

**COUNTERFEIT PRODUCTS: A TRADEOFF BETWEEN
AWARENESS AND ABILITY TO DISTINGUISH BY
RURAL CONSUMERS OF NORTH GUJARAT**

Indra Meghrajani*

Preeti Pillai*

Abstract

Counterfeiting is viewed differently by different experts. From business perspective, the meaning of this term is unclear for two reasons: first, the definition rests on views about consumer perceptions; second, the attitude of the manufacturers towards availability of such products. Fake or counterfeiters are the imitations of main stream brands. They are the look-alikes or spell-alike of genuine products. The spread of the counterfeiters has grown globally in recent years. This research is important in Gujarat because there is an increasing availability of counterfeiters in its rural areas. The paper focuses on the preference of the consumers about the various available brands, their ability to differentiate between the genuine and the counterfeit products and intention of buying the counterfeit products with respect to skincare products in the villages of North Gujarat. A pilot study of the entire Gujarat was conducted and it was found that maximum counterfeit products were sold in the villages of North Gujarat. Therefore, this paper focuses on 10 villages of this region. The study tries to focus on the reason on the wide availability of counterfeiters.

Key Words: Rural markets, counterfeit products, skin care products, North Gujarat

* Assistant Professor- L.J. Institute of Management Studies, Ahmedabad

1. Introduction

Today the rural market offers a vast untapped potential. Development programs in the field of Agriculture and related activities such as health education, communication, rural electrification, Etc has created the awareness of the different available products in the urban markets. Rural India, which accounts for more than 70 per cent of the country's one billion population (according to the Census of India 2001), is not just witnessing an increase in its income but also in consumption and production. It is due to this revolution, rural marketing has emerged as a special marketing strategy, but often, rural marketing is confused with agricultural marketing.

Marketers have always been seeking fresh challenges and exploring wide markets for attracting more and more customers towards their products. New varieties of products are specially designed for rural markets. Price cuts, lucrative schemes, appealing advertisements and logistical Support by way of e-choupals and rural malls have affected rural consumers in a substantial way. In this study the focus has been aimed on the rural villages of North Gujarat because this region was found backward in many terms. Some villages were not even electrified. The villages of North Gujarat are found to be less fertile in terms of crop farming and they do not engage in cattle farming as well, due to which, many people travel to other places to earn a living.

The present study aims at finding villagers brand preference of the selected product categories, their awareness of the various brands and the ability to distinguish between the genuine and counterfeit products in the selected categories. Are the consumers unaware of the original products or are retailers influencing the rural consumers to buy these counterfeit products or may be the consumers are intentionally demanding these products. The growth in counterfeiting has a huge impact on the manufacturers of genuine products. The sale of counterfeit products, in FMCG, represents a serious threat to both the manufacturers of the legitimate products and the welfare of the consumers who purchase fake.

2. Literature Review

In India the marketing scenario has changed with the policies of market liberalization after 1990. Most of the rural markets in India were till now virgin in nature, but have opened for numerous packaged product categories in the last few years (Bijapurkar, Rama 2000).

According to an ORG-Marg, there are as many as 113 look-alike fairness creams that are distributed in the rural market. According to HLL, nearly five per cent of the total market for Fair & Lovely has been taken away by the fake products. About 60 to 70 per cent of the total spurious products that are distributed in the market are manufactured in Delhi alone

The production and sale of fake products or counterfeiters, which seem identical to the original product, have spread across the globe at a startling rate. Preferred targets of counterfeiters are products which carry a high brand image and require a relatively simple production technology, such as wearing apparel, consumer electronics, media, cigarettes, watches and toys (International Anti Counterfeiting Coalition, 2002). Manufacturers of the original products are well aware of these developments and leave no opportunity available to limit damages to their company's brand reputation and income (e.g., Green & Smith, 2002; Kay, 1990; Nash, 1989; Wee, Tan, & Cheok, 1995), but how successful these companies have been in stopping the counterfeiters is yet to be understood.

The customers by buying these counterfeit products get the prestige of the branded products without paying for it (Cordell et al., 1996; Grossman & Shapiro, 1988). Rural consumers are brand loyal and understand symbols better. The rural audience has matured enough to understand the communication developed for the urban markets, especially with reference to FMCG products (Kannan, 2001). Meghrajani (2012) studied the influence of the retailers on the rural consumers and the consumers trust on the retailers made them to purchase a particular brand or product.

2.1 Objectives of the Study

An attempt is made in this study to undertake an in-depth enquiry into the preference of rural consumers with regard to select categories of the FMCGs and their awareness towards the counterfeit products. The objectives include

- a) To study the brand preference of the consumers towards the selected product category from the selected villages
- b) To study the relationship between demographic variables and preference for selected product category
- c) To study the trade-off between awareness and ability of the consumers to differentiate between the genuine and counterfeit brands.

3. Methodology

The data on the brand preference in the rural area is scant. A major portion of the data is generated from primary sources through field study. Sample of 385 consumers through proportion formula was selected from North Gujarat. Random sampling method is adopted to collect the data. For the purpose of collecting relevant primary data, a structured questionnaire (see Appendix) was prepared and administered to the sample respondents who were also interviewed. Hence, in this paper, mainly an attempt is made to analyze the characteristics of rural respondents in terms of villagers brand preference of the selected product categories, their awareness of the various brands and the ability to distinguish between the genuine and counterfeit products in the selected categories and the influence of the retailer in selling the counterfeiters.

3.1 Determination of sample:

The method used for the sample size from proportion to estimate exact sample size.

$$S = \frac{Z^2 P (1-P)}{d^2} = \frac{(1.96)^2 0.5(0.5)}{(0.05)^2} = 385 \text{ customers.}$$

Following are the values for the equation

Z= Z VALUE = 1.96

P = Proportion value (0.5)

d= Precision Level = 0.05

4. Data Analysis

4.1 Break-up of the sample population

Table - 1

		Frequency	Percent (%)
Gender	Male	197	51.2
	Female	188	48.8
Age (In Years)	18-25	53	13.8
	26-35	147	38.2
	36-45	127	33.2
	Above 45	58	15.1
Qualification	Nil	54	14
	Less than 8 th	118	30.6
	Upto 8 th	135	35.1
	SSLC	70	18.2
	HSC	8	2.1
	Graduate	0	0
	Post-Graduate	0	0
	Ph.D.	0	0

Occupation	Working	261	67.8
	Unemployed	124	32.2
Monthly Income (Rs.)	Less than 5000	5	1.3
	5001 - 8000	99	25.7
	8001 - 15000	174	45.2
	More than 15001	107	27.8

(Source- Primary study)

4.2 Hypothesis Testing

H1: There is significant relationship between income and preference for different brands of soaps

Table-2

Brands of Soap	p-value	Value	Result
Hamam	0.00	< 0.05	not accept H0
Dove	0.03	< 0.05	not accept H0
Lux	0.01	< 0.05	not accept H0
Cinthol	0.00	< 0.05	not accept H0
Lifebuoy	0.025	< 0.05	not accept H0

(Source- Compilation from SPSS output)

From the above table it can be observed that for all the brands of soaps, the p-value is less than 0.05 which means that there is significant relationship of income with preference for different brands of soap. This can be so because consumers will prefer a brand of soap according to his/her income level.

H2: There is no significant relationship between age and preference for different brands of face cream

Table-3

Brands of Face Cream	Sig. value	Alpha value	Result
Himalaya	0.335	> 0.05	accept H0
Fair & Lovely	0.090	> 0.05	accept H0
Fairever	0.085	> 0.05	accept H0
Ponds	0.000	< 0.05	not accept H0
Lakme	0.025	< 0.05	not accept H0

(Source- Compilation from SPSS output)

From the above Anova analysis it is observed that there is no relationship between age and preference for different brands of face cream with respect to Himalaya, Fair & Lovely and Fairever. These brands are preferred by the age group of 18-25 and 25-35. In case of Ponds and Lakme, it is dependent upon age of the consumer as the age groups of 36-45 and above 45 prefer these brands.

H3: There is no significant relationship between gender and preference for different brands of talcum powder

Table-4

Brands of Talcum Powder	p-value	Value	Result
Ponds	0.000	< 0.05	not accept H0
Gokulsanthol	0.000	< 0.05	not accept H0
Cinthol	0.000	< 0.05	not accept H0
Nycil	0.006	< 0.05	not accept H0
Cuticura	0.000	< 0.05	not accept H0

(Source- Compilation from SPSS output)

It has been observed that preference for brands of talcum powder is dependent upon the gender of the consumer as the p-value is less than 0.05. This shows that preference made by both males and females is different in case of talcum powder.

4.3 Trade Off between awareness and ability

Table-5

	Able	Unable
Aware	5.0%	70.0%
Unaware	1.0%	25.0%

(Source- Compilation from SPSS output)

It can be seen from the above table that 75% respondents are aware about the availability of the counterfeit products but only 5% have the ability to differentiate between the counterfeit product and original product. This can be so because the counterfeit products are look-alikes and spell-alike of the original brands which make it difficult for differentiation.

5. Conclusion

The study explores the preference of rural consumers towards branded FMCG with special reference to skin care products. It was found that preference for branded soaps depends on the income of the consumer. In case of face cream, age group of 18-35 preferred brands like Himalaya, Fair & Lovely and Fairever due to the natural content or fairness. And for talcum powder, preference of males and females vary, but it is the same for different age groups. Thus, it can be concluded that if the marketers want the skin care products to be preferred or used by the rural consumers, they need to be informed well about the benefits of the products.

The study also explores the level of consumers' awareness about counterfeit products and ability to differentiate original with counterfeiters. Since majority of the respondents are aware about the availability of counterfeiters but a very small number have the capability to differentiate between the original and the counterfeiters. This is because of the look alikes and the spell alikes which makes it difficult for the consumers to differentiate. The awareness could be due to various sources of information available such as television, village fairs, radio, newspapers, retailers, etc, but the availability depends on the distribution channel. The consumers purchase these counterfeiters products because of non- availability of branded products and their high price. Further studies can be carried out to understand the distribution channel of the counterfeiters.

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