

Gen Z Insights: *Brands and Counterfeit Products*



Photo Credit: Jens Johnsson, no title – August 9, 2016

Acknowledgements

This research was conducted by Insight Strategy Group, LLC.

Insight Strategy Group

Copyright © 2019 by The International Trademark Association.

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without prior written permission of the copyright owner, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law.

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.

- 08** • Objectives and methodology
What we did and how we got there
- 14** • Gen Z's generational identity
Individuality, morality, flexibility
- 21** • Gen Z's relationship with brands
My brand tops your brand
- 26** • Gen Z's relationship with counterfeit products
A case of "situational morality"
- 35** • What drives Gen Z's decisions whether to purchase counterfeits?
The benefits and barriers of counterfeit products
- 41** • Shifting Gen Z attitudes and behaviors regarding counterfeit products
Potential factors and messengers of change

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:

Gen Z (18-23) Subsets	 Argentina	 India	 Russia	 United States
Have bought a fake product	n=4	n=3	n=2	n=2
Considered purchasing a fake product but did not	n=2	n=3	n=3	n=3
Haven't bought a fake product and wouldn't consider	n=2	n=2	n=2	n=2
Total # respondents in each market	N = 8	N = 8	N = 7	N = 7
TOTAL	N = 30			

A few Gen Z respondents we spoke to:



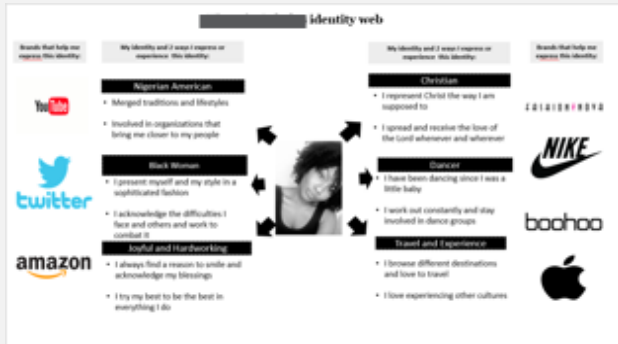
*Note: Exceptional respondents in each market were chosen because they had articulate responses in the virtual phase and eloquently expressed differing viewpoints on the ethics of counterfeit products. In our qualitative explorations, we defined “fake products” as “products that are designed to look like a certain brand but that are not actually made from that brand.”

Methodology

Virtual Qualitative: Gen Z Portraits

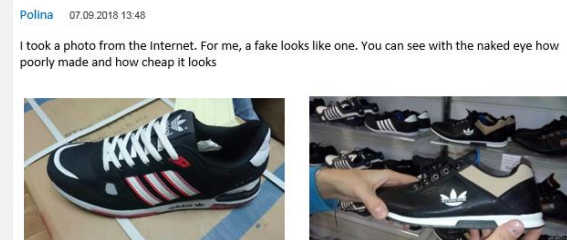
Respondents logged in to the virtual platform throughout their day to complete activities and answer probes from the moderators in their native language. Here are some virtual exercises they did:

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.



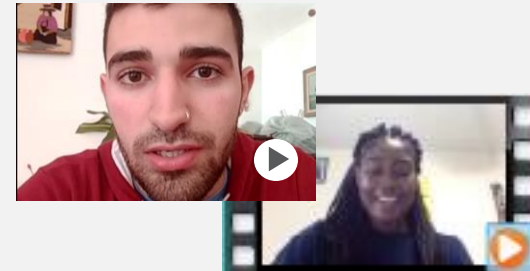
Respondent identity web, day one virtual qualitative study

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

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











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:

										
	Argentina	China	India	Indonesia	Italy	Japan	Mexico	Nigeria	Russia	United States
Females 18-23	N=199	N=201	N=206	N=200	N=200	N=200	N=200	N=101	N=200	N=625
Males 18-23	N=202	N=202	N=200	N=200	N=200	N=200	N=200	N=150	N=200	N=625
Country Totals	N=401	N=403	N=406	N=400	N=400	N=400	N=400	N=252	N=400	N=1250
TOTAL	N=4712									

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 $\pm 1\%$ discrepancy.
- Margins of error are between 2.8% and 6.2%.

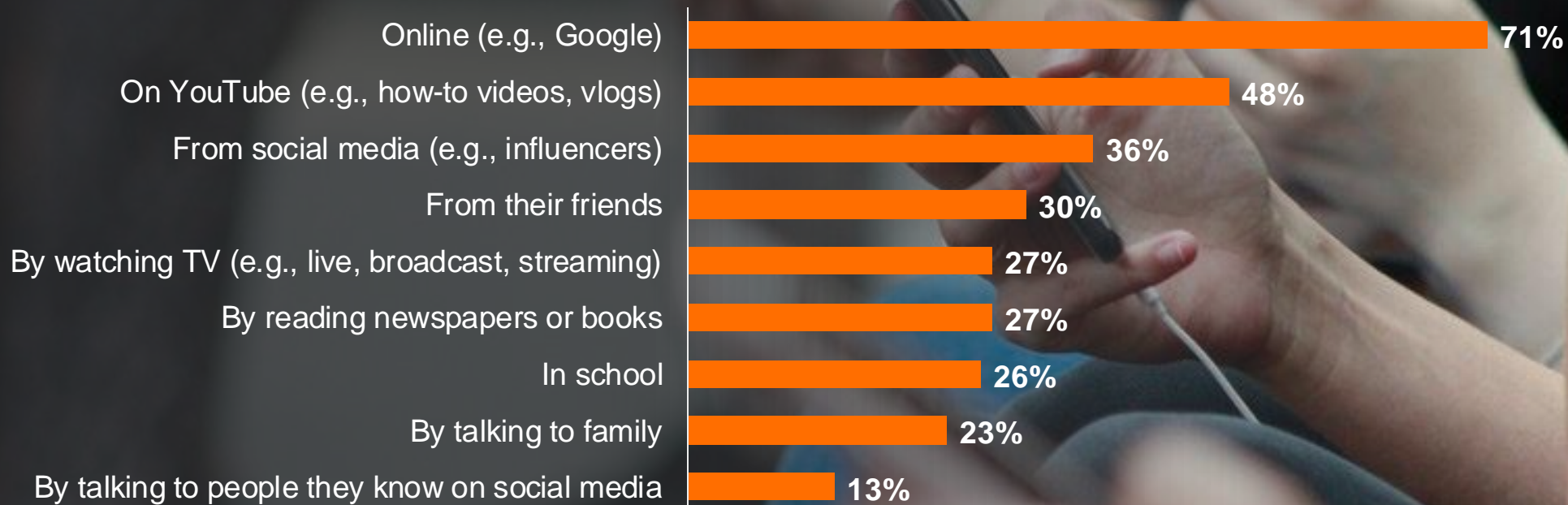
Gen Z's generational identity

Individuality, morality, flexibility



Gen Zers are digitally native and turn to a variety of information sources for learning

Gen Zers learn about things...



Learning. What are your top sources of information to learn about things? *Please select your top 3.*

Gen Z's top stated values represent three defining characteristics of this generation:

Values. Which of the following values are most important to you? Please select your top 3.



#1 Individuality (Staying true to myself)

"[I am] my own person, not worried about what others think."

—Female, 18



United States



#2 Morality (Doing what's right)

"Honesty is a fundamental pillar for anything regardless of the situation, as well as responsibility."

—Male, 19



Argentina



#3 Flexibility (Being open-minded)

"If you go with the flow, whatever comes to your plate—you take that."

—Male, 23



India

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



United States

"I check if any of my friends have the same thing. I prefer to stand out among my friends."

—Male, 23



Russia



...and

75%

would rather stand out than fit in with others

Japan is the exception – standing out matters less



Japan

Only 36% would rather stand out than fit in

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

Photo Credit: Nicolas Horn, "Nico" – June 2, 2018

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



Argentina

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]



Photo Credit: Vasile Stancu, no title, December 25, 2018

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



Photo Credit: Isabell Winter, no title—June 6, 2018

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



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...

Brand name is more important in...



India

+20%



China

+11%



Indonesia

+10%

Brand name is less important in...



United States

-6%



Japan

-10%



Italy

-10%



Russia

-14%

...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



Argentina

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**

...and

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



United States

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?

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



United States

...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



Russia

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



Indonesia

+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

BrandAttitudes. 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



Russia

*"There are tons of brands that I love, **but true admiration comes from companies that are 'doing well while doing good.'**"*

—Female, 20



United States

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

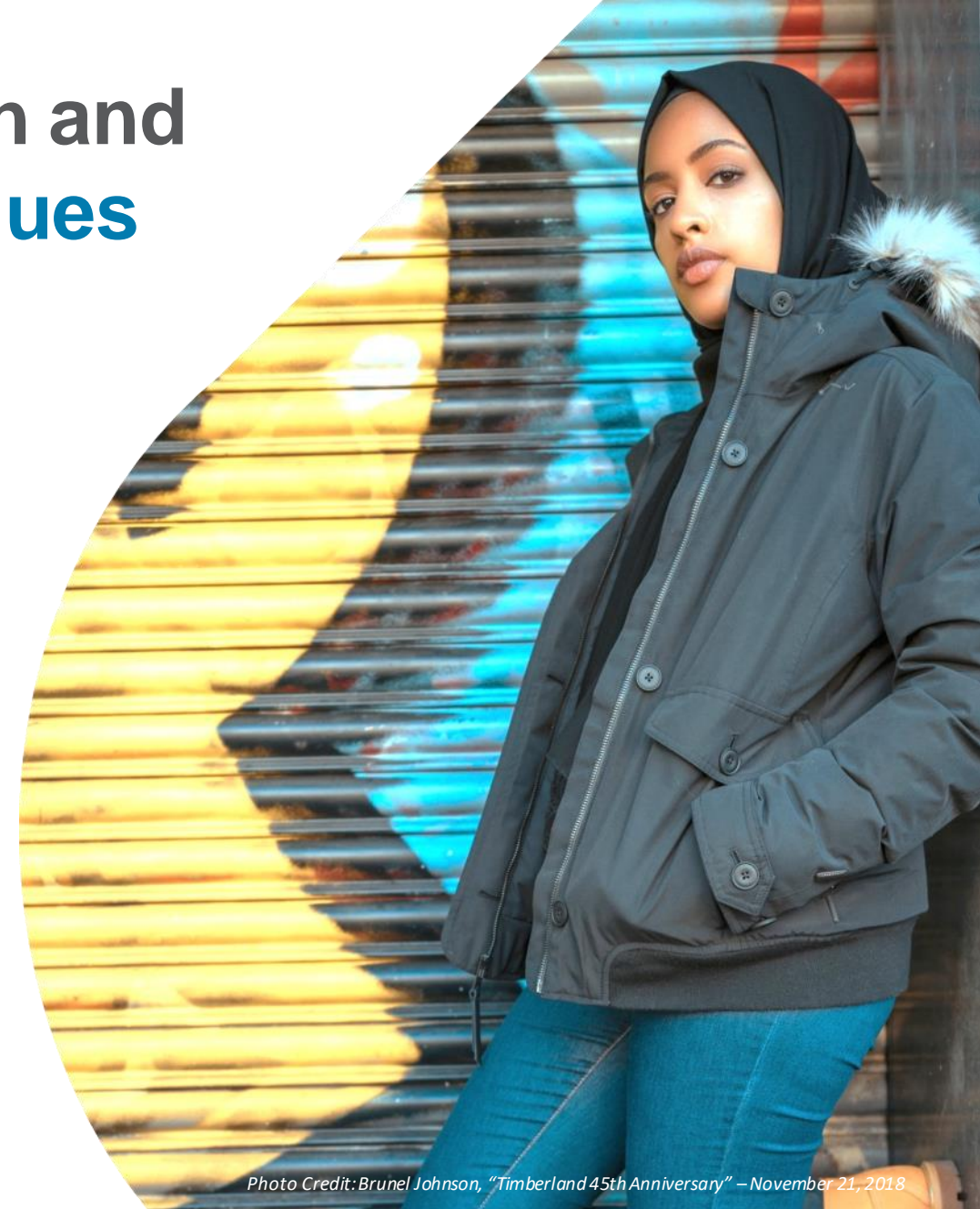


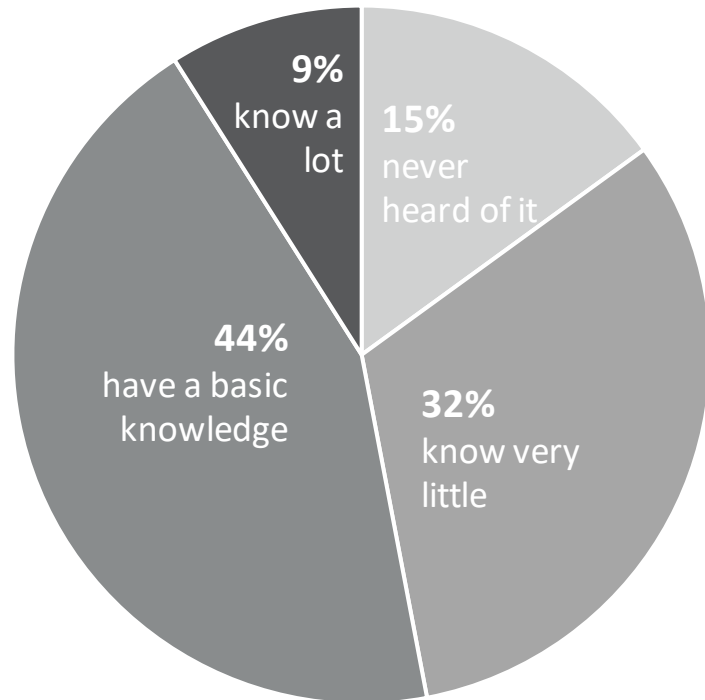
Photo Credit: Brunel Johnson, "Timberland 45th Anniversary" – November 21, 2018

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



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

Knowledge. How much do you feel you know about the topic of intellectual property rights, such as trademarks and copyrights?

IPRights. Which of the following do you agree with most? [Note: **IPRights** was asked among those who know at least "very little about it"]

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

Photo Credit: Pim Chu, no title – January 21, 2018

"I appreciate if it's an original idea and not copied from something for whatever reasons."

—Female, 20



India

"I admire all the hard work brands put into selling admirable products and items."

—Female, 20



United States

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



India

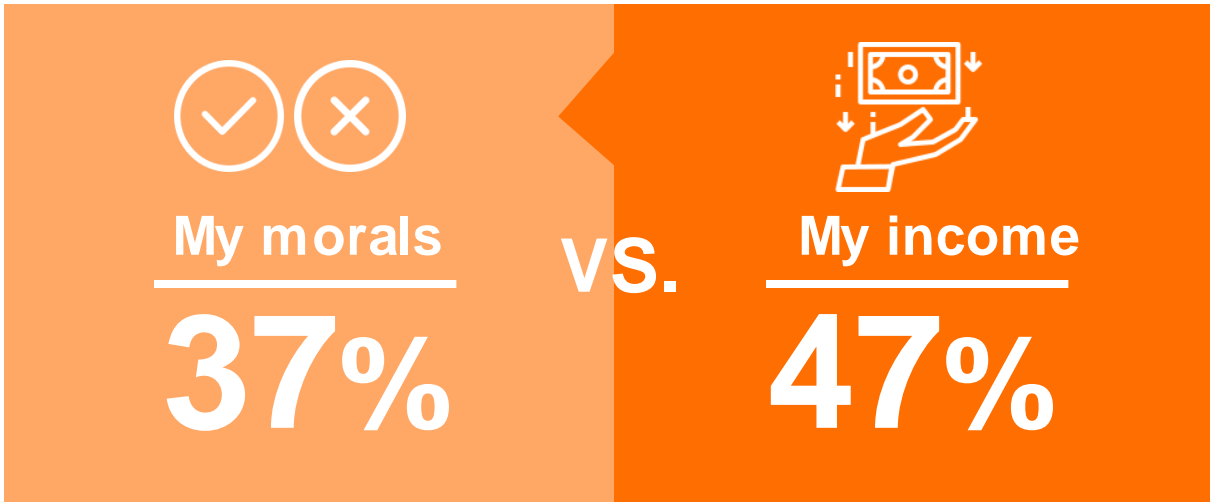
Photo Credit: Artem Bali, “Women choosing bijouterie in the store” – February 24, 2018

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]

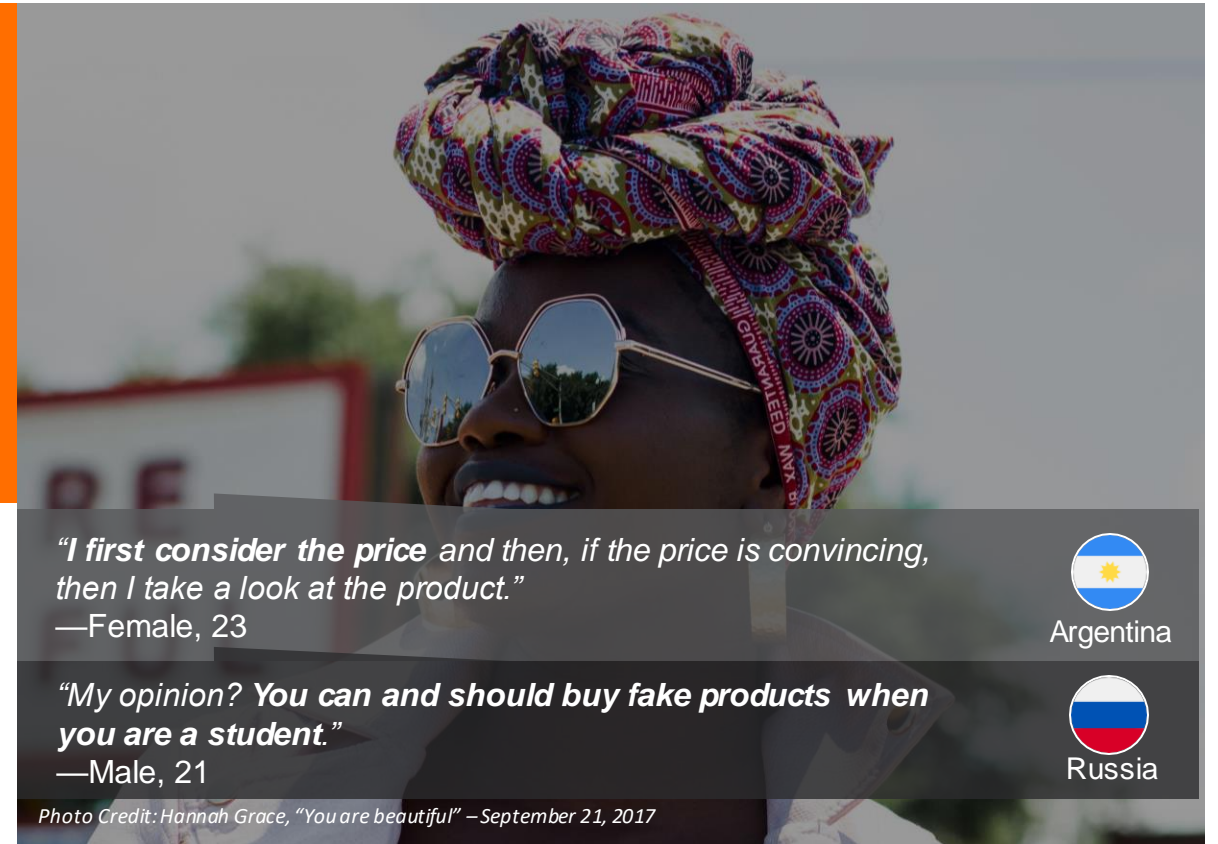
PlaceSeen. Thinking about fake products, where do you usually see them offered or sold? Please select all that apply.

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:



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



Argentina

"My opinion? You can and should buy fake products when you are a student."

—Male, 21



Russia

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

InfluencesCounterfeit. 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



Argentina



Argentina

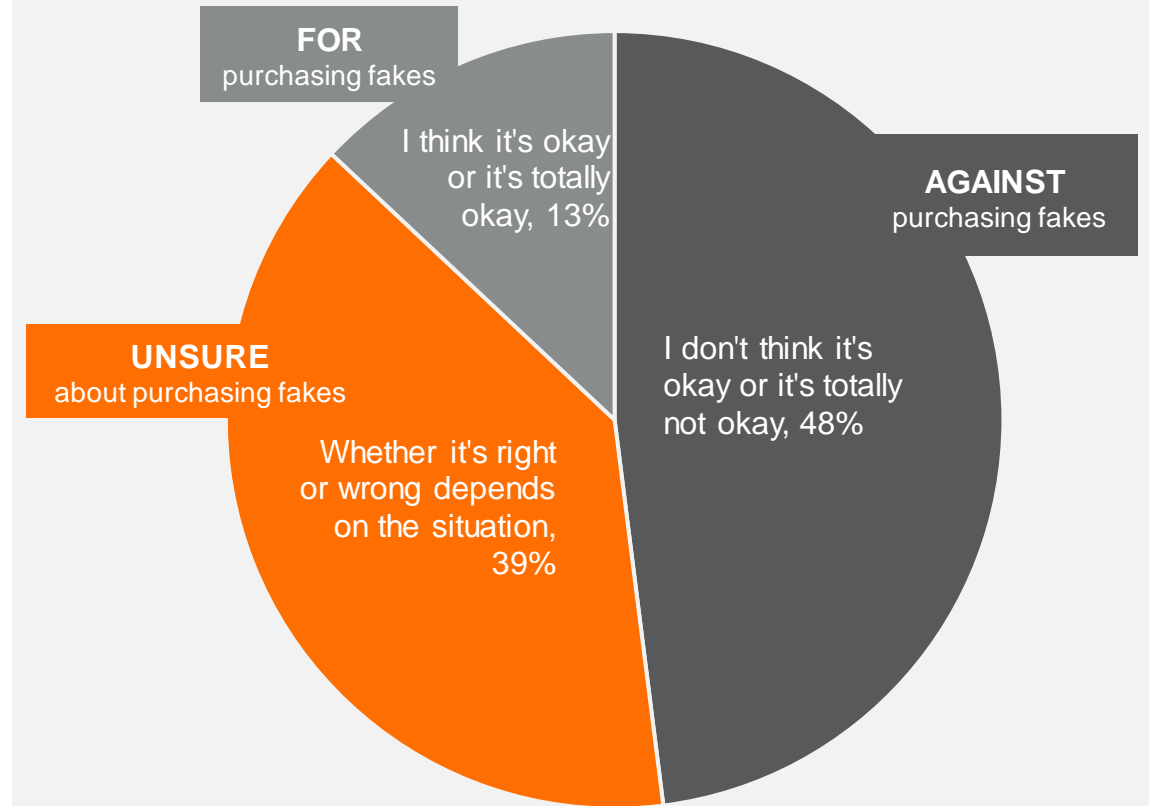
17% more likely to say it depends



Japan

17% more likely to say it’s not okay

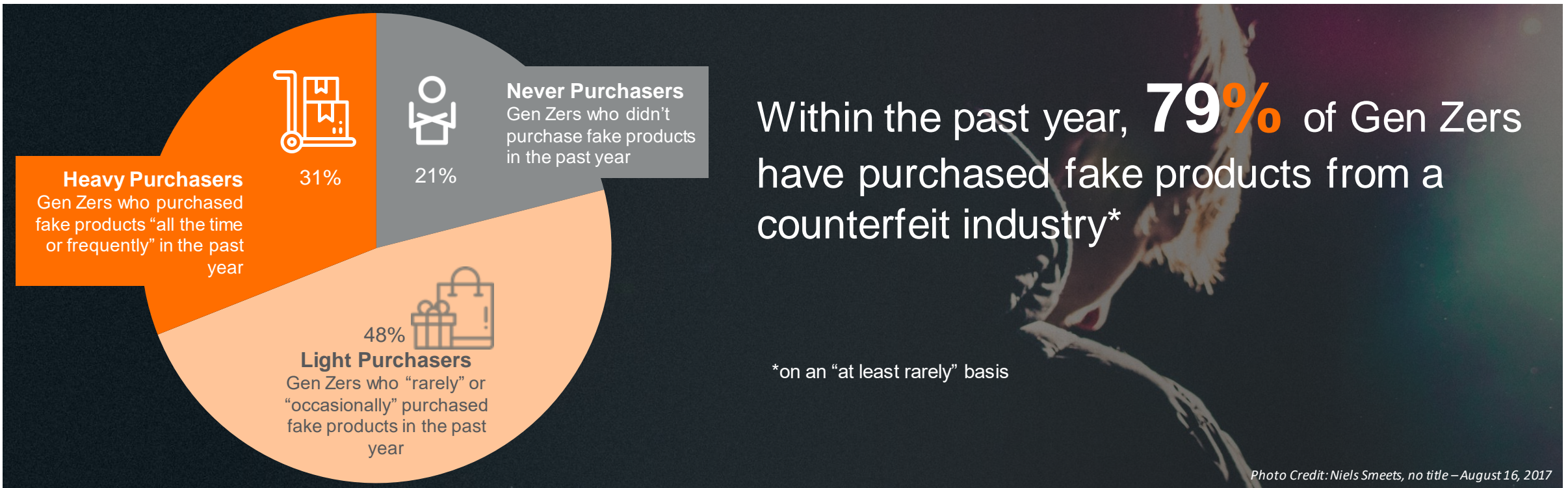
When asked whether the purchase of products is okay, Gen Z said...



Ethics A. 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.



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 ...	Apparel	Shoes & accessories	Sporting goods (apparel and merchandise)	Beauty & cosmetics	Consumer electronics	Food and beverages	Toys	Personal care
Aware of...	97%	98%	96%	90%	94%	78%	89%	74%
Have seen counterfeits being sold...	91%	92%	88%	74%	81%	59%	76%	58%
Occasional, frequent, or "all the time" purchase	37%	34%	27%	20%	21%	18%	17%	16%
Frequent or "all the time" purchase	16%	15%	11%	9%	9%	9%	7%	7%

Note: the table above illustrates Gen Z's engagement with each counterfeit industry* tested in the survey. The figures show are calculated 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

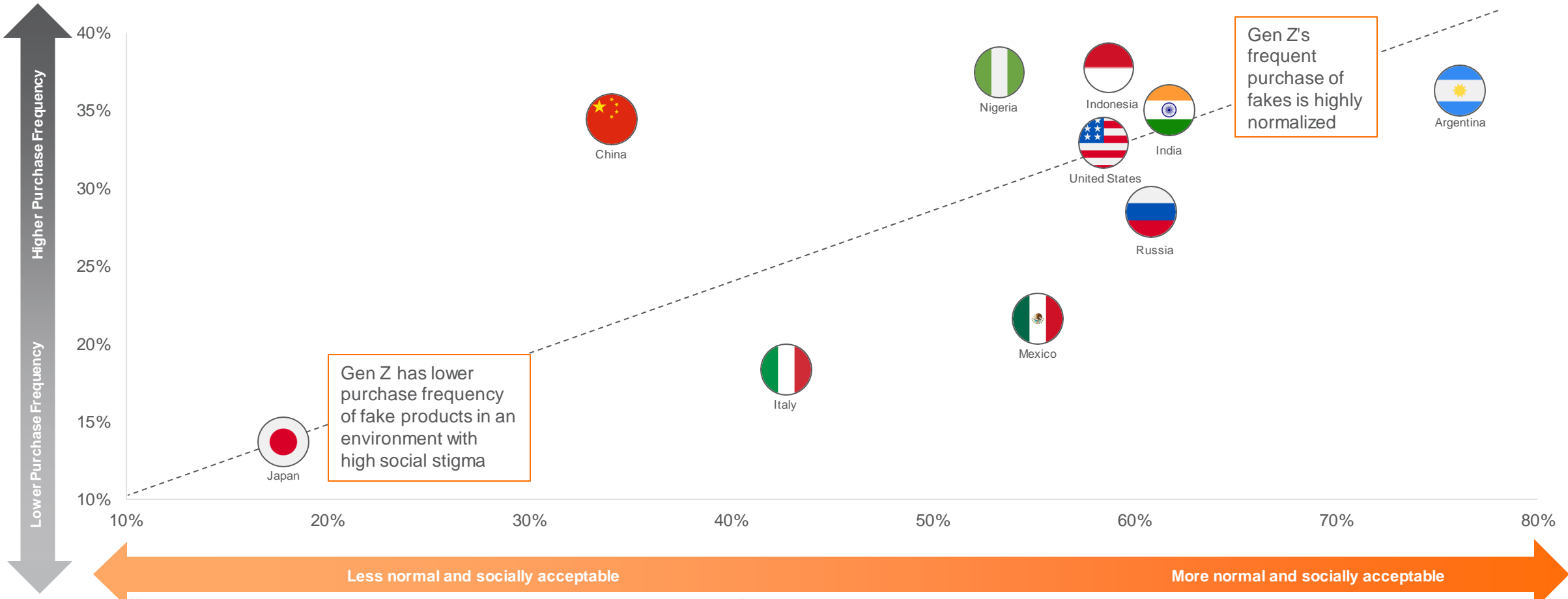
Exposure. How often do you usually see the following categories of fake products being sold?

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"]

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

57% say they can only afford the fake version of some brands

57% think that their money benefits the seller* who's making a living

"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



Russia

"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



United States

"I would support someone with a micro entrepreneurship. I would purchase goods from that person."

—Female, 23



Argentina

Fakes are even easier to find in...



Indonesia



Russia

Fakes are seen as even more affordable in...



Argentina



Japan

Varied levels of empathy towards sellers...



Indonesia



Argentina



Japan

Photo Credit: Dane Deaner, "Browsing the Market" – December 28, 2017

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

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

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

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] **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]

Gen Z's top barriers to purchasing fake products are related to quality and safety concerns

Among their top barriers overall:

81% say that fake products are unsafe

77% believe that the quality of fake products is usually not good enough

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



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.

“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



United States



Consumer electronics



Gen Z tends to avoid the purchase of counterfeit technology products because of the concern that they could be dangerous.

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



Russia

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”]

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 [hCatAssign] 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

Expected change in future purchasing behaviors



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.

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

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



Change. 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 <u>more</u> credible in...	Government is <u>less</u> credible in...
<p>+17% </p> <p>United States</p>	<p>-14% </p> <p>Russia</p>

SourcesofLearning. Who would be the most credible sources for learning more about the topic of counterfeiting? Please select up to 3.



Photo Credit: Marty Maguire, "Handsomeness young Indian man wearing burgundy turban" — July 7, 2018

Thank you!

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



Argentina



China



India



Indonesia



Italy



Japan



Mexico



Nigeria



Russia



United States

For more information, please contact:

Sheila Francis

Director, Strategic Partnerships & Economic Research
International Trademark Association (INTA)

Email: sfrancis@inta.org
www.inta.org

Renee Garrahan

Associate, Economic Research
International Trademark Association (INTA)

Email: rgarrahan@inta.org
www.inta.org