Gen Z Insights: 
Brands and Counterfeit Products
Acknowledgements

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Insight Strategy Group

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Executive Summary: Methodology

- Gen Z is a cohort of individuals born from 1995 to 2010. The members of this generation are digital natives. Reports have shown that by 2020, Gen Z will comprise the most significant number of consumers globally making it critical for brand professionals to understand the relationship between Gen Z and brands, Gen Z’s attitudes towards counterfeit products, and the importance of different considerations in influencing their purchase behavior of counterfeit products.

- The study focuses on Gen Zers between 18 and 23 years of age in 10 countries: Argentina, China, India, Indonesia, Italy, Japan, Mexico, Nigeria, Russia, and the United States. Multiple factors went into selecting these countries including the population size of Gen Z in specific countries, the prevalence of counterfeit goods in those countries, and the level of economic development in the country.

- The study was conducted in two phases. Between August and September 2018, thirty respondents from Argentina, India, Russia, and the United States participated in the Virtual Qualitative Phase. Respondents were asked to complete three days’ worth of activities online. The findings of this initial phase helped shape the second Quantitative Phase which comprised of a 25-minute online survey. This second phase was conducted in all 10 countries during November 2018 and have more than 4500 respondents in total. The survey was open to respondents for approximately two weeks in each country. In both the Virtual Qualitative and Quantitative Phases, research instruments were always translated into the local languages when necessary.
Executive Summary: Key Findings

- Gen Z’s generational identity is defined by three characteristics: individuality, morality, and flexibility.
- 92% say it is important to always be true to who they are.
- 89% say they determine their own moral code.
- 91% are open to changing their views based on new things they learn.
- 81% feel that the brand name is not as important as how the product fits their needs.
- 85% believe that brands should aim to do good in the world.
- 85% have at least heard of intellectual property rights.
- The countries with the largest percentages of Gen Zers who have any knowledge of IP rights are China, Japan, Russia, and India.
- 87% of those who have at least heard of intellectual property rights in all 10 countries believe IP rights are equally important or more important than physical property rights.
- 93% have a lot of respect for people’s ideas and creations.
- 80% believe that fake products are sold everywhere.
Executive Summary: Key Findings

• Gen Z’s top two influences when it comes to forming opinions about fakes are their income and their morals with income beating morals by 10%.

• Gen Zers are most morally opposed to purchasing counterfeit products in Japan, Nigeria, and Italy.

• Three in five Gen Zers feel they cannot afford the lifestyle they want.

• 79% have purchased counterfeit products in the past year.

• The two most commonly purchased counterfeit products are apparel and shoes & accessories.

• When asked about benefits of purchasing counterfeit products, 57% say they can only afford the fake version of some brands.

• When asked about barriers to purchasing counterfeit products, 81% say that fake products are unsafe.

• 52% expect to purchase fewer counterfeit products in the future.

• The top drivers which would change Gen Zers’ attitudes about counterfeit products are: if the product is dangerous or bad for their health, if money spent on fake products goes towards organized crime, and if fake products are bad for the environment.

• Gen Z’s top three credible sources for learning about the topic of counterfeiting are: brands’ creators or employees, media personalities, and social media influencers.
Executive Summary: Limitations

The research has the following limitations:

• The study is limited to respondents from only 10 countries due to cost restraints. Nevertheless, in order to have a global perspective, countries from different regions with varying levels of economic development were selected.

• The study is limited to only eight industries. Due to the scope of the study, an exhaustive list of industries could not be included. However, the industries included are ones known to be prevalent in the counterfeit market and ones that are relevant to Gen Z.

• The sample size in Nigeria is limited due to the feasibility of conducting this type of research in the country. The global figures were calculated so that each country was weighed equally.
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Objectives and Methodology

What we did and how we got there
Research objectives

#1 Explore the relationship between Gen Z and brands

#2 Understand Gen Z’s attitudes and perceptions of counterfeit products

#3 Unpack the importance of different considerations influencing their purchase of counterfeit products
Methodology

Virtual Qualitative: Gen Z Portraits

Phase one of the study, conducted in August/September 2018, involved developing Virtual Qualitative Portraits of Gen Z. Gen Z is characterized by those who are born between the years 1995 and 2010. Our focus for this study was Gen Z on the older end (i.e., those who are 18-23 years old at the time of the survey). Details on the qualitative methodology are set out below:

- Thirty Gen Zers within the ages of 18-23 from Argentina, India, Russia, and the United States participated in the virtual qualitative phase.
- Respondents were asked to complete three days’ worth of activities on a smartphone and web-enabled platform. A virtual approach was chosen to enable Gen Z to interact with the researchers authentically on devices of their choosing, and seamlessly upload pictures and selfie videos throughout their day.
- Two exceptional respondents* in each market were selected for follow-up Virtual Video Chats.
- Gen Zers were selected based on their engagement with the counterfeit category: “have bought fake”, “considered purchasing a fake product but did not” and “haven’t bought a fake product and wouldn’t consider” — see table below:

<table>
<thead>
<tr>
<th>Gen Z (18-23) Subsets</th>
<th>Argentina</th>
<th>India</th>
<th>Russia</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have bought a fake product</td>
<td>n=4</td>
<td>n=3</td>
<td>n=2</td>
<td>n=2</td>
</tr>
<tr>
<td>Considered purchasing a fake product but did not</td>
<td>n=2</td>
<td>n=3</td>
<td>n=3</td>
<td>n=3</td>
</tr>
<tr>
<td>Haven’t bought a fake product and wouldn’t consider</td>
<td>n=2</td>
<td>n=2</td>
<td>n=2</td>
<td>n=3</td>
</tr>
<tr>
<td>Total # respondents in each market</td>
<td>N = 8</td>
<td>N = 8</td>
<td>N = 7</td>
<td>N = 7</td>
</tr>
</tbody>
</table>

TOTAL N = 30

*Note: Exceptional respondents in each market were chosen because they had articulate responses in the virtual phase and eloquently expressed differing viewpoints on the ethics of counterfeit products.

In our qualitative explorations, we defined “fake products” as “products that are designed to look like a certain brand but that are not actually made from that brand.”
Methodology

Virtual Qualitative: Gen Z Portraits

Respondents logged in to the virtual platform throughout their day to complete activities and answer probes from the moderators in their native language. Here are some virtual exercises they did:

**Day one** focused on how Gen Zers express their identities and the role that brands play in who they are. Respondents created “identity webs” (see image), mapping out aspects of themselves and brands they use to express those aspects.

![Respondent identity web, day one virtual qualitative study](image)

**Day two** dove into how Gen Zers define products in the counterfeit space and which factors influenced their purchase decisions, as respondents made video blogs discussing their experiences with counterfeit products.

![Respondents provided us images of what they consider to be counterfeit products and why](image)

**Day three** pinpointed the underlying drivers and ethical considerations behind Gen Z’s attitudes towards counterfeit products through fill-in-the-blank exercises and selfie videos.

![Respondents record selfie videos describing their thoughts about the ethics of counterfeit products](image)

In our qualitative explorations, we defined “fake products” as “products that are designed to look like a certain brand but that are not actually made from that brand.”
Methodology

Quantitative: Global Gen Z Authority Online Survey

After the Virtual Qualitative phase, a 25-minute online survey was conducted with 4,500+ Gen Z respondents across ten countries in November 2018. All 4,500+ respondents responded that they had come across fake products when thinking about the variety of goods sold out there*. The survey was completed in each country within approximately two weeks. The purpose of this survey was to robustly understand Gen Z’s relationship with brands and counterfeits and the importance of different considerations influencing their purchase of counterfeit products.

Sample Details:

<table>
<thead>
<tr>
<th>Country</th>
<th>Argentina</th>
<th>China</th>
<th>India</th>
<th>Indonesia</th>
<th>Italy</th>
<th>Japan</th>
<th>Mexico</th>
<th>Nigeria</th>
<th>Russia</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females 18-23</td>
<td>N=199</td>
<td>N=201</td>
<td>N=206</td>
<td>N=200</td>
<td>N=200</td>
<td>N=200</td>
<td>N=101</td>
<td>N=200</td>
<td>N=200</td>
<td>N=625</td>
</tr>
<tr>
<td>Country Totals</td>
<td>N=401</td>
<td>N=403</td>
<td>N=406</td>
<td>N=400</td>
<td>N=400</td>
<td>N=400</td>
<td>N=252</td>
<td>N=400</td>
<td>N=400</td>
<td>N=1250</td>
</tr>
<tr>
<td>TOTAL</td>
<td>N=4712</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In our quantitative explorations, we defined “fake products” as “an exact imitation of a brand’s product and its packaging”

*Respondents who qualified to the study selected “Fake products” in response to the following question: When thinking about the variety of goods being sold out there, which of the following have you come across?
Methodology

Quantitative: Global Gen Z Authority Online Survey

Sample and analysis call outs:

Sample Size Details
- The larger sample size from the United States market allowed for more in-depth demographic analyses of the data, providing more intricate and nuanced assessments of Gen Z’s behaviors. This larger sample size is a common industry practice.
- Due to limited sampling feasibility in Nigeria’s market, the sample size is smaller than other markets.

Analysis Details
- The figures in this report reflect a global average, unless otherwise specified. To account for differences in sample size across countries and to not skew the results, the global average was created by giving each country an equal weight, regardless of country sample size. This approach ensured that the global average was not biased towards countries with larger sample sizes.
- Differences called out in the report among countries or audiences are marked with a +/-% difference against the overall global average unless specified otherwise.
- Rounding errors may occur that cause ±1% discrepancy.
- Margins of error are between 2.8% and 6.2%.
Gen Z’s generational identity

Individuality, morality, flexibility

Photo Credit: McKinsey, “Girls taking a selfie at a rooftop” – November 12, 2018
Gen Zers are digitally native and turn to a variety of information sources for learning.

<table>
<thead>
<tr>
<th>Information Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online (e.g., Google)</td>
<td>71%</td>
</tr>
<tr>
<td>On YouTube (e.g., how-to videos, vlogs)</td>
<td>48%</td>
</tr>
<tr>
<td>From social media (e.g., influencers)</td>
<td>36%</td>
</tr>
<tr>
<td>From their friends</td>
<td>30%</td>
</tr>
<tr>
<td>By watching TV (e.g., live, broadcast, streaming)</td>
<td>27%</td>
</tr>
<tr>
<td>By reading newspapers or books</td>
<td>27%</td>
</tr>
<tr>
<td>In school</td>
<td>26%</td>
</tr>
<tr>
<td>By talking to family</td>
<td>23%</td>
</tr>
<tr>
<td>By talking to people they know on social media</td>
<td>13%</td>
</tr>
</tbody>
</table>

Learn about things…

Photo Credit: Robbin Worral, “Endlessly Scrolling” – July 23, 2018
Gen Z’s top stated values represent three defining characteristics of this generation:

1. **Individuality** (Staying true to myself)
   
   “[I am] my own person, not worried about what others think.”
   —Female, 18

2. **Morality** (Doing what’s right)
   
   “Honesty is a fundamental pillar for anything regardless of the situation, as well as responsibility.”
   —Male, 19

3. **Flexibility** (Being open-minded)
   
   “If you go with the flow, whatever comes to your plate—you take that.”
   —Male, 23

Values. Which of the following values are most important to you? Please select your top 3.
**Individuality:** As a generation, Gen Z has a strong sense of self, which generally holds true across cultures/markets.

92% say it’s important to always be true to who they are…

“I’m very self-expressive and I never hide who I am.”
—Female, 21

“I check if any of my friends have the same thing. I prefer to stand out among my friends.”
—Male, 23

75% would rather stand out than fit in with others.

**Japan** is the exception—standing out matters less.

Only 36% would rather stand out than fit in.
Morality: Gen Zers aspire to maintain a strong moral code, which is both internally driven and a product of their upbringing.

“For example, when you study a career, it’s key to be responsible and honest even with oneself. I believe the best thing is to do things right.”
—Male, 19

89% say they determine their own moral code
85% are guided by values they’ve learned from their family
76% prioritize being an ethical shopper

Psychographics. Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]
Flexibility: They see their identity as an evolving “work-in-progress” and are figuring out who they are as adults

91% are open to changing their views based on new things they learn

88% feel like their core values have been evolving over time

77% are still figuring out who they want to be

“When I got to college I saw different types of people. I was pretty sheltered before college. I saw different personalities and I just experienced freedom. So, I finally had a chance to make decisions on my own.”
—Female, 22

United States

Psychographics. Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]
These values influence how Gen Z engages with brands
Gen Z’s relationship with brands:

*My brand tops your brand*

Photo Credit: Kevin Grieve, "Cool headphones.." – August 13, 2018
For most Gen Zers, how a brand’s products fit their needs matters more than brand names themselves.

62% say the brand name is *somewhat important* or *very important*—with some differences by market...

<table>
<thead>
<tr>
<th>Country</th>
<th>Brand name is <strong>more important</strong> in...</th>
<th>Brand name is <strong>less important</strong> in...</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>+20%</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>+11%</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>-14%</td>
<td></td>
</tr>
</tbody>
</table>

...but 81% feel that the brand name isn’t as important as how the product fits their needs.

“I need something that can adapt itself to my lifestyle, to my everyday life. I look for those kind of products.”

—Male, 19

*BrandAttitudes*. Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]

*BrandImportance*. When you decide what to purchase, how important is the brand name? [% Very important + % Somewhat important]
Brands serve as an extension and a reflection of Gen Z’s individual identity

80% say it’s more important for a brand to fit their style than what the brand means to others…

76% think that they use popular brands in their own unique way

“I have never been a huge [big] name brand individual. I focus more on if the brand works for me and is inclusive rather than the name [of the brand].”
—Female, 22

Brand Attitudes. Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]
Brand Importance: When you decide what to purchase, how important is the brand name?
In most markets, Gen Z cares more about **individuality** than social identity when choosing brands.

Only 42% look to their friends when deciding what to buy…

> “The reason I had been so enamored with wearing brand names [before] was because I thought that others would be impressed. [Now], I’ve realized that others’ thoughts of me should not dictate my own actions…. I should find happiness in what I think of myself.”
> —Male, 19

…and even fewer—

35%—tend to buy the same brands as their friends

> “I never wait for approval from my friends in such things. I can dress or buy something that cannot be liked by everyone and I will not be embarrassed.”
> —Female, 21

However, Gen Z in Indonesia has an elevated sense of social identity:

+30% more likely to say that they look to their friends to keep up with what’s current

+32% more likely to say that others look to them to decide to what’s current

---

**Brand Attitudes.** Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]

**Psychographics.** Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]
Gen Z expects brands to align with and reinforce their own morals and values

86% think that brands should be accessible to all…

…and

85% believe that brands should aim to do good in the world

“I consider the brand Nike to be incredibly stylish—they have long been associated with style for everyone, and really accessible.”
—Female, 18

“There are tons of brands that I love, but true admiration comes from companies that are ‘doing well while doing good.’”
—Female, 20

BrandAttitudes. Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]
Gen Z’s relationship with counterfeit products:

A case of “situational morality”
Overall, Gen Z has a working knowledge of intellectual property (IP) rights, and those with this awareness see IP rights as equally important as physical property rights.

**Assessment of personal knowledge of IP rights**

- 44% have a basic knowledge
- 32% know very little
- 15% never heard of it
- 9% know a lot

**Of those who know at least “very little” about IP rights…**

- 70% say that intellectual property rights are equally as important as physical property rights
- 17% say that intellectual property rights are more important than physical property rights
- 12% say physical property rights are more important than intellectual property rights
In principle, Gen Z has strong respect for the value of people’s ideas and creations, and this ideal extends into the brand space.

93% have a lot of respect for people’s ideas and creations...

...and 74% think it’s important to buy genuine products.

“I appreciate if it’s an original idea and not copied from something for whatever reasons.” —Female, 20

“I admire all the hard work brands put into selling admirable products and items.” —Female, 20

Psychographics. Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]

Counterfeit Attitudes. Please indicate how much you agree or disagree with each of the following as it relates to fake products and their purchase/sale. [% Strongly Agree + % Somewhat Agree]
In practice, Gen Zers live in a world where the sale of counterfeit products is ubiquitous, thus their ideals are tested by the reality of their surroundings.

80% Believe that fake products are sold everywhere

Gen Z commonly see them being sold...

71% by street vendors
53% on online marketplaces
47% at local marketplaces (where vendors gather together)

“I have seen lots of fake products of brands—they are popular in the marketplace. Every product has its copy.”
—Male, 22

CounterfeitAttitudes. Please indicate how much you agree or disagree with each of the following as it relates to fake products and their purchase/sale. [% Strongly Agree + % Somewhat Agree]

PlaceSeen. Thinking about fake products, where do you usually see them offered/sold? Please select all that apply.

Photo Credit: Artem Bali, “Women choosing bijouterie in the store” – February 24, 2018
An internal conflict is created by Gen Z’s values and their practical considerations

Gen Z's top two influences when it comes to forming opinions about fake products:

- **My morals**: 37%
- **My income**: 47%

When Gen Zers consider their income against their morals, income wins. Morals are still stated as an important influence, but secondary to their income. The income of Gen Zers might be pushing them towards purchasing counterfeit products, as over three in five Gen Z respondents said they don’t feel like they can afford the lifestyle that they want.

“I first consider the price and then, if the price is convincing, then I take a look at the product.”
—Female, 23

“My opinion? You can and should buy fake products when you are a student.”
—Male, 21

Photo Credit: Hannah Grace, “You are beautiful” – September 21, 2017

Influences Counterfeit. Which of the following would you consider to be the biggest influences when it comes to forming your opinions about fake products? Please select up to 3.

Psychographics. Please indicate how much you agree or disagree with each of the following. [% Strongly Agree + % Somewhat Agree]
Almost half of Gen Z is morally opposed to purchasing counterfeit products, while many see the act as morally ambiguous.

“I have a liberal worldview in that sense – if you think it’s ok to buy non-original sneakers, you are free to do so. I am not going to judge you.” —Male, 19

<table>
<thead>
<tr>
<th></th>
<th>Argentina</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>17% more likely to say it depends</td>
<td>17% more likely to say it’s not okay</td>
<td></td>
</tr>
</tbody>
</table>

When asked whether the purchase of products is okay, Gen Z said…

- **AGAINST** purchasing fakes: 48% (I don’t think it’s okay or it’s totally not okay)
- **FOR** purchasing fakes: 13% (I think it’s okay or it’s totally okay)
- **UNSURE** about purchasing fakes: 39% (Whether it’s right or wrong depends on the situation)

**EthicsA.** Which of the following best describes how you feel about buying fake products in general?
Gen Zers often apply a lens of situational morality to their purchase decisions, and practical considerations can overtake moral ideals.

Using situational morality, Gen Zers are able to rationalize the purchase of fake products, despite its dissonance with their ideal moral code; in these instances, they apply a flexible sensibility towards their moral code.

Within the past year, 79% of Gen Zers have purchased fake products from a counterfeit industry*

*on an “at least rarely” basis

FrequencyQ. Within the past year, how often did you purchase fake products within each of the following categories? Never purchaser defined as respondents who “never” purchased fake products in the past year; light purchaser defined as respondents who “rarely” or “occasionally” purchased fake products in the past year; heavy purchasers defined as respondents who “frequently” purchased or purchased fake products “all the time” in the past year.
Gen Z is most engaged with counterfeit apparel and shoes & accessories

Gen Z has high awareness of all of the counterfeit industries* we explored, showing the ubiquitous nature of counterfeit products.

Of all Gen Zers in our sample…

<table>
<thead>
<tr>
<th>Industry</th>
<th>Aware of…</th>
<th>Have seen counterfeit being sold…</th>
<th>Occasional, frequent, or “all the time” purchase</th>
<th>Frequent or “all the time” purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>97%</td>
<td>91%</td>
<td>37%</td>
<td>16%</td>
</tr>
<tr>
<td>Shoes &amp; accessories</td>
<td>98%</td>
<td>92%</td>
<td>34%</td>
<td>15%</td>
</tr>
<tr>
<td>Sporting goods (apparel and merchandise)</td>
<td>96%</td>
<td>88%</td>
<td>27%</td>
<td>11%</td>
</tr>
<tr>
<td>Beauty &amp; cosmetics</td>
<td>90%</td>
<td>74%</td>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td>Consumer electronics</td>
<td>94%</td>
<td>81%</td>
<td>21%</td>
<td>9%</td>
</tr>
<tr>
<td>Food and beverages</td>
<td>78%</td>
<td>59%</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>Toys</td>
<td>89%</td>
<td>76%</td>
<td>17%</td>
<td>7%</td>
</tr>
<tr>
<td>Personal care</td>
<td>74%</td>
<td>58%</td>
<td>16%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Note: the table above illustrates Gen Z’s engagement with each counterfeit industry* tested in the survey. The figures show a recalculated from all Gen Z respondents in the sample.

Counterfeit products ultimately constitute a smaller percentage of Gen Z’s overall spending across all industries. Of Gen Z participants who purchased counterfeit products at all, on average, 45% allocate less than 10% of their spending to counterfeit products.

*The counterfeit industries explored were selected from an initial recommended category list provided by the research team refined by input from INTA’s representative offices that identified which categories had high instances of counterfeiting and were present/represented across markets.

Exposure: How often do you usually see the following categories of fake products being sold?

FrequencyQ: Within the past year, how often did you purchase fake products within each of the following categories? [Note: FrequencyQ was only asked for categories respondents at least “rarely see”]

Spend: Of all the money you’ve spent on products in each category within the past year, what percentage would you say you’ve spent on fake products? Your best guess is totally fine! [Note: Spend was only asked for categories respondents purchase at least “rarely”]

*The counterfeit industries explored were selected from an initial recommended category list provided by the research team refined by input from INTA’s representative offices that identified which categories had high instances of counterfeiting and were present/represented across markets.
Social acceptance can somewhat normalize behavior, although there are a few exceptions to this trend

While Gen Z is a generally individualistic generation, social norms can still influence behaviors towards counterfeit purchases.

Horizontal axis: % somewhat or strongly agree with the statement: It's pretty normal and socially acceptable to buy fake products.
Vertical axis: % occasional purchase and higher from FrequencyQ. (Within the past year, how often did you purchase fake products within each of the following categories?). Note: occasional or higher usage was chosen to capture at least a moderate level of Gen Z engagement with counterfeit products in each country.
What drives Gen Z’s counterfeit purchase decisions?

The benefits and barriers of counterfeit products
Functional benefits like price and accessibility come to the forefront as reasons Gen Zers buy fake products

Their top three benefits overall (averaged across categories):

- **58%** say that fake products are easier/more convenient to find than genuine products
  
  "This is why fakes are fakes—they are easy to find—I just walk ten meters away from my house to buy them.” —Male, 19

- **57%** say they can only afford the fake version of some brands
  
  “A positive of fakes is that they’re way cheaper than actual real products. Some people may not be able to afford those real products so fake products gives them access to them.” —Male, 20

- **57%** think that their money benefits the seller* who’s making a living
  
  “I would support someone with a micro entrepreneurship. I would purchase goods from that person.” —Female, 23

**Fakes are even easier to find in...**

- Indonesia: +15%
- Russia: +11%

**Fakes are seen as even more affordable in...**

- Argentina: +9%
- Japan: +8%

**Varied levels of empathy towards sellers...**

- Indonesia: +9%
- Argentina: +8%
- Japan: -35%

*Note: “Seller” here refers to the seller of counterfeit goods

**Benefits.** How much do you agree with the following statements regarding why you might want to purchase fake products in the [hCatAssign] category? %Strongly Agree OR %Somewhat agree

Photo Credit: Dane Deaner, “Browsing the Market” – December 28, 2017
Heavy purchasers experience not only functional benefits, but also heightened **social** and **emotional** benefits from counterfeit products

Gen Zers stated that they mostly bought fake products in the last year for private use at home (60%); while private use is the top occasion for heavy purchasers as well, they have more appreciation for the extrinsic value that fake products provide.

Compared to light purchasers, heavy purchasers believe…

- **+14%**
  - …using a big brand’s product makes them look good even if it’s a fake product

- **+14%**
  - …buying fake products helps them express themselves through brands they usually can’t afford

- **+10%**
  - …fake products allow them to buy luxury brands they couldn’t otherwise afford

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**Occasions.** Which of the following best reflects the occasions for which you purchased fake products in the last year? Please select all that apply. [Note: Occasions was only asked for categories respondents purchase at least “rarely”) [Note: hCatAssign refers to the category which respondents were asked to answer for] **CounterfeitAttitudes.** Please indicate how much you agree or disagree with each of the following as it relates to fake products and their purchase/sale. [% Strongly Agree + % Somewhat Agree]
Gen Z’s top barriers to purchasing fake products are related to quality and safety concerns

Among their top barriers overall:

<table>
<thead>
<tr>
<th>% strongly agree</th>
<th>somewhat agree</th>
<th>somewhat agree</th>
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<tbody>
<tr>
<td>81%</td>
<td></td>
<td></td>
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<tr>
<td>say that fake products are unsafe</td>
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<tr>
<td>77%</td>
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<tr>
<td>believe that the quality of fake products is usually not good enough</td>
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</table>

More amplified for light purchasers

- Light purchasers are +5% more likely to agree (vs. heavy purchasers)
- Light purchasers are +6% more likely to agree (vs. heavy purchasers)

More of a concern in certain categories

- Gen Z is more likely to **strongly** agree that this is a barrier in...
  - Beauty & Cosmetics +7%
  - Consumer Electronics +4%
  - Consumer Electronics +5%

**Barriers.** How much do you agree with the following statements regarding why you might not want to purchase fake products in the [hCatAssign] category? [% strongly agree or % somewhat agree / % somewhat agree]
These amplified quality and safety concerns may be why the beauty and consumer electronics categories have lower purchase frequency

### Beauty & Cosmetics

<table>
<thead>
<tr>
<th></th>
<th>High awareness</th>
<th>Lower occasional purchase frequency</th>
</tr>
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<tbody>
<tr>
<td>Gen Z is less likely to risk facing bodily harms for fakes, as makeup products tend to draw skepticism as to whether the ingredients in the product are safe for use on the face.</td>
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</tbody>
</table>

> "The formula in let's say a certain brand of makeup could be extremely different from [the fakes] being sold to you, which is extremely dangerous because you may react to something in the fake formula."
> —Female, 20

### Consumer electronics

<table>
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<th></th>
<th>High awareness</th>
<th>Lower occasional purchase frequency</th>
</tr>
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<tbody>
<tr>
<td>Gen Z tends to avoid the purchase of counterfeit technology products because of the concern that they could be dangerous.</td>
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</table>

> "Where it is not totally acceptable is electronics, it can even be dangerous. There is a risk that something may explode."
> —Female, 21

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Exposure: How often do you usually see the following categories of fake products being sold?
Frequency Q: Within the past year, how often did you purchase fake products within each of the following categories? [Note: Frequency Q was only asked for categories respondents at least "rarely see"]
Gen Z’s appreciation for others’ hard work and ingenuity is also a top-of-mind barrier to purchase

It’s important to note that while these barriers exist, they can be superseded by circumstance and situational needs.

**Among their top barriers overall:**

- 80% say they’d rather purchase the genuine product
- 79% say there’s hard work that went into making the genuine product

**More amplified for light purchasers**

- Light purchasers are +10% more likely to agree (vs. heavy purchasers)

**Gen Z is more likely to **strongly** agree that this is a barrier in...**

- More of a concern in certain categories
  - Consumer Electronics: +4%
  - Beauty & Cosmetics: +4%

**Barriers.** How much do you agree with the following statements regarding why you might not want to purchase fake products in the [CatAssign] category? (% strongly agree or % somewhat agree / % somewhat agree)
Shifting Gen Z’s relationship with counterfeit products: 

*Potential factors and messengers of change*
While Gen Z is purchasing fake products now because of a variety of practical reasons; a majority aspire to purchase fewer fakes in the future.

The top reasons Gen Zers want to purchase fewer fakes in the next few years are:

- 66% expect to want better quality things
- 37% expect to be able to afford the genuine product
- 34% see buying genuine products as the mature thing to do

FuturePurchase. How do you expect your purchasing habits will change in the future? FuturePurchaseB. You mentioned you expect to purchase fewer fake products in the next few years. Which of the following best represents why? Please select up to 2. [Note: FuturePurchaseB was only asked for respondents who said they expect to purchase less counterfeit products in the future.]
Hazards to personal or societal well-being cause Gen Zers to reassess their purchasing behavior of fake products

Gen Zers are minimally motivated by social pressure and the effect on the brand and its business.

As with the barriers of purchasing counterfeit products, safety is a top driver of change for Gen Z

What would drive Gen Zers to change their minds about purchasing fake products?

- If the product is dangerous or bad for my health
- If money spent on fake products goes towards organized crime
- If fake products are bad for the environment
- If purchasing a fake product means I have to pay a fine
- If buying such products results in people losing their jobs
- If the workers that made these fake products are treated poorly
- If purchasing genuine products created positive change in the world
- If the economy loses a significant amount in tax dollars as a result
- If fake products inhibit innovation
- If I feel more connected to the genuine brand
- If I know more about what it takes to create the genuine product
- If brands/creators lose money as a result
- If people I admire are against purchasing fake products
- If people around me stop buying fake products

How would the following change your mind about purchasing fake products, if at all? [Note: Change was asked among those who at least “rarely” purchase counterfeit products]
Brand and media personalities serve as strong candidates for delivering these messages to build trust among Gen Zers

Top 3 credible sources for learning about counterfeiting:

55% Brands’ creators or employees
45% Media personalities
40% Social media influencers

Interestingly, traditional messengers aren’t seen as credible—only 22% of Gen Z sees government officials as a credible source for learning about counterfeiting.

Government is more credible in...
+17% United States

Government is less credible in...
-14% Russia

Sources of Learning: Who would be the most credible sources for learning more about the topic of counterfeiting? Please select up to 3.
Thank you!

Country-specific reports are available upon request for the following countries:

- Argentina
- China
- India
- Indonesia
- Italy
- Japan
- Mexico
- Nigeria
- Russia
- United States

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