Consuming Counterfeit: A Study of Consumer Moralism in China

Introduction

Consumption of counterfeit goods is a central theme in understanding consumer moralism. A considerable body of research has been conducted in an attempt to understand this unethical phenomenon (Marcketti and Shelley, 2009; Staake *et al.*, 2009; Wilcox *et al.*, 2009; Key *et al.*, 2013). According to the Counterfeiting Intelligence Bureau (2013), counterfeit products now comprise approximately 5 to 7 percent of world trade and are worth US $600 billion annually. Although the explosive growth of the Chinese economy has given rise to a large group of affluent Chinese consumers who are willing to spend significant sums of money in the pursuit of a sophisticated lifestyle through the conspicuous consumption of luxury Western brands (Dong and Tian, 2009), the country is often accused of being the world's centre for the manufacturing and consumption of counterfeit products (McDonald and Roberts, 1994; Phau *et al.*, 2001). According to the Heshaw (2013), China now accounts for 75 percent of the world's total counterfeiting trade. In examining the consumption motives behind the consumption of counterfeit products in China, authors of extant studies in this field found that Chinese consumers that habitually engage in the consumption of counterfeits share a similar demographic profile and hold a positive view toward counterfeit goods as substitutes for their luxury equivalents. Undoubtedly, purchasing practices of these consumers are not motivated solely by the low price of counterfeit products (see Prendergast *et al.*, 2002; Kwong *et al.*, 2003; Cheung and Prendergast, 2006; Bian and Veloutsou, 2007; Hamelin *et al.*, 2013), but are also influenced by a series of non-price determinants (e.g., product appearance and attributes, brand status, level of materialism, and propensity for risk taking), as well as institutional factors, including a wide range of educational background and government interference (see Wee *et al.*, 1995; Eckhardt *et al.*, 2010). Findings yielded by previous studies also suggest that the Chinese government is unable to effectively control piracy because of the huge demand for counterfeit products in the country (Cordel *et al.*, 1996; Behar, 2000; Stephens and Swartz, 2013).

Although the aforementioned studies have shed light on the phenomenon of counterfeiting in China, the analyses performed by their authors tended to be guided by the single, classical, moral discourse that buying counterfeit goods is simply "unethical" consumption behaviour that is the result of the construction of an immoral consumer identity (Carrigan and Attalla, 2001; Brinkmann, 2004; McGregor, 2006). However, Luedicke *et al.* (2010) argued that the moralistic identity work of consumers is framed by a cultural context from which diverse ideological forms of consumer moralism are sourced. Consumers actively adapt these myths of the moralism of consumption to their own lived experiences, and may "ascribe morally redemptive meanings to their consumer identities through implicit (and sometimes explicit) confrontations with other consumer groups that they ideologically construe as deviating from an inviolate normative order" (p. 1018). In their study of the consumption of counterfeit luxury brands in China, Jiang and Cova (2012) found that counterfeit goods not only

transfer social meanings (i.e., saving face, conformity, and a sense of conspicuousness) to Chinese consumers at an interpersonal level, but also satisfy the hedonic pleasure that consumers derive from pursuing fashion and adventure. However, the present study differs from prior research in that it is premised on the view that young Chinese consumers engage in the consumption of counterfeit goods may not solely due to the price factors. More specifically, these youngsters actively construct themselves as moral consumers through the consumption of counterfeits since doing so helps them to assert their social position and meet social expectations in the current socio-cultural context. Guided by these assertions, three research questions are addressed in the present investigation. First, we aim to gain a better understanding of how consumers construct and negotiate their moralistic identities through engaging in counterfeit consumption. Second, we examine how consumers utilise counterfeit goods as symbolic resources to echo, or even reproduce, the entrenched Chinese social relationships and marketplace ideological conditions (Luedicke *et al*., 2010; Giesler and Veresiu, 2014). Finally, the analyses performed in the present study seek to draw the connection between the construction of consumer identity through counterfeit consumption and the latest anti-capitalist narratives under the overarching consumer moralism framework.

Theoretical Foundations

Definition of counterfeit consumption

Consumption of pirated or counterfeit goods is regarded as a major unethical consumer practice that has received much attention in both business and academic domain (see Nia and Zaichkowsky, 2000; Marcketti and Shelley, 2009; Eckhardt *et al.*, 2010). Early in the late 1980s, the Organisation for Economic Cooperation and Development (1998) defined the term "counterfeiting" as "any manufacturing of a product which so closely imitates the appearance of the product of another to mislead a consumer that it is the product of another" (p. 4). Counterfeit consumption, in this sense, refers to the purchase and use of "illegal, low priced and often lower-quality replicas of products that typically possess high brand value" (Wilcox *et al.*, 2009, p. 247). In general, the practice can further be categorised into two main types: deceptive and non-deceptive counterfeiting (Figure 1). Deceptive counterfeiting involves purchases of counterfeit products, where the consumers had not intended to buy such products and were unaware that they had done so. Conversely, non-deceptive counterfeiting occurs when consumers are aware that they are purchasing counterfeits (Wilcox *et al.*, 2009). In the present study, narratives associated with both deceptive and non-deceptive counterfeiting are explored. Our findings reveal that some young adults in China are still in the process of learning about the brands and thus may not be fully cognizant about the origin of their purchases. On the other hand, some Chinese consumers have been exposed to many luxury brands and are capable of identifying counterfeit products using information obtained through a variety of sources. Our further aim is to examine the symbolic meanings of counterfeit goods and the meanings of the act of consuming counterfeits in the Chinese cultural context.

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Consumer Moralism and Ethical Consumption

Counterfeit goods consumption can be understood as a specific kind of consumption practice involving questionable consumer ethics, which has been the subject of extensive discussions on consumer moralism. Consumer moralism, or moralism about consumption in a broad sense, has attracted academic interest in recent years due to increased media coverage of the subject and the growing circulation of diverse "alternative" products in the market (Newholm and Shaw, 2007). Authors of previous studies on consumption moralism addressed consumer attitudes and responses to a number of different ethical issues, including human rights, sustainable practices, irresponsible marketing campaigns and fair trade, nuclear power and armaments, animal testing, factory farming, political or charity donations, green purchases, and the consumption of counterfeits (see Newholm and Shaw, 2007).

Studies on ethical consumption have perpetuated the myth that, in more affluent societies, consumers are liberated from their basic needs and should therefore be much more responsible for their consumption behaviours (Hansen and Schrader, 1997; Dickinson and Carsky, 2005). In other words, the pertinent research elucidate the process by examining how consumers make ethical decisions and discern their attitudes toward ethical issues (Chatzidakis and Mitussis, 2007; Newholm and Shaw, 2007). In line with this assertion, Cooper-Martin and Holbrook (1993) defined ethical consumer behaviour as the "decision-making, purchases and other consumption experiences that are affected by the consumer's ethical concerns" (p. 113). This single, monolithic framework presupposes universal ethical standards that condition the evaluation of ethical consumption behaviour. The implication of this assumption is that there exist normative ethical standards governing the consumption decision process due to which ethical consumption behaviour and ethical attitudes are predictable, and can therefore be clearly defined and statistically measured (Bateman *et al.*, 2001; Vitell *et al.*, 2001; Fukukawa, 2002; Vitell, 2003; Brinkmann 2004; Ozcaglar-Toulouse *et al.*, 2006). Moreover, it is widely believed that these ethical constructs are similar across cultures (Al-Khatib *et al.*, 1995, 1997). These hypotheses have given rise to the design and employment of more complex ways of gauging consumer moralism (i.e., ethical models, indices, and measurement scales), which have been largely developed using two prominent models of social cognition: the Hunt-Vitell model (Hunt and Vitell, 1996) and the theory of planned behaviour (Ajzen, 1991). In general, this line of reasoning focuses primarily on morality (i.e., moral intensity), moral problems, and moral judgment (Holbrook, 1994). Jones (1991) proposed that ethical decision-making is a linear four-stage process, whereby consumers first recognise a moral issue, which prompts them to make moral judgments and develop a moral intention, before finally engaging in moral behaviour. Culiberg and Bajde (2013) extended Jones' model by arguing that there is a positive relationship between moral intention, moral judgment, and moral recognition. Moreover, the authors posited that moral intensity is a significant predictor of moral recognition and judgment, while individual altruism serves as a predictor of moral

recognition. Authors of other related studies have attempted to ascertain how ethical decision-making by consumers is influenced by their culture, reference groups, socio-demographic background, personality traits, and prior personal experiences. According to their findings, consumers undergo a deontological evaluation (i.e., examining specific actions or behaviours) and/or a teleological evaluation (i.e., assessing the consequences of the action or behaviour) to arrive at an ethical judgment, which consequently affects their consumption intentions and behaviours (Hunt and Vitell, 1986; Al-Kahtib *et al.*, 1997; Chatzidakis and Mitussis, 2002).

Related studies on the consumption of counterfeits have also followed a similar positivistic framework, with the aim of explicating the rationale behind this unethical consumption practice. According to the findings reported in pertinent literature, individuals that consume counterfeits might do so as a result of several factors, including personality traits and socio-demographic background (Phau *et al.*, 2001; Kwong *et al.*, 2003; Phau and Min, 2009; Hamelin *et al.*, 2013), cultural and institutional factors (Kwong *et al*., 2009; Eckhardt *et al.*, 2010; Jiang and Cova, 2012), intrinsic desire to construct a particular self-image (Bloch *et al.*, 1993; Cherrier, 2007; Perez and Castaño, 2010), and their attitudes and knowledge of product attributes and pricing (Albers-Miller, 1999; Ang *et al.*, 2001; Marcketti and Shelley, 2009). Extant body of research focusing on the phenomenon of the consumption of counterfeits in China reveals that Chinese consumers differ from their Western counterparts in their perception of, attitude toward, and preference for counterfeit goods (Prendergast *et al*., 2002; Cheung and Prendergast, 2006). For instance, Kwong *et al.* (2009) found a significant difference in attitudes towards the social costs and benefits of counterfeiting. Their study also revealed the anti-corporate mentality among those purchasing counterfeited. Although findings yielded by extant studies support the view that Chinese consumers are primarily affected by price and certain socio-demographic or psychological variables in their consumption of counterfeits, the abovementioned core ethical issue renders this phenomenon more complex, as Chinese consumers do not seem to regard themselves as doing something wrong when buying a fake product (Cheung and Prendergast, 2006; Lin, 2011; Stephens and Swartz, 2013). Their complexity and diversity points to the need to develop an interpretive understanding that focuses on the emotional and symbolic aspects of the meanings underpinning the moralistic consumption decisions, practices, and experiences of consumers in the Chinese cultural context (see Eckhardt *et al.*, 2010; Kozinets *et al*., 2010; Luedicke *et al.*, 2010; Joy *et al.*, 2012; Giesler and Veresiu, 2014). Figure 2 summarises the consumer motives behind counterfeit consumption.

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Methods

The purpose of this research is to investigate how a group of young Chinese consumers appropriate moral meanings in their consumption of counterfeits as part of their narratives on moralistic consumer identity work in everyday life. Focusing on young Chinese consumers also provided an opportunity to

examine the influence of brands in the early stage of becoming a "consumer" in this emerging economy. When examining the ethical behaviour of consumers, we adopt an interpretive approach. The data required for meeting the study objectives was gathered through phenomenological interviews, which were conducted to provide an in-depth understanding of the subjective experiences of Chinese youngsters in Guangzhou and Hong Kong on consuming counterfeit fashion labels. In our investigation, we focused on how Chinese consumers re-signify their act of consuming counterfeits in a morally appropriate process of constructing identity. More specifically, as a part of the data analysis, we explored how Chinese consumers legitimise their consumption of counterfeits as ethical consumption behaviour within the Chinese cultural context.

The phenomenological interviewing method employed in this study has been found to be an appropriate method for studying the lived experiences of consumers from a cultural perspective of consumption (Askegaard and Linnet, 2011). In an early proposal to employ phenomenology in consumer research, Thompson e*t al.* (1989) suggested that phenomenological interviews focus on obtaining first-person, subjective descriptions of consumption experiences. In this study, we paid attention to consumers' interpretations of their ethical consumption behaviour within the Chinese cultural context. The research was conducted in Guangzhou and Hong Kong, the two major metropolitan cities in southern China. The study participants were in their late teens or twenties and had been recruited from local universities, community colleges and through snowballing technique (see Table 1). Ten in-depth interviews were conducted in Guangzhou and fifteen interviews were conducted in Hong Kong. All interviews took place either in informants' homes or dormitories, that is, in the natural setting of their living environment. Each interview lasted for around 2−3 hours. All interviews were semi-structured, whereby the researchers employed non-direct questioning techniques to engage informants in a dialogue on their subjective lived experiences. We began each interview with a "grand tour" of questions, followed by a life-history approach to encourage the informants to describe their everyday lived discourses in detail, as well as their interpretation of the consumption of brands and counterfeits (McCracken, 1988). During the interviews, we also employed a projective technique in which we invited informants to show us some of items in their wardrobes and describe the stories behind these possessions. We noticed that some informants were uncomfortable to talk about consuming counterfeit goods or felt embarrassed when others discovered that their possessions were fake. The projective technique in this case allowed informants to share their stories when these pertained to actual physical objects in a more comfortable manner (Eckhardt *et al.*, 2010). This object-elicitation technique also helped informants recall their prior consumption experiences, which was valuable is obtaining data pertinent to the current study. All of the interviews were taped, transcribed, and analysed using hermeneutic and triangulation processes (Thompson *et al.*, 1989). Several themes were generated from the analysis and interpretation of the collected data.

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Findings

Our findings suggested that the research participants attempted to make sense of their counterfeit consumption behaviour by infusing the moralistic meanings drawn from the Chinese socio-cultural value orientation. Moreover, the interview data analysis revealed that many participants were unaware of infringement of intellectual property rights that occurs in counterfeit consumption, even though some of them viewed counterfeit consumption as improper and unethical behaviour. Our findings also reported that many participants had experienced deceptive counterfeiting, especially during the time when they had a relatively low level of brand knowledge and awareness. It was surprising to find that, during the interviews, some of the Guangzhou participants could only recall a few luxury fashion brands, such as Louis Vuitton, Dior, Prada, Chanel, and Gucci. Compared to their counterparts in Guangzhou, the participants recruited from Hong Kong were in general more knowledgeable about international brands. However, they usually talked about brands they can afford as young adults or those they considered "trendy" (e.g., Hollister, Porter, Players, Nike, etc.). We identified four types of moralistic identity projects associated with consumers' enactment to counterfeit consumption, namely (1) victimised brand illiterates, (2) larkers, (3) status matchers, and (4) anti-corporate activists. The following sections provide a detail description of each counterfeit consumer type.

Victimised brand illiterates

Knowledge and awareness play an important part in counterfeit consumption. Our findings show that brand illiteracy is not uncommon among the young adults in Guangzhou. Even though international brands have invested tremendous resources into their efforts to enter the emerging Chinese markets, many young generations in China are still "learning" the new logos and brand meanings. During the interviews and wardrobe examination, we found that most of the informants possessed some counterfeit luxury fashion labels. The young Chinese informants were not aware that these purchases were not legitimate brands until the researchers pointed this out to them. They felt uneasy and embarrassed. However, it transpired that their discomfort was not due to being found to be involved in the unethical consumption behaviour of violating property rights or being disrespectful to the original design, but was rather driven by their concern about "losing face" in front of others who knew the brands better than they did, especially significant others.

> Kerry (F, 24): I was thinking the "bunny head" logo (Playboy brand) was very cute but I did not know it was a counterfeit. I was very upset when my cousin discovered it during the Chinese New Year family gathering. I was very upset and I decided never to wear this counterfeit jacket again!

> Ming (F, 22): I prefer non-branded clothing from small boutiques to counterfeit goods! The feeling is so bad if your friends know that you are wearing counterfeit goods!

Kerry's and Ming's narratives show that there is a cost associated with the ignorance of brand and the failure to identify counterfeit goods. For both interviewees, the most embarrassing moment was the time their peer recognised their counterfeit possessions. Similarly, Siu Tin (F, 22) and Chi Pang (M, 19) had bought in excess of 20 pieces of counterfeit luxury branded clothing and leather bags each, but had not heard of these luxury fashion brands prior to partaking in the study. Some of these branded labels included clothes from Prada, Gucci, COMME des GARÇONS, and Neighborhood (the latter two are Japanese brands). Owing to their weak international brand knowledge, young consumers like Siu Tin and Chi Pang had become victims of such deceptive counterfeiting.

> Siu Tin (F, 22): I haven't heard of this brand (holding a fake Y-3 bag)? Is it well known? (Laughs.) It cost me RMB10 dollars only…. It is so embarrassing! (Researcher: It costs around 2 to 3 thousand dollars each.) What? It was a gift from my brother. I think it must be fake! (Laughs.)

> Chi Pang (M, 19): I know it must be a fake. I recognise the brand name, but had no idea about this brand. How do you call this? Is it Dollar? (Researcher: It is a very well-known international brand called Dior). (Chi Pang felt shy when he pronounced the brand name incorrectly.) … I like the style and the design of this jacket only!

Surprisingly, even though most of the informants felt embarrassed when they first discovered that they had bought counterfeit goods, they also felt a sense of pride that their choices and the design came from an international luxury fashion label. Some of the participants were able to recall some of these luxury brand names. However, most merely recognised the brand's logo and knew little about other pertinent issues, such as product price range, category, country of origin, brand story, or even the correct pronunciation of the brand's name. For instance, Chi Yeung (M, 19) mispronounced the luxury fashion brand Chanel as "Channel," while Ming (F, 22) did not know that the "Red Heart Face" was an iconic logo for the luxury fashion brand COMME des GARÇONS. Being told that an authentic handbag from Louis Vuitton would cost thousands of dollars, Chun (M, 22) found this hard to accept.

Other informants argued that brand knowledge was important. For instance, Anson (M, 25) pointed out that luxury brands mean nothing if the consumers do not appreciate the brand value or design value. Luxury brand, in this sense, is not and should not be recognised solely by the price tag. The fashion, design, history of the brands, and the meanings are equally important to some fashion consumers. In summary, our findings show that young adults are sometimes victims of deceptive counterfeiting because of their brand illiteracy. However, as was revealed by the study participants, consumers are becoming "smarter" and sometimes view consuming fake goods as a new identity project once they have more exposure to the new "brandscape" (Sherry, 1998).

The Larkers

Some of our informants see counterfeit consumption as an innocent fun-seeking activity. They admitted to enjoying visiting counterfeit retailers and viewed hunting for those "look real" counterfeit goods a challenging game. Anson (M, 25) recalled that even some retailers failed to notice that his New Balance sneakers were fake:

> Anson (M, 25): I remember one time when I was walking in the shopping district (in Hong Kong). The lady owner of a retail shop (selling pop brands) walked out and told me [that] she can't find that New Balance model …. I didn't want to tell her I was wearing a pair of counterfeit sneakers therefore I lied to her and said the one is "made in USA." She really believed that and got back to her shop. I was very proud of my purchase since even the owner of the pop culture shop could not recognise my fake goods (laugh)! I share this story with my friends sometimes …

Our findings revealed that those who were shy to shop in retail stores selling counterfeit goods would move their hunting game online. For instance, Alison (F, 23) and Sam (M, 27) told us that they often visited *Taobao* to hunt for counterfeit goods:

> Alison (F, 23): My boyfriend once wanted to get a Porter-style shoulder bag but we did not want to spend a lot since we were not very rich at that time. We started searching [for] similar items on *Taobao* and we found some items [that] were not very "fake" from the photos. We don't mind whether people know we are using counterfeit products or not. As long as the product's quality is acceptable, I don't mind whether it is original or fake.

> Sam (M, 27): I got all my [counterfeit] goods from *Taobao* (the largest online shopping platform in China). I think spending less on clothing is correct. It will save money and I can get the similar things to use. The price [of counterfeit goods] is low and the quality is not too bad.

Our findings indicate that counterfeit goods are in general accepted by young Chinese consumers, provided that their appearance meets their needs. Consumers in this category usually have great knowledge of the genuine brands and the original designs and they know how to differentiate the counterfeit products from the originals. Many of them would showcase their "trophies" on social media. Sometimes they mixed-and-matched the genuine with the counterfeit goods and challenged their peers to guess whether their products are authentic or not.

Analysis of the interview data further revealed that young consumers sometimes purchased counterfeit goods as gifts. For example, Michelle (F, 23) purchased a fake LAMY fountain pen for her boyfriend. As she was an exchange student in Germany at that time, her budget was very tight. Susan (F, 29), on the other hand, felt that purchasing a fake LV handbag for her grandmother was a very good

choice. She said that, her grandmother could show off the nice-looking handbag to other senior friends and boast about her granddaughter's generosity.

In summary, the Larkers are more concerned about the image and the overall appearance and enjoy the fun associated with attempting to confuse others, if not convince them that their possessions are originals. At the same time, they feel that counterfeit goods that look good and seem to be of good quality would be ideal gifts for people with tight budget. These findings extend those reported in extant literature on the usage of counterfeit goods. Instead of pretending to be luxury consumers, we demonstrated that the larkers engage in counterfeit consumption for amusement and fun.

Anti-corporate Activists

The anti-corporate activists identified in this study usually view consuming counterfeit products as a rebellious activity. They believe that the marketplace is monopolised by a small number of global brands that undermine competition and fair pricing. Counterfeit products are morally acceptable for this group of consumers, as they value the functional attributes associated with their purchases more than the meanings conveyed by the brands. Anson (M, 25), for instance, compared the highly priced sportswear with the luxury branded products:

> Anson (M, 25): Some sports brands are focusing on high technology. Sportswear emphasises functionality and performance. However, many luxury brands are selling "image" instead of function. Therefore, I don't think I need to pay a lot to purchase their products.

It is obvious that Anson values functionality and quality of the products more than the sense of luxury associated with brand purchases. This view is not uncommon among the Chinese youth. Indeed, many of our informants shared that they prefer stylish outfits to high-priced products. It is also worth noting that some "good" counterfeit goods are not cheap. Some informants expressed that the price of the "AA-quality" (a common reference to the best quality) counterfeit goods could be as high as one-third of the price of the original. While previous studies showed that consumers generally perceive counterfeit goods with low prices and inferior quality (Gentry *et al.*, 2006), our findings suggest that the counterfeit "industry" is advancing and is improving the quality of their offerings, with commensurate increase in their cost.

Some of our informants expressed that they "support" counterfeit products since they want to voice their disapproval of over-priced poorly designed products and problematic marketing strategies, such as planned obsolescence and mass production. Michelle (F, 23), for instance, addressed the "disposable" nature of fashion products. She said that, as she would wear some of the outfits once or twice only, she saw no need to spend thousands of dollars on purchasing the originals. Similarly, Anson kept challenging the high price of the brands:

> Anson (M, 25): I think that some brands are strategically pricing their products excessively high. For instance, I don't think [that] a Chanel handbag [is] worth five to six thousand dollars (USD) – unless you said this is an investment … I heard of people purchasing Rolex watches and Hermes handbags for investment. I, however, have never heard of a piece of clothing or other wardrobe items as being good investment – unless these were owned by some celebrities.

Anson, along with several other informants, openly supports counterfeit products. Some of the study participants expressed that they would not pay a high price for a piece of branded goods even if they have better income in the future.

Status Matchers

To many of our informants, the surge of counterfeit consumption also brought up social issues in their everyday lives. Susan (F, 29), for instance, argued that every consumer has the desire to live a good life. Consequently, purchasing counterfeit goods is not always wrong, and can be beneficial for the grassroots consumers:

> Susan (F, 29): I am not encouraging counterfeit consumption since I am also a creative agent (writer). At the same time, I understand that consumers, especially those at the grassroots, have the desire and expectations of better material life. For them, it may be hard to afford an original branded item … If the counterfeit goods can bring happiness to the grassroots, I don't think this is unethical…

Even though Susan agreed that consuming counterfeit goods did violate intellectual property, she condoned such practices in certain circumstances. For example, as many grassroots consumers cannot afford the high price of the original, she was of view that consuming counterfeit goods may potentially give them a sense of prestige, which is beneficial for their self-esteem.

Status matching is another theme that emerged from the interviews. Many young consumers believe that they are not the target group for the luxury brands because of their limited purchasing power. Therefore, they automatically assume that branded products used by young consumers are counterfeit. One of our informants, Si (F, 22), recalled how embarrassed she was when she thought one of her friends' Louis Vuitton bag was a fake:

> Si (F, 22): When I see a student carrying such an expensive bag, I immediately think that it is fake rather than real. (Researcher: How do you know?) It's just the way I perceive a person with my eyes and my understanding of how a student should look like…. The dark side of counterfeiting is that others may think that you are a showy person! We are students … and should behave as what we are…. We are not supposed to buy luxury things that we cannot

> afford…. If you buy a counterfeit product, people might think that you want to appear to be rich and are pursuing a materialistic lifestyle.

This experience was especially remarkable to Si. She believed that the way a person look and dress should conform to his or her current social status. In other words, a person's consumption choices should align with his/her social position to meet the social expectations (Lam *et al.*, 2010; Jiang and Cova, 2012). For these participants, the primary ethical concern in buying counterfeits was not the issue of disrespecting the original design or violating intellectual property rights, but the extent to which the social group to which they belonged had the same understanding of the brand. Si, for instance, has displayed a kind of social concern about the consumption of luxury goods. Her perception of counterfeiting was primarily based on her views of how a student should behave and dress. Lam *et al.* (2011) argued that the values and responsibilities associated with the social identities can become a force that legitimises consumption habits, the way that people dress and what they use. Yet, our findings revealed that consumers appropriate these cultural values in their consumption of counterfeits as "ethical" behaviour in the Chinese cultural context.

Discussion and Conclusion

In traditional Chinese culture, consuming luxury products was associated with being materialistic, showy, and extravagant, thereby contradicting the young consumers' social ideals of being prudent, humble, and filial students (Wong and Ahuvia, 1998). Some of our informants believed that, if they refuse to purchase luxury brands, they would be perceived as very ethical and socially responsible by their peers and family. Paradoxically, through the consumption of counterfeits, they perceived their style as in tune with the mainstream fashions, which allowed them to construct themselves as very fashion conscious and trendy. Some Chinese youngsters preferred to consume counterfeit goods as a kind of anti-corporate consumption behaviour.

Our informants also had their own interpretation of the aesthetic meanings of fashion brands, and appropriated these countervailing meanings (i.e., projecting a desired image using fake products) in their everyday consumption of counterfeits (Thompson and Haytko, 1997). Analysis of individual interview data revealed how these Chinese youngsters embodied a sense of aesthetic value through interpreting and appropriating cultural meanings in their "ethical" consumption of counterfeits (Joy and Sherry, 2003). Although most of the Chinese informants did not demonstrate strong brand preferences in their consumption of fashion and clothing, they were nonetheless interested in pursuing fashion trends and looking stylish.

Our informants expressed a kind of teleological concern in defining ethical consumerism (Hunt and Vitell, 1986). It is certainly true that they cared more about the results than about the process of consumption. The sense of ethical consumption was therefore re-articulated in the Chinese cultural context and constituted a moralistic consumer identity. To become ethical consumers, the Chinese youngsters ascribed moralistic meanings to the consumption of counterfeits by placing a great deal of

emphasis on meeting social expectations and conforming to social norms. The definition of a specific consumption practice as ethical or not was found to be inseparable from how Chinese consumers understand the self/other relationship (Joy *et al.*, 2010).

While findings reported in pertinent literature suggest that Chinese consumers engage in the consumption of counterfeit goods because they are rational buyers who seek to maximise their benefits at a lower cost, our study contributes a societal dimension to the phenomenon. In the eyes of our young informants, buying fake products can be much more ethical than purchasing luxury goods in constructing a moralistic consumer identity, since it demonstrates a sense of prudence. Most of the youth that took part in the present study refused to spend too much money on personal items. Thus, they viewed price as a form of cultural knowledge in defining ethical consumption. The informants cared more about how much money they spent on clothing and branded goods than about whether what they bought was real or not.

To a certain extent, hedonic consumption was frowned upon, since a good student and responsible son or daughter should concentrate on his/her studies, in accordance with traditional Confucian beliefs on social relations (Wong *et al.*, 2012). Most of the informants were happy with their counterfeit products, since they equated buying fakes and thereby spending less on personal pleasures and enjoyment with being a moral consumer. Interestingly, with the small amount of disposable income, many focused on the style, quality (i.e., colour, comfort, and durability), and price of the products, while being less concerned with the brand images and names. This further shows how our Chinese informants ascribed moral meanings to their consumption of counterfeits and considered the consumption of luxury brands as ethically inappropriate for them.

While Eckhardt *et al.* (2010) posited that shopping for counterfeit goods can be an ordinary part of everyday life in China, it should be pointed out that some of the Chinese consumers that took part in the present investigation had a very weak knowledge and understanding of luxury brands. Therefore, they unwittingly engaged in deceptive counterfeiting consumption. For counterfeit consumers, the fake goods have become material objects for constructing new identity markers and discourses. In this article, we demonstrated how the idea of using counterfeit goods was accepted and legitimised among Chinese consumers in everyday social settings.

Consumer moralism unfolds in different socio-cultural contexts, where individual consumers may develop their own moralistic interpretations, attributions, and distinctions of ethical issues from a multifaceted spectrum of cultural meanings and different forms of moralistic consumer identity projects (Luedicke *et al.*, 2010). While the consumption of counterfeit products is often regarded as unethical consumption behaviour in breach of intellectual property rights and an offense to the original design work, the moral meaning of the consumption of counterfeits is re-signified as something ethical in the Chinese cultural context. We see how Chinese consumers appropriate moralistic meanings to this purchasing practice to assert their social position and meet socio-cultural norms and expectations. Thus, it is crucial for brand managers and marketers to consider the beliefs and cultural assumptions of morality as revealed in the consumers' narratives of their consumption of counterfeits.

In conclusion, our findings suggest that Chinese youngsters may lack the awareness of intellectual property protection. However, it is more pertinent to address the argument that the consumption of counterfeits is re-signified as ethical behaviour in the Chinese context since it serves a societal function. This seemingly "unethical" consumption choice is a virtue in Chinese culture, as it signifies that they are conscious of the need (and obligation) to consume in accordance with one's social identity as a student, daughter/son, and youngster (Lam *et al*., 2011). Overshadowed by a strong sense of social orientation and the nuances of Chinese traditional values and institutional influences, the Chinese youngsters/students felt that buying luxury goods for hedonistic purposes was out of bounds, even if they could afford to do so. To a certain extent, in the eyes of the Chinese youngsters, buying fake brands is not about violating ethical standards; rather, it has been re-signified as a responsible consumption activity representing maturity, humbleness, and modesty. Following the discussion on consumer moralism put forth by Luedicke *et al.* (2010), Chinese consumers may existentially anchor their moral consumer identity in the Chinese system of moral beliefs, which are "mythically canonized as being inherently virtuous" (p. 1030). However, in the wake of globalisation, which has introduced different moral values and ideals, this self-serving rationale, sharing the debased cultural forms of aesthetic ideals, may undermine the moral authority as well as social order. While young consumers now find themselves liberated in their consumption of counterfeit fashion brands, the extent to which such ideological discourses about consumer moralism in China will change should a new order of power relationship emerge is still open to debate.

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