because of this deception, these buyers sometimes tend to refrain from buying goods related to the brand, to be safe. This again represents lost sales for the brand owners, as well as decline in goodwill and consumer trust. Lastly, the brand lovers are those who are completely loyal to the brand, but because of loss of exclusivity secondary to the spread of the counterfeit goods related to their brand, they tend to avoid buying, thus representing another set of lost sales for the brand owners.

Counterfeit Buying: What are the reasons for them?

There are a variety of reasons why people buy counterfeit products. These can be categorized into the following main categories: economic reasons, product-related reasons, access-related reasons, socio-cognitive reasons, and political reasons.

Economic Reasons

For most, if the counterfeit goods do not cost as much as the branded ones does, consumers show a predisposition to buying it (Furnham et al., 2007; Rosenbaum et al., 2016; Poddar et al., 2012). An additional criterion to this is that the low-cost goods are as good as the original ones, thus ensuring value for the customers' money.

Product-Related Reasons

Some counterfeit goods appear to have similar characteristics as the branded products, and are therefore, worth buying for some consumers (Rosenbaum et al., 2016; Bian et al., 2009). In fact, for some consumers, the similarity of the two kinds of products and their lack of idea of the actual price of the products may lead them to confusion as to whether or not what they're buying is actually a counterfeit good or not.

Access-Related Reasons

Consumer behavior has widely evolved in the past years. Buying goods and products are no longer confined in traditional establishments, such as markets, malls, and bazaars but extends to the internet as well. The increase in accessibility to these goods also include counterfeit products (Rosenbaum et al., 2016). In addition, due to the emergence of the digital age and the lockdown brought about by the COVID-19 pandemic, the sales practices have mostly transitioned

from in-person purchases to online marketplaces. This increase in accessibility of goods and products for consumers make it easier for them to access counterfeit goods as well, across different online platforms such as online stores and social media. In addition, there are more available counterfeit products across these platforms than branded products (Furnham et al., 2007; Rosenbaum et al., (2016).

Socio-Cognitive Reasons

Some consumers have reported that they associate buying counterfeits to a certain level of fun, excitement, and pleasure, and thus continue to buy it despite measures against such (Rosenbaum et al., 2016). For some, there is a level of pressure exerted on them by their peers and the society in general to purchase goods which are deemed by majority as of good or luxurious quality (Poddar et al., 2012; Rosenbaum et al., 2016). This, combined with the price difference, makes them choose to buy counterfeit goods. In addition, beliefs of consumers as to the effects of having the names of these branded goods on them, albeit counterfeit, play a major role in choosing to buy counterfeit goods; i.e.: improvement of their social and professional “images”.

Political Reasons

For some consumers, the absence of a system of detection whether specific goods are counterfeits and of a system which punishes counterfeit sellers and buyers, award them with a level of freedom as to buying counterfeits liberally (Rosenbaum et al., 2016).

Counterfeit Stops: What are the existing and suggested measures?

Governments and brand owners recognize the emergence of counterfeit goods and sellers, and have measures in place to prevent and stop these activities and products. These measures can be categorized into policy-related measures, brand-related measures, and consumer-related measures.

Policy-Related Measures

Rosenbaum et al. (2016) reported in their study that governments usually have either a poor enforcement system against intellectual property infringers, or if there is such, the penalties for infringement are incomparable to the gains made by the act of infringement. Improvements of these measures, laws,

or policies, both against counterfeit manufacturers and counterfeit salespeople, could be beneficial in decreasing the purchase of counterfeit goods (Poddar et al., 2012). Ting et al., (2016) took this one step further by recommending that measures, laws, or policies should be made against counterfeit goods buyers as well. Following all those, creation of channels where infringers and counterfeiters can be reported is necessary. Rewards for reporters may be necessary to motivate and encourage people to report.

Brand-Related Measures

Similar with other intellectual property rights, effective enforcement of trademarks also involves the trademark or brand owners. Ideally, lowering the prices of the branded goods would be beneficial for those who want to purchase the branded goods but do not have sufficient funds for it (Poddar et al., 2012; Ting et al., 2016). However, in the absence of this possibility, creation of lower-priced, entry-level goods of the original brands can be an option (Cessareo et al., 2015). This way, the prices of the goods are still within the acceptable range for most consumers, but with the original prestige of the brand. Ting et al. (2016) also recommended in their study that this can be achieved by giving licenses to other distributors and using “brand extensions”. This was defined similarly to the lower-priced, entry-level goods by Cessareo et al. (2015). However, they cautioned the possible risks of doing this, such as damaging the brand image and decreasing the exclusivity of the brand. Brands like Versace and Alexander McQueen have done this by introducing a lower-priced line or licensing a non-luxury brand to carry their luxurious brands, such as MCQ for the denim-fusion line of Alexander McQueen, and Versace for H&M. Measures to differentiate the branded goods and the counterfeited products have also been used increasingly by brand owners to help consumers in their purchase. These authentication measures may involve brand-specific labels, packaging, serial numbers, or codes, authentication certificates, warranties, and services for original branded products (Cessareo et al., 2015; Rosenbaum et al., 2016). Second-hand originals are branded goods which have already been used once or twice by others, and are still in good to excellent condition. For consumers who want to purchase branded goods but do not have the funds, second-hand originals can be a good alternative. Brand owners may come up with channels where consumers can buy, and

sell, these goods to decrease sales of counterfeit goods. Also, rewards for buying originals such as points systems and future discounts could be a good come-on for buying branded original goods.

Consumer-Related Measures

Awareness campaigns, which induce fear in consumers regarding buying counterfeit products, is one way of stopping the counterfeit purchases. This can be achieved by stressing the negative effects of purchasing counterfeits, to the consumer, brand, society, and the country, by emphasizing the differences between the branded and counterfeit goods resulting to the price difference, by enumerating the ways on how counterfeits can be detected, by discussing the social effects of buying counterfeits, and by emphasizing the social and ethical responsibility of buying branded goods instead of counterfeit goods (Cessareo et al., 2015; Rosenbaum et al., 2016; Ting et al., 2016; Bian et al., 2009; Poddar et al., 2012).

The National Committee on Intellectual Property Rights

In the Philippines, the National Committee on Intellectual Property Rights (NCIPR), composed of different government institutions, aimed at protecting intellectual property rights of consumers and businesses alike, has been established. The NCIPR has the Department of Trade and Industry as its Chair organization and the Intellectual Property Office of the Philippines as its Vice-Chair. Members of the NCIPR include the Department of Justice, Bureau of Customs, Food and Drug Authority, National Bureau of Investigation, Philippine National Police, Optical Media Board, National Book Development Board, Office of the Special Envoy on Transnational Crime, Department of Interior and Local Government, National Telecommunications Commission, Department of Information and Communications Technology, Bureau of Internal Revenue, and the Bureau of Immigration. The NCIPR aims to improve awareness of and enforcement of IP rights, as well as strengthen coordination with all branches of the government to improve adjudication and policies related to IP rights (Executive Order No. 736, 2008).

The different agencies under the NCIPR collectively and individually have projects aimed at decreasing the presence of counterfeits in the market. Programs in 2020 include creation of a memorandum of

understanding (MOU) between different agencies inside and outside of the NCIPR to enhance border protection and protect trade practices, an MOU to adopt a code of conduct among e-commerce players aimed to eliminate counterfeit and pirated goods sold online, focus group discussions (FGDs) to improve the fight against online counterfeiting and piracy, creation of an anti-counterfeiting anti-piracy (ACAP) policy by the IPOPHL, educational programs such as seminars and workshops to train relevant personnel involved in enforcement and adjudication of IP rights cases, seminars aimed to educate the public against counterfeits especially medicines, partnerships with regulating bodies for high school and college to incorporate IP in their curricula, seizures of counterfeit goods, tracking data related to IP-related prosecutions and convictions, and strengthening the legal infrastructure on IP by passing legislative bills on IP and continuous destruction of counterfeit goods (National Committee on Intellectual Property Rights, 2020).

The Intellectual Property Office of the Philippines

The Intellectual Property Office of the Philippines (IPOPHL) is the government agency responsible for the “administration and implementation of State policies on intellectual property, with the goal of strengthening IP rights protection in the country” (Executive Order No. 736, 2008). It follows the DREAM mandate, which outlines its functions: Development-oriented functions, utilizing patent information for technological development; Regulatory functions, by facilitating the registration and maintenance of IP rights and technology transfer processes; Enforcement functions, by partnering with relevant agencies and implementing rules and regulations related to protection of IP rights; Adjudicatory functions, by settling disputes and conflicts related to IP rights registrations, violations, and licensing processes; and policy-Making, because of its partnership with different agencies and bodies with the goal of creating policies that will strengthen IP rights protection in the country (Executive Order No. 736, 2008).

Under its enforcement function, the IPOPHL aims to eliminate causes and manifestations of infringement in the country and outside of it by its key processes of receiving, evaluating, and recording reports of IP rights violations, partnering with relevant agencies for

the conduct of enforcement, formulating policies and programs geared towards enforcement and IP rights protection, and aiding enforcement orders of relevant IPOPHL bureaus (Executive Order No. 736, 2008.). This is headed by the IPOPHL Enforcement Office, and disputes arising from such are handled by the Bureau of Legal Affairs.

The IP Academy of the IPOPHL is the national center for IP learning and research of the Philippines (Executive Order No. 736, 2008), and as such, are responsible for spreading awareness, knowledge, empowerment, and advancement in and of the IP profession. Through the production of learning programs and research papers, the IP Academy assists the other IPOPHL bureaus and units in the performance of their functions, such as the IPOPHL Enforcement Office. One of such learning programs is the IP Roadshow, a program which visits academic and government institutions with the aim to introduce basic IP knowledge to their audience.

Objectives of the Study

In the Philippines, there are limited studies describing the motivation of Filipinos for buying counterfeits, despite the increasing statistics of the presence of counterfeit goods in the country. Awareness of the types of counterfeit buyers and their motivations for doing so can help identify and direct the measures needed to be strengthened to lower these statistics. The IPOPHL can utilize the results to create plans for the IP Academy's programs and the IPOPHL Enforcement Office's activities in the on-going battle against counterfeits. This study aimed to describe the perceptions and attitudes of young Filipinos toward counterfeit goods, their reasons for buying them, and what may prompt them to stop buying them. Specifically, this study aimed to:

- Describe the demographic characteristics of young Filipinos who have bought counterfeit products in terms of their age, gender, social class, education or employment status
- Describe the frequency and willingness of young Filipinos to buy counterfeit goods
- Identify their common reasons for buying counterfeit goods; and,
- Determine possible reasons to make them stop buying counterfeit goods.

Methodology

Survey Respondents

Four hundred and six (406) respondents were included in this study, all of them between 15-30 years old, residing in the Philippines, and has bought a counterfeit product at least once in their lives. In the Philippines, there are almost 20 million young Filipinos in January 2020 (Orbeta Jr et al., 2021). This age range is composed of individuals capable of buying goods on their own – a good bulk of the population that might be part of the counterfeit-buying system. Their demographics, such as age, gender, social class, city of residence, and employment or educational status, were asked in the survey.

Research Instrument

This study utilized a quantitative descriptive design through an electronic survey questionnaire to answer the research objectives. The survey has three main parts, namely: participant demographics, general perception and attitudes towards counterfeit products, and specific perceptions regarding reasons for buying and possibly stopping from buying, of counterfeit products. A copy of the survey form is in Appendix 1.

Data Collection, Analysis, and Presentation

The survey form, made in Google forms, was sent to different academic institutions and posted on social media pages of the authors from September to October of 2020. Respondents signed informed consent forms. Although the study was conducted during the COVID-19 pandemic, where most of the country is in lockdown, the respondents were reminded that the scope of their answers would cover their whole consumer experience. Descriptive statistics including frequency distribution and ranges were used to analyze the results and presented using bar and pie graphs.

Ethical Considerations

This study did not undergo ethical clearance from a formal ethical review board, but informed consent forms were provided to the participants from institutions and social media postings. Letters seeking permission for the students to participate in the study were also provided to the different academic institutions, and once permission was granted, the researcher sent out the informed consent forms and survey forms to the students.

Results and Discussion

Participant Demographics

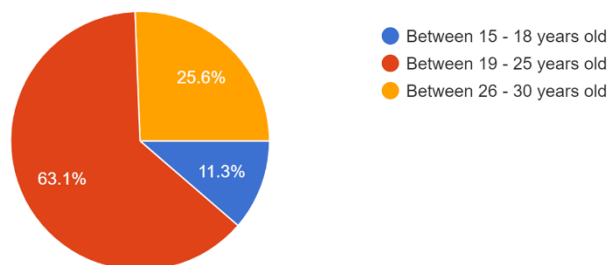


Figure 1. Age of Participants

Out of all the respondents of the survey, 63.1% or 256 people are from the 19-25 years age group. Given the educational system of the Philippines, this is the age range where most young people are presumed to be nearing the completion of their undergraduate studies, starting their first job already, or enrolling in a Master's degree. One hundred four (104) people, or 25.6% of the total respondents, were from the 26-30 years age group. These values show that majority of buyers of counterfeit goods from the youth are of the age groups who are already starting to earn their own money.

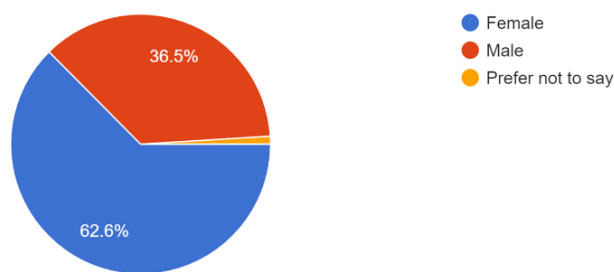


Figure 2. Gender of Participants

Majority of the respondents are female, indicating that among everyone who has seen or received the questionnaire, either females are majority of those who answered, or females are majority of those who fit the criteria, which include buying of counterfeit goods at least once in their lives. Previous studies have mentioned that males and females equally buy counterfeit goods, but the type of counterfeit good that they buy differ (Swami et al., 2009).

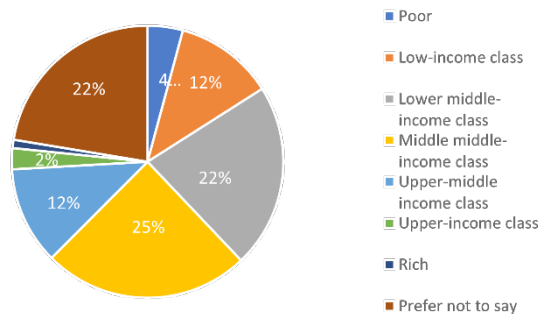


Figure 3. Philippine Social Class

Majority of the respondents of the study came from a middle middle-income class family, whose income is between four to seven times the poverty line, or from around Php 41,924 to Php 73,367 at the time the study was conducted (Zoleta, 2020; Albert et al., 2018). A second majority came from a lower middle-income class family, whose income is from two to four times the poverty line, or around Php 20,962 to Php 41,924. Income has been a predisposing factor in counterfeit buying, according to the study by Bian et al. (2009), especially since in the year 2018, according to the Philippine Statistics Authority (2018), the average monthly expenses of a typical Filipino family are at Php 16,916.67. Given the incomes of these middle-class families, not much is left to spend on other expenses. Given the classification system of Cessareo et al. (2015), young Filipinos seem to fall on the "wannabees" type of counterfeit buyer.

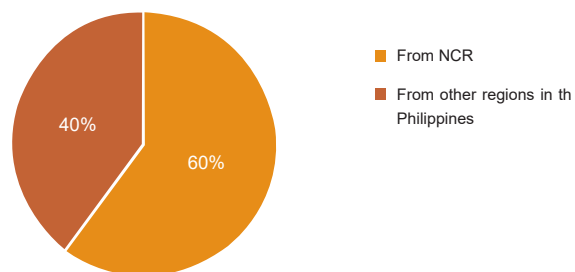


Figure 4. City of Residence

Two hundred forty-four (244) respondents came from the National Capital Region, comprising majority or 60% of the total number of respondents. There are known areas catering to selling of counterfeit goods in the urban cities of Luzon, mostly comprising the National Capital Region, such as Divisoria and Greenhills.

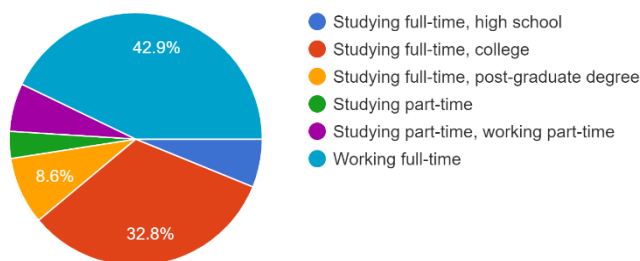


Figure 5. Current Education / Employment Status

Majority of the respondents, comprising of 42.9% or 174 respondents, are working full-time, supporting the earlier claim of this study that most of the respondents are already earning their own money, thus the possibility of being more money-conscious, leading to purchase of counterfeit goods. A close second majority are those studying college full-time, which could as well be money conscious given the financial demands of a college education on the Philippines.

General Attitudes Towards Counterfeit Products

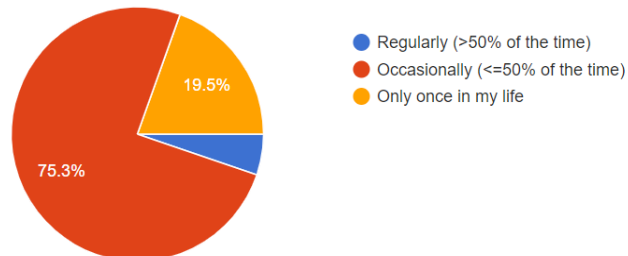


Figure 6. Frequency of Buying Counterfeit Goods

A large majority of the respondents (75.3% or 306 respondents) occasionally buy counterfeit goods, comprising half to less than half of their purchased goods.

Majority of the respondents have bought a counterfeit good related to clothing and/or accessories, followed by footwear and handbags and/or wallets. Majority of the respondents of the study are women, and as mentioned by Swami et al. (2009), women

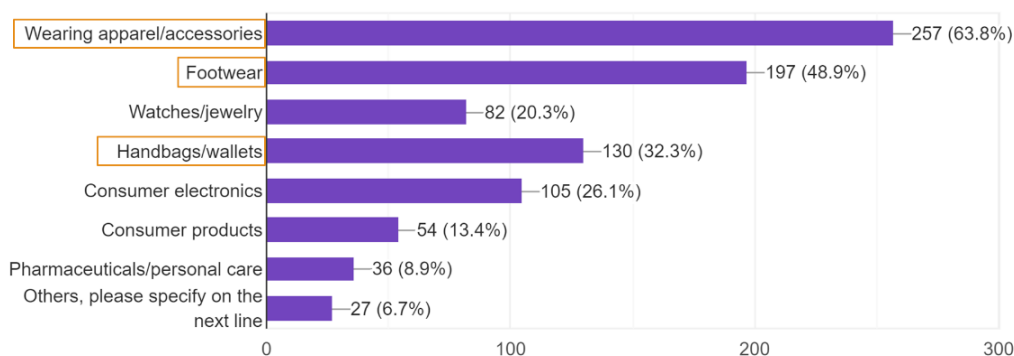


Figure 7. Commonly Bought Counterfeit Goods

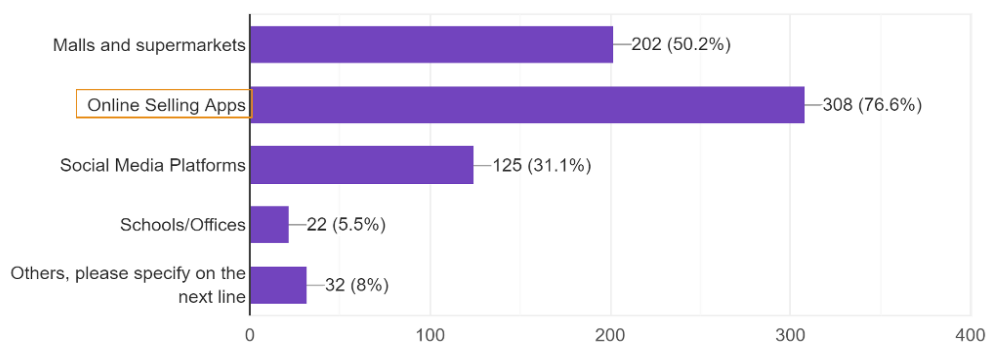


Figure 8. Common Sources of Counterfeit Goods

mostly buy apparel-related counterfeit goods. For the “others” options, some respondents identified tools, food, toys, and school supplies as the counterfeit good they commonly buy.

Majority of the respondents mentioned that they purchased their counterfeit good/s from the internet, in the form of software applications for selling goods such as Shopee and Lazada. Generally, Lazada and Shopee both have seller policies against selling of anything illegal, which includes counterfeit goods as stated in the IP Code (Lazada, 2019; Shopee, 2021). Noticeable also is that majority also have purchased their counterfeit good/s in malls and supermarkets. This raises the concern of how these goods can be prevalent in these platforms, which are supposedly more monitored by intellectual property enforcement officers. As for the “others”, respondents mentioned that they are purchasing their counterfeit goods from

bazaars, flea markets, and street vendors. Some also mentioned specific places in Metro Manila such as Quiapo and Divisoria, which are known for having street vendors and malls whose stores are well-known for the selling of counterfeit goods.

A large majority of respondents, totaling to 296 people, are confident that they can discern if a particular product is an original branded good or a counterfeit good. The study by Cessareo et al. (2015) mentioned that confusion or inability to identify a counterfeit good is one of the reasons for buying counterfeit goods. This is not applicable to this group of respondents.

Willingness to Buy Counterfeit Products

Two hundred and sixty-eight (268) respondents, or 66%, admitted to buying counterfeit products by choice. In addition, around 48.3% of the respondents, or 196

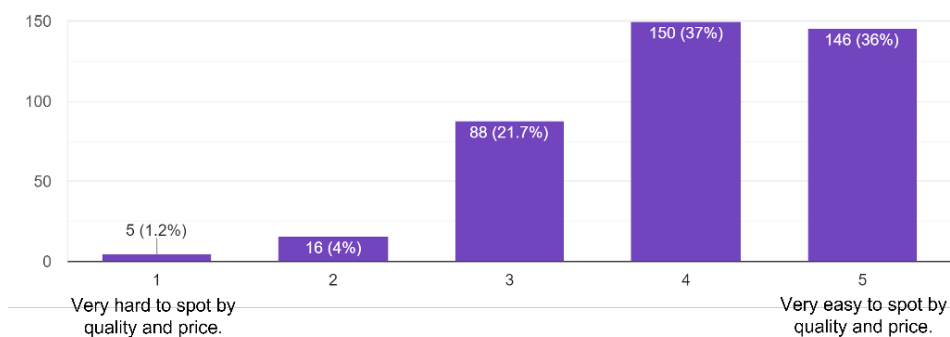


Figure 9. Identification of Counterfeit Products

Table 1

Reasons for Buying Counterfeit Goods

Possible Reasons to Buy	Respondents with Positive Attitude Towards Reason
Value for money	29.6%
Low cost	39.1%
Quality as good as original	34%
Overall accessibility	79.3%
Accessibility online	72.5%
Confusion if product is original or not	42.5%
Fun and excitement of buying counterfeit	22.3%
Lack of punishment for purchasing	37.7%
Limited amount of original products	39%
Peer pressure	5.9%
Improvement of social image	7.9%
Improvement of professional image	8.6%

of them, have no problem buying counterfeit goods. Only 116 respondents accidentally bought counterfeit goods. Almost majority of the respondents having no problem with buying counterfeit goods could translate to a positive attitude towards buying counterfeit goods, as discovered in the study by Ting et al. (2016).

Specific Attitudes Towards Counterfeit Products

Respondents were asked to choose their reason/s for buying counterfeit goods. Table 1 shows these options and the percentage of respondents that showed a predisposition towards those options. The most common reason for buying counterfeit goods for the respondents is the accessibility of these goods, especially with the advent of online platforms and online selling. Noticeable among the results is that only a very small amount (less than 10%) of respondents are buying counterfeit goods for socio-cognitive reasons, such as peer pressure, social image, and professional image.

Counterfeit Goods

Lastly, respondents were asked which among the choices listed on Table 2 could make them stop buying counterfeit goods. Majority of the respondents think that brand-related measures could encourage them to stop buying counterfeit goods, with improved authentication measures taking the top spot (82.5%). Policy-related measures, such as strengthening the law against counterfeit manufacturers and sellers, received the least number of votes as possible reasons for the respondents to stop buying counterfeit goods, although the majority of the respondents still reflected with a positive attitude towards these reasons.

Cross-Category Analysis of Results

Cross-category analysis of the results show no trend in the buying patterns of young Filipinos across age, gender, location, social class, and education or employment status. This goes to show that regardless of their education or employment status, young Filipinos purchase different kinds of counterfeit products from different platforms. Analysis of the demographics show that there is a wide reach of various counterfeit products across different youth populations.

The attitudes and perceptions of young Filipinos in terms of buying counterfeits also vary across different factors. For this group of respondents, age, gender, location, social class, and education or employment status do not play a role in the decision

to buy counterfeit goods, and in the factors that can influence further buying or cessation of buying of counterfeit goods.

Because of this diversity in characteristics, reasonings, attitudes, and perceptions of young Filipinos who are buying counterfeit products, a multi-sectoral approach to remedy this is necessary, involving the original brands, the local government units, and the educational institutions.

Conclusion and Recommendations

This study aimed to profile young Filipinos who have purchased counterfeit goods, and their attitudes and perceptions towards purchase of counterfeit goods. An understanding of these characteristics, attitudes, and perceptions may help stakeholders and the NCIPR to address the problem of counterfeits in the country. Current measures being undertaken by different government agencies to address the problem of counterfeit goods focus more on a reactive approach. These government agencies are just beginning to address the effects of counterfeiting to the digital world and to the youth, which allows the proliferation of buying counterfeit items among young Filipinos.

The survey revealed that most of the buyers of counterfeit goods are young middle-class females from the NCR region within the 19-25 age group, currently in the Philippine educational system or have recently graduated and starting to earn their own money from their jobs or careers. There are no predominant trends in terms of the respondents' demographics and their attitudes and perceptions when it comes to purchase of counterfeit goods.

Although most respondents buy counterfeit goods voluntarily and by personal choice, they believe that buying counterfeit products does not improve their social and professional image, does not excite their consumption appetite, and poses a danger to their well-being. The respondents believe that since counterfeit goods are easily accessible everywhere, especially in the advent of online applications and social media platforms, brand owners must think of ways to make their original branded goods more accessible instead to consumers by creating an affordable line extension, or by making the original goods more distinguishable and different from the counterfeit goods, thereby decreasing the possibility of them buying counterfeit goods again.

Following the results of the study, the researcher recommends the creation of a customized plan involving a multi-sectoral approach to decrease, if not completely stop, the counterfeit buying of young Filipinos. This plan should focus on concrete steps to decrease the accessibility of counterfeit goods in the physical and online markets, particularly in the National Capital Region, and increasing awareness of buyers against buying them. To supplement this, governing bodies should encourage manufacturers of original goods to create lower-priced, entry-level products of their brands, increase authentication measures of their brands, and give rewards to loyal customers of their brands.

The NCIPR's agencies can come up with programs that will target young Filipinos, the products they usually buy, as well as the platforms accessible to them, to ensure a targeted, multi-agency approach towards prevention and lessening of counterfeit buying among young Filipinos. Examples of programs that the NCIPR may add to their roster of programs for 2022 are FGDs and surveys involving young Filipinos, to acquire a more in-depth understanding of the psychology behind their buying of counterfeit items, creation of ACAP policies for educational institutions to educate students against counterfeit and pirated goods, the conduct of seminars aimed to educate young Filipinos against counterfeit goods, seizure and destruction of counterfeit goods from common areas where young Filipinos frequently buy these counterfeit items, and integration of IP modules in the secondary and tertiary education systems.

The IP Academy can strengthen the implementation of their IP Roadshow, targeting high school and college institutions more. Inclusion of enforcement or advocacy lectures against counterfeiting should be included in the lecture roster for the IP Roadshow as well. The IP Academy and the IPOPHL Enforcement Office can also implement more versions of the IP Forward>> Enforcement Edition, a program aimed towards educating their audience about important aspects of Enforcement. Aside from targeting MSMEs, they can also target academic institutions or the young Filipinos, so a wider awareness campaign will ensue. Lastly, conversations with the Department of Education would be beneficial to incorporate knowledge of IP in the core subjects of all high school students, to start the process of IP respect and understanding as early as possible for all students. Currently, conversations with the Commission on Higher Education are underway

to begin the process of integrating IP in the curriculum.

The IPOPHL Enforcement Office should intensify their efforts to close down shops that sell counterfeit goods in the online markets, in partnership with their online market stakeholders such as Shopee, Lazada, and Facebook, focusing also on the products which are often bought by the youth according to this study. Aside from this, lobbying with the manufacturers of the original brands is also necessary to relay to them the techniques that the young Filipinos deem could make them stop buying counterfeits, such as creating lower-priced, entry-level products of their brands, increasing authentication measures of their brands, and giving rewards to loyal customers of their brands, particularly targeted to young Filipinos. On a higher scale, regulations for these techniques could also be talked about by relevant stakeholders and the IPOPHL.

Finally, the researcher recommends production of exploratory studies for different populations, focusing on different characteristics (age-focused, gender-focused, social-class-focused, consumer-type-focused, focused on the National Capital Region as this is mainly where majority of the buyers and sellers of this study are, etc.) to further identify factors that can be used to decrease counterfeiting for target populations. Inclusion of the amount of knowledge regarding intellectual property as a determinant of their counterfeit-buying rate and reasons would also be useful, and this could serve as basis for review of existing educational curriculum and programs to identify the need to include intellectual property in the curriculum of students and learners. Furthermore, a correlational study further investigating the relationship between these factors such as demographic characteristics and buying patterns, choices, and reasons would be beneficial in further analyzing the reasons behind the counterfeit buying. Review of existing policies and programs relevant to each reason for possible stopping given in this study, and effectiveness of such programs, could also be beneficial in establishing the steps and measures that can be further taken to strengthen the campaign against counterfeit-buying, especially for the Filipino youth.

Declarations

This study was personally funded by author. There are no conflicts of interests pertinent to the author and respondents of the study, as well as other stakeholders.

References

- Albert, J. R., Santos, A. G., & Vizmanos, J. F. (2018). Defining and profiling the middle class. *Philippine Institute for Development Studies Policy Notes*, 2018-18, ISSN 2508-0865.
- An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for its Powers and Functions, and for Other Purposes, Rep. Act No. 8293, (Jun. 6, 1997) (Phil.), <https://www.officialgazette.gov.ph/1997/06/06/republic-act-no-8293/>
- Bian, X. & Moutinho, L. (2009). An investigation of determinants of counterfeit purchase consideration. *Journal of Business Research*, 62(2009), 368-378.
- Cessareo, L., & Stottinger, B. (2015). United we stand, divided we fall: How firms can engage consumers in their fights against counterfeits. *Business Horizons*, 58, 527-537.
- Cordell, W. V., Wongtada, N. & Kieschnick, R. L. J. (1996). Counterfeit purchase intentions: Role of lawfulness, attitudes, and product traits as determinants. *Journal of Business Research*, 35(1), 153.
- Furnham, A., & Valgeirsson, H. (2007). The effect of life values and materialism on buying counterfeit products. *The Journal of Socio-Economics*, 36(2007), 677-685.
- Intellectual Property Office of the Philippines. (n.d.). *Glossary of Terms*. Retrieved from <https://www.ipophil.gov.ph/glosaryo-ng-yamang-isip/>
- Lazada. (2019). *Prohibited and Controlled Products* [Electronic manual]. Retrieved from <https://sellercenter.lazada.com.ph/seller/helpcenter/prohibited-and-controlled-products-8090.html?spm=a2a15.helpcenter-psc.top-articles.2.4c5a536dC42tRx>
- Lim, J. (2020). *IPOPHL Lauds Customs for Destruction of Counterfeits Amid COVID* [News Article]. Retrieved from <https://www.ipophil.gov.ph/news/ipophil-lauds-customs-for-destruction-of-counterfeits-amid-covid/>
- Lim, J. (2021). *Reports, Complaints Against Piracy, Counterfeiting Surge in 2020 Amid COVID-19 Disruption* [News Article]. Retrieved from <https://www.ipophil.gov.ph/news/reports-complaints-against-piracy-counterfeiting-surge-in-2020-amid-covid-19-disruption/>
- National Committee on Intellectual Property Rights. (2020). 2020 Annual Report. Retrieved from <https://drive.google.com/file/d/114unlUXqwfICH5uMfPG0TKpL67NbQWSB/view> Office of the President, Institutionalizing Permanent Units to Promote, Protect, and Enforce Intellectual Property Rights (IPR) in Different Law Enforcement and Other Agencies Under the Coordination of the National Committee on Intellectual Property Rights, Exec. Ord. No. 736. (Jun. 21, 2008) (Phil.), <https://www.officialgazette.gov.ph/2008/06/21/executive-order-no-736-s-2008/>
- Orbeta Jr., A., Corpus, J. P., & Araos, N. V. (2021). Who are the youth NEET in the Philippines today? *PIDS Discussion Paper Series, 2021(21)*. Retrieved from <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps2121.pdf> Organisation for Economic Co-Operation and Development and the European Union Intellectual Property Office. (2019). *Trends in Trade in Counterfeit and Pirated Goods*, Illicit Trade, OECD Publishing, Paris. Retrieved from: <https://doi.org/10.1787/g2g9f533-en>
- Philippine Statistics Authority. (2018). *2018 Family Income and Expenditure Survey*. Retrieved from <https://psa.gov.ph/sites/default/files/FIES%202018%20Final%20Report.pdf>
- Poddar, A., Foreman, J., Banerjee, S., & Ellen, P. S. (2012). Exploring the Robin Hood effect: Moral profiteering motives for purchasing counterfeit products. *Journal of Business Research*, 65(2012), 1500-1506.
- Rosenbaum, M., Cheng, M., & Wong, I. A. (2016). Retail knockoffs: Consumer acceptance and rejection of inauthentic retailers. *Journal of Business Research*, 69(2016), 2448-2455.
- Shopee. (2021). *Community Rules* [Electronic Manual]. Retrieved from <https://shopee.ph/docs/3720>
- Swami, V., Chamorro-Premuzic, T., & Furnham, A. (2009). Faking it: Personality and individual difference predictors of willingness to buy counterfeit goods. *The Journal of Socio-Economics*, 38(2009), 820-825.
- Ting, M-S., Goh, Y-N., & Isa, S. M. (2016). Determining consumer purchase intentions toward Counterfeit luxury goods in Malaysia. *Asia Pacific Management Review*, 21(2016), 219-230.
- United States Chamber of Commerce. (2016). Measuring the Magnitude of Global Counterfeiting: Creation of a Contemporary Global Measure of Physical Counterfeiting. Retrieved from: <https://www.uschamber.com/sites/default/files/documents/files/measuringthemagnitudeofglbalcounterfeiting.pdf>
- Zoleta, V. (2020). *Understanding Social Class in the Philippines: Which Class Do You Belong To?* [Online article]. Retrieved from https://www.moneymax.ph/personal-finance/articles/social-class-philippines#Types_of_Social_Class_in_the_Philippines