



**CONSUMER BEHAVIOUR FACTORS AND THE CONSUMPTION OF  
COUNTERFEIT PRODUCTS IN UGANDA: A CASE OF THE  
CENTRAL BUSINESS DISTRICT OF KAMPALA - UGANDA**

**BY**

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**DECLARATION**

I, DAVID DONGO, do hereby declare that the work presented in this study is original and has not been published or submitted for any other degree award to any other university before, and this dissertation has been submitted for examination with the approval of the supervisors.

Signature. ....

Date .....

**APPROVAL**

The dissertation has been submitted for examination with the approval of

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**DEDICATION**

I dedicate this dissertation to my beloved wife; Concy.

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## **LIST OF ACRONYMS/ ABBREVIATIONS**

CBD	-	Central Business District
CIB	-	Counterfeit Intelligence Bureau
GATT	-	General Agreement on Tariffs and Trade
IACC	-	International Anti-Counterfeiting Coalition
ICC	-	International Chamber of Commerce
IIPCIC	-	International Intellectual Property Crime Investigators College
IIPi	-	International Intellectual Property Institute
IPR	-	Intellectual Property Rights
KACITA	-	Kampala City Traders Association
KCCA	-	Kampala Capital City Authority
OECD	-	Organisation of Economic Cooperation and Development
PSFU	-	Private Sector Foundation of Uganda
SQMT	-	Standardization, Quality Assurance, Metrology (Measurement), and Laboratory Testing
TPB	-	Theory of Planned Behaviour
TRA	-	Theory of Reasoned Action
TRIPS	-	Trade Related Aspects of Intellectual Property Rights
UBOS	-	Uganda Bureau of Statistics
UNBS	-	Uganda National Bureau of Standards
UNODC	-	United Nations Office on Drugs and Crime
URA	-	Uganda Revenue Authority
WIPO	-	World Intellectual Property Organisation

## **ABSTRACT**

The study set out to investigate the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda so as to address the problem of increased consumption of counterfeit products in Uganda. The objectives of the study were to examine the relationship between consumer attitudes and consumption, to investigate the relationship between social influences and consumption, to determine the relationship between perceived behavioural control factors and consumption, and to assess the moderating effect of law enforcement on consumer behaviour and the consumption of counterfeit products in Uganda. The researcher mainly applied quantitative research design supplemented by qualitative findings using a cross-sectional study approach. A sample of 372 respondents selected from traders in the Central Business District of Kampala was used. The overall findings indicated that consumer behaviour factors do not explain the consumption of counterfeit products in Uganda. Correlation findings indicated social influence as a significant factor while consumer attitudes and perceived behavioural were not significant. Other findings indicated that original products are expensive, and yet counterfeits offer shorter usage life. The moderating effect of law enforcement was found not significant on consumer behaviour factors and consumption of counterfeit products. It was concluded that other factors rather than consumer behaviour factors may be explaining the consumption of counterfeit products in Uganda. Besides, it was recommended that social groups should be identified and sensitized to influence others against counterfeits in communities. Government should allow tax exemptions on original products and hike taxes on counterfeits to address the high price on originals and appropriate product information be availed to consumers through adverts and brand outlets to facilitate shopping decisions to combat counterfeiting in Uganda. Counterfeit products attributes, market stimuli, corruption, legislation and the prevalence of counterfeiting in Uganda were areas recommended for further research.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1. Introduction**

Counterfeiting is a rapidly growing transnational organised crime network, which affects legitimate businesses, leads to loss of government revenues and threatens the safety and security of people (Counterfeit Intelligence Bureau [CIB, 2008]). This study examined the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda. This chapter covers the background to the study, the statement of the problem, the purpose of the study, the objectives of the study, the research questions, the hypotheses, the scope of the study, the significance, justification and operational definition of terms and concepts.

### **1.2. Background to the Study**

#### **1.2.1. Historical background**

The production, distribution and consumption of counterfeit products have been increasing at an alarming rate globally (Norum and Cuno, 2010). Unlike during the industrial revolution when there was mass production of goods with no choice of fashion, the cold war between socialism and capitalism led to fashion change when goods especially garments became diverse in fashion to serve a form of expression, personality and belief (Stoeck, 2010). The trend further changed with globalisation from the 1990s; which led to the integration of world markets, Americanization of fashions and the emergence of new technologies leading to further, faster and cheaper products easily accessed worldwide. Although globalization led to many perks, it also has many down falls such as counterfeiting of products, which is now a global issue

causing significant economic and social problems (Andrews, Cate and Paxton, 2009). Among the causes of counterfeiting are: more of the world's manufacturing being transferred overseas, the growth in internet e-commerce sales, and the fact that consumers hit by the recession and poverty stricken areas will seek out lower-cost items (Organisation of Economic Cooperation and Development (OECD, 2009). The 1978 Tokyo Round proposal on trade in counterfeit goods failed to reach an agreement among the then contracting parties of GATT, until the 1986 Uruguay Round negotiations which called for a mandate for the development of multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods, and thus, the TRIPS agreement was negotiated as part of the Uruguay Round among WTO members (International Intellectual Property Crime Investigators College (IIPCIC, 2013).

Besides the efforts to combat the problem, counterfeiting is said to have grown by the 1970s (Bian and Veloutsou, 2005) when a large quantity of counterfeit jeans bearing Levi's trademark logo and label that had been produced in South East Asia were distributed throughout Western Europe (Walker, 1981). Since then, counterfeit products have flooded the markets in the past few decades and increased at an astronomical rate (Phau and Teach, 2009). The scale of the global problem has not been well documented although the International Chamber of Commerce (ICC) continues to cite a frequently used estimate that counterfeiting accounts for between 5-7% of world trade, worth an estimated US\$600 billion a year as cited by (Frizelle, 2012), and responsible for US\$200 billion a year in lost jobs, unpaid taxes and lost sales (Furnham, 2007; Ian Phau, 2009). Health and security of consumers are also threatened (Grossman & Shapiro 1988a; Chakraborty and Allred 1996; Cordell, Wongtada, & Kieschnick, 1996; Tom, Garibaldi, Zeng, and Pilcher, 1998) and it is clear that counterfeiting is a significant source of trouble for market economies (Blatt, 1993) as cited by (Xuemei and Luiz, 2011).



Almost all products have been counterfeited ranging from garments, electronics, foods and drugs, automobile parts, footwear, bags and others, to home use items (Havocscope, 2012). Globally known brands such as Louis Vuitton, Nike, Gucci, Prada, HP, and Levi among others, which are luxury brands and on high demand are prime counterfeit targets because of their popularity with consumers (Shultz & Saporit, 1996; Phau & Teah, 2009; United Nations Office on Drugs and Crime (UNODC), 2010).

### **1.2.2. Theoretical background**

Consumption of counterfeit products may be explained by the economic theory that individuals act rationally to maximise their benefits (satisfaction) in obtaining such products. Early research regarded man as an economic being who maximises utility whilst spending minimum effort (Schiffman, 2003). Such decisions may be illustrated by the Cognitive models of consumer behaviour developed in the 1960s such as the Theory of Reasoned Action (TRA) and the Theory of Planned Behaviour (TPB), which suggest that a sophisticated integration of various social, psychological and environmental influences is coherent on consumer choice (Howard, 1969; Blackwell, 2001).

The Theory of Reasoned Action (TRA) illustrates that the behaviour of acquiring a product is derived from a combination of a consumer's attitude towards buying the product and subjective norms about the behaviour. Given circumstantial limitations that behaviour is not always within complete control of the actor, the Theory of Planned Behaviour (TPB) was used instead. TPB is simply an extension of the TRA; introducing the behavioural control construct in form of consumer perceptions and actual behaviour control factors which may facilitate or impede the consumption behaviour. Thus, in the Theory of Planned Behaviour, the intention to buy

counterfeit products is controlled by a dynamic mix of the attitude, subjective norm and perceptions moderated by actual behavioural control factors (Fishbein, 1975; Ajzen, 1985).

### **1.2.3. Conceptual background**

Counterfeiting is an organized global crime network which involves either complete imitation of original products, piracy, imitation of brands/“knock offs”, grey products, super-fake brands or identically packaged/ branded products indistinguishable from the original ((McDonald & Roberts, 1994; Wee, Tan, & Choek, 1995; Prendergast, Chuen, & Phau, 2002; World Intellectual Property Organization (WIPO, 2011).

Counterfeit products encompass all products made to closely imitate the appearance of the product of another as to mislead consumers. In this study, Counterfeit products refer to items/goods that imitate original products (protected by trademarks, patents and copyrights) with the intent of deceiving buyers, but also includes substandard, poor quality, expired and fake goods which do not meet required customer satisfaction levels, and affect the safety of consumers. The consumption of counterfeit products thus refers to the act of obtaining counterfeit products through exchange for payment and eventual use of such products.

With the growth in trafficking of counterfeits, greater interest in understanding consumer behaviour with regard to the consumption of counterfeit products has developed. Consumer behaviour was defined to include consumer attitudes, social influences and behavioural control factors that affect the consumer from selection, purchase, use and disposal of products to satisfy their needs (Solomon, 2006; Schiffman & Kanuk, 2007). As used by Santi (2012), this study referred consumer attitudes to the respondents’ feelings, thoughts and actions to consider or not to consider consuming counterfeit products. As suggested by Tom et al (1998), consumer

attitudes were investigated by measuring attitudes towards economic, quality and legal aspects of counterfeiting. Social influences were defined by the social normative pressures a person faces from friends and relations in their taking a choice to consume counterfeit products, while time available, information available and risks associated with counterfeits were investigated as perceived behavioural control factors which may impede or facilitate the consumption of counterfeit goods in Uganda. Thus, this study focused on investigating the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda.

#### **1.2.4. Contextual background**

Previous research which attempted to describe an understanding of the rationale of the buying of counterfeit products was mostly carried out in the developed world such as North America and Asia, yet in developing countries such as Uganda, there is increasing demand for counterfeit products. Media reports have indicated that counterfeit products in Uganda are so widespread, affecting local businesses. For instance; Nice House of Plastics almost collapsed on loss of “equivalent to 2 million toothbrushes in 2004” all as a result of its inability to compete with imported, largely Chinese-made toothbrushes (Shaffi, 2011; Olonyo, 2012). Megha Industries Limited and Britania Allied Industries have reported their products being undermined by similar imports (Atuhaire, 2011), and Total Lubia engine oil with the help of Uganda Police has intercepted thier oil being locally duplicated by especially the micro-and-small enterprises who operate from backyards, kitchens and garages (Kigongo, 2012).

Recently, counterfeiting has become everybody’s problem and Nations must put up a sustainable fight against it. The Uganda National Bureau of Standards (UNBS), is a statutory organization established by an Act of Parliament of June 1983 and became operational in 1989, responsible for facilitating fair trade, promoting local industries and protecting consumers. But

it is obsolete and prescribes weak penalties and fines against counterfeits in Uganda. For example, a person found guilty of selling counterfeits can pay fines between Uganda shillings 3,000 and 7,000 (UNBS Act 1983). The Anti-Counterfeit bill 2010 which was tabled in the eighth Parliament sought to redeem this situation, but it was instead shelved after a section of the business community rejected it (Masaba, 2012).

The Customs department of URA is equally mandated to protect society through ensuring that goods imported into the country are safe for consumption, which is also the role of Uganda Police to ensure safety and security of society, but they still lack expertise in identifying counterfeit products (International Intellectual Property Crime Investigators College [IIPCIC], 2013). Many of Kampala traders – through their umbrella body, KACITA – have cried foul over the stiff competition from fake products, and some of them in order not to be outmatched and run out of business have instead resorted to selling counterfeit products themselves, and thus, various media articles have pointed out that many containers of counterfeit products have been imported from China to Uganda (Jaramogi, 2012; Ssemakula, 2012). It is also speculated that efforts to stop further counterfeit goods importation from China is likely to face resistance because many local Ugandans may remain reluctant to stop purchasing lower-priced products in favour of the higher-priced branded merchandise.

Besides, it is still hard for consumers to make purchase decisions considering whether the fake products will be usable and safe as much as they are cheaper (Tatum, 2009). Sometimes, customers are hoodwinked to think that the cheap products they demand for are genuine, such as when some products are labelled '*Noika*' to make customers think it is a Nokia, others are named '*Philps*' to look like Philips (Mwesigwa & Kimbowa, 2011). Worse still, even when evidence is presented to the Police, it has not been easy getting the fake products out of the market because there is no law on counterfeits in Uganda. Yet, counterfeiting is increasingly

responsible for causing serious economic and social harm to both legitimate producers and to society as a whole (Bush et al, 1989; Phillips, 2007). Thus, the great influx and overwhelming demand for counterfeit/substandard products in Uganda today needs to be investigated in the context that buying of counterfeit products is a personal consumer decision which can be influenced by their attitudes, social influences, and other factors that may hinder or enable the buying of counterfeit products.

### **1.3. Statement of the problem**

There has been efforts by UNBS to facilitate fair trade, promote local industries and protect consumers through standardization, quality assurance, metrology (measurement) and laboratory testing so as to stamp out substandard products in Uganda. Joint operations with URA and Uganda Police have been done to ensure that goods imported into the country are secure and safe for consumption. Many of Kampala traders through their umbrella body, KACITA have cried foul over the stiff competition from fake products and have continually lobbied for government intervention. Thus, the Anti-counterfeiting goods bill 2010, still under discussion, was proposed in an effort to combat counterfeits in Uganda.

Despite the above efforts, counterfeiting is increasingly becoming an economic and social problem in Uganda affecting local consumers, crippling local industries and leading to loss of government revenues. Media Reports too have continually indicated rampant counterfeit/substandard products sold in all kinds of markets in Uganda, and according to UNBS, Uganda is one of the leading importers of fake goods with over 60% from China and other Asian states (Jaramogi, 2012; Ssemakula, 2012). Out of the 35 sampled imported containers into Uganda, 16 had suspected counterfeit products, which included Nido milk, batteries, Shoes, toothpaste, Tv sets, paints, radios, HP computers among others (URA, 2012).

Local businesses in Uganda have been stifled due to the higher consumer demand for counterfeit products; either the cheaper imported fakes or locally duplicated goods from back yards, kitchens and garages (Jaramogi, 2012). Such products if not controlled, will continue to saturate the markets and consumers will be left with almost no option but to buy such counterfeit products, which impinge on the safety and security of consumers. Thus, this study sought to investigate the consumer behaviour factors which may explain the increased consumption of counterfeit products in Uganda.

#### **1.4. Purpose of the study**

To determine the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda.

#### **1.5. Objectives of the study**

- i. To examine the relationship between consumer attitudes and the consumption of counterfeit products in Uganda.
- ii. To investigate the relationship between social influences and consumption of counterfeit products in Uganda
- iii. To determine the relationship between perceived behavioural control factors and consumption of counterfeit products in Uganda.
- iv. To assess the moderating effect of law enforcement on consumer behaviour and the consumption of counterfeit products in Uganda.

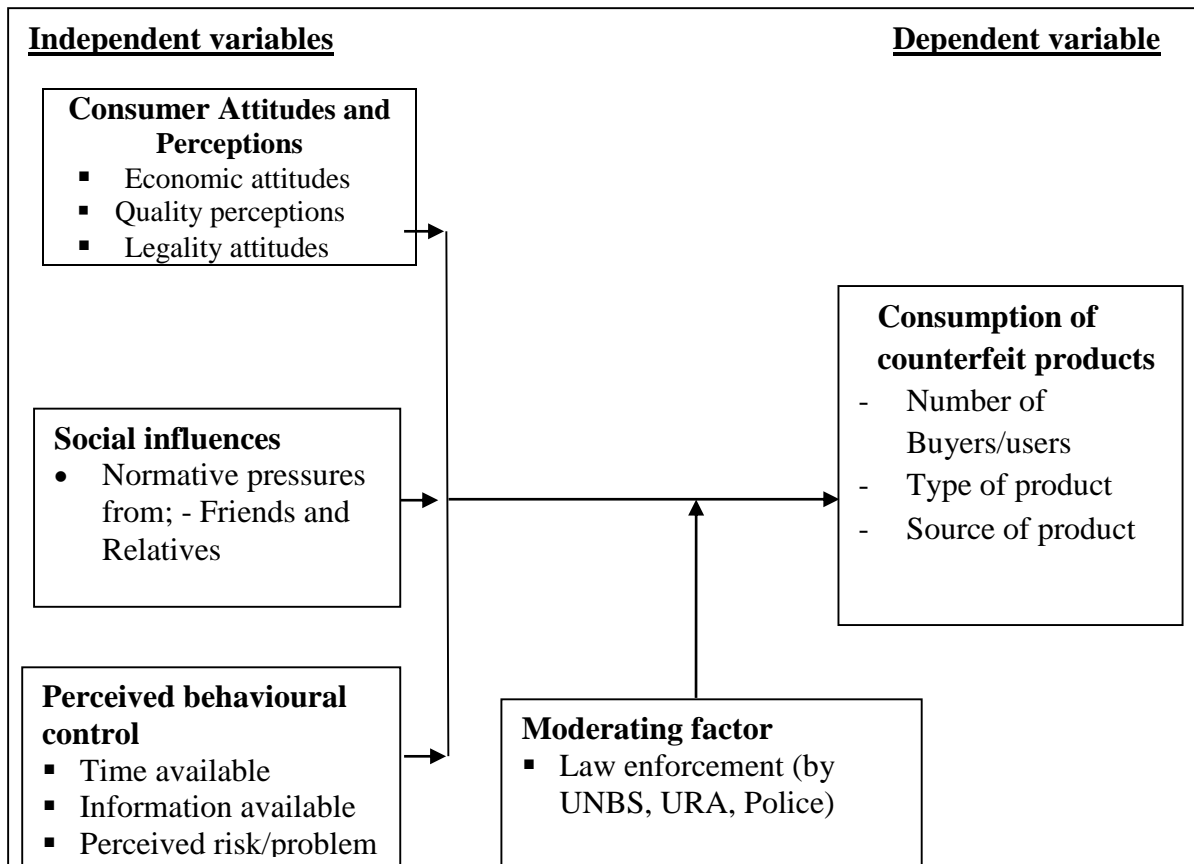
#### **1.6. Research questions**

- i. What is the relationship between consumer attitudes and the consumption of counterfeit products in Uganda?
- ii. What is the relationship between social influences and consumption of counterfeit products in Uganda?
- iii. What is the relationship between perceived behavioural control factors and consumption of counterfeit products in Uganda?
- iv. What is the moderating effect of law enforcement on consumer behaviour and the consumption of counterfeit products in Uganda?

### **1.7. Research hypotheses**

- i. There is a relationship between consumer attitudes and consumption of counterfeit products in Uganda.
- ii. There is a relationship between social influences and the consumption of counterfeit products Uganda.
- iii. There is a relationship between perceived behavioural control factors and the consumption of counterfeit products in Uganda.
- iv. There is a moderating effect of law enforcement on consumer behaviour and the consumption of counterfeit products in Uganda.

**1.8. Conceptual framework between consumer behavioural factors and consumption of counterfeit products**



**Figure 1: Conceptual framework**

*Source: Adapted and Modified from Ajzen’s improved model on Theory of Planned Behaviour (Ajzen 2006)*

The conceptual framework was adapted from Ajzen’s extended model of the Theory of Planned Behaviour which suggests that consumer behaviour is predicted as an outcome of attitudes, subjective norms and perceived behavioural control (Ajzen, 2006). In this study, the researcher adopted the concept of consumer attitudes from Tom et al’s (1998) model of twelve items, and modified it to measure attitudes in the economic, quality and legal aspects of counterfeiting. The social influence concept was modified to measure the aspects of normative pressures exerted on consumers from their friends and relatives regarding consumption of counterfeit products. The concept of perceived behavioural control, modified in line with Albers-Miller’s



(1999) argument was measured in terms of time available, information available, and risk involved with counterfeits, as factors which impede or facilitate the consumption of counterfeit products. In addition to the three concepts adopted from Ajzen's model, the researcher envisaged law enforcement as the moderating factor between consumer behaviour factors and the consumption of counterfeit products in Uganda. The consumption of counterfeit products was adopted from the actual behaviour predicted by the model, and it was modified to measure the number of buyers of counterfeits, the type of counterfeits used and the source of counterfeits. In view of the above, the concepts were adopted and modified with a conceptualization that a unit change in each of the consumer behaviour factors changes the consumption of counterfeit products. It was also hypothesized that law enforcement affects the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda.

## **1.9. Scope of the study**

### **1.9.1. Geographical scope**

Given that most of the imported goods through containers are destined to Kampala city, which is also the center for most manufacturing companies in Uganda, the study was conducted within the Central Business District of Kampala, with the major trading areas of Kikuubo, Kiyembe, Nabugabo and Luwum Street.

### **1.9.2. Content scope**

The study focused on examining the relationship between consumer behavior factors and the consumption of counterfeit products in Uganda. Consumer behaviour factors included consumer attitudes/perceptions, social influences and behavioral control factors towards the

consumption of counterfeit products. The influence of law enforcement and regulatory bodies was considered as moderating variables in the study.

### **1.9.3. Time scope**

The study considered a study period of twelve months specifically gathering data about the subject between January to December 2012. The year 2012 was characterised by several media reports indicating public outcry about the great influx of substandard and poor quality Chinese products into Uganda, which possibly came in to curb the hard macro economic crisis - 2012 began with very high inflation of over 27% and reduced to about 5% by end of year (UBOS, 2013).

### **1.10. Significance of the study**

The study was expected to provide an understanding of how consumer behaviour factors can explain the consumption of counterfeit products in Uganda. The findings may be used by the business managers in designing appropriate marketing strategies for genuine products against the fakes/substandard products. The study may also provide a framework for policy makers in institutionalising laws against counterfeits in Uganda. The study makes an additional contribution to the bank of knowledge for other researchers and students as a reference and for future research.

### **1.11. Justification of the study**

Previous studies done on addressing the demand side for counterfeits have mostly been done in Unites States of America (USA) and Asia with more less limited empirical research in Africa. This study focusing on examining consumer behaviour factors in explaining the consumption of counterfeit products in Uganda was among the most recent empirical studies

following the currently recognised problem of counterfeits in Uganda which has attracted a lot of business and media attention.

### **1.12. Operational definition of terms and concepts**

**Counterfeit use-** in this study refers to consumption of counterfeit products in Uganda

**Consumption of counterfeit products-** in this study refers to the buying and/or use of counterfeit products

**Counterfeit products/ Counterfeits** – refers to items/goods that imitate original products (protected by trademarks, patents and copyrights) with the intent to deceive buyers. These include substandard, poor quality, expired and fake goods which do not meet required customer satisfaction and affect the safety of consumers.

**Counterfeiting-** illegally producing a copy of the original whose special characteristics are protected via Intellectual Property Rights (trademarks, patents, and copyrights).

**Intellectual Property Rights (IPR)** - the creations of the mind: inventions, literary and artistic works, and symbols, names, images and designs used in commerce, protected by law.

**Consumer behaviour-** refers to consumer attitudes/ perceptions, social influences and perceived behavioural control factors that affect the consumer's consumption behaviour of counterfeit products.

**Consumer attitudes-** refer to feelings, emotions, thoughts and beliefs people have about the consumption of counterfeit products.

**Perceived behavioural control-** refers to the consumer perceptions of the ease or difficulty of buying counterfeit products considering the time available, information available and perceived risk associated with the consumption of counterfeit products.

**Social influences-** refer to consumer social normative pressures from friends and relatives regarding the consumption of counterfeit products

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

The purchase of counterfeit goods is an action done by consumers through decision making. The determinants of the consumer purchase decision were explained by the economic theories of consumer behaviour such as the Theories of Reasoned Behaviour and Planned Behaviour. Previous studies were reviewed to seek arguments about the relationship between attitudinal factors, social influences, individual behavioural control factors and the consumption behaviour of counterfeit products. This chapter covers the theoretical review, the review of literature- objective by objective, and the summary of literature review.

#### **2.2. Theoretical review**

The production and consumption of counterfeit goods could be explained by the economic theories that counterfeiting is a commercial activity governed by the market forces of demand and supply. The consumer demand theory may prescribe the genesis of counterfeiting underlying the principle that quantity demanded is greater at lower prices than at higher prices, holding other factors constant. However, about 300 years ago, early economists led by Nicholas Bernouli, John Von Neuman and Oskar Morgenstern, started to examine the basis of consumer decision making (Richarme, 2007). They approached it from an economic perspective focusing on the act of purchase using the utility theory which proposes that consumers make choices based on expected outcomes of their decisions.

Other theories can explain the rationale of buying of counterfeit products in Uganda such as; the Commodity theory which suggests that the scarcity for originals may increase the demand for faked brands for desired uniqueness (Brock and Becker, 1965; Lynn, 1991) as cited by Eisend and Schuchert-Güler (2006). The mood-based concept suggests that when a consumer is found in good situational moods, he or she can easily dish out money to buy counterfeit products. As categorized by Belk (1975), mood is an antecedent situational state influencing purchase decisions. Other theories such as the theory of cognitive dissonance explain the effects of rational and moral justification of consumers when buying counterfeit products, the expected utility theory or deterrence theory (Peace, Galleta, & Thong, 2003), the equity theory (Glass & Wood, 1996) Bandura's social cognitive theory (Kuo and Hsu, 2001), or theories of ethical decision making (Thong and Yap, 1998; Wagner and Sanders, 2001) all could be used to explain the rationale for the consumption of counterfeit products in Uganda.

Besides, this study adopted concepts from Ajzen's Theory of Planned Behaviour to examine consumer behaviour factors that affect consumption of counterfeit products in Uganda. The Theory of Planned Behaviour (TPB) was among the prescriptive cognitive models first developed in 1960s, which suggest that consumer intention to acquire counterfeit products is determined by beliefs and attitudes (Ahtola, 1975). The Theory further suggests that the consumption behaviour of counterfeits can be viewed as an outcome of the attitudes and social influences constructs supported by perceived behavioural control factors that impede or facilitate individual's choice to buy counterfeit products (Ajzen, 2006). This theory was used to explain the consumption behaviour gap, which at first glance seems that consumers acquire counterfeit products primarily because of the low price. This would imply that counterfeits are primarily attractive to low income consumers, and yet high income consumers in well-developed countries who can afford the genuine brands also buy and use counterfeit products

(Gentry, Putrevu, and Shultz, 2006; Prendergast, Chuen, and Phau, 2002). Thus, other than price, consumer behavior factors may give a better and elaborate explanation for the increasing global demand for consumption of counterfeit products.

The researcher adopted the Theory of Planned Behaviour because of its strong predictive validity. The theory provides wealth explanation of the intentional influences on behavior. It is easy to comprehend and can be applied to a wide range of research scenarios. However, there are a number of limitations which inhibit the extent of use in completing models of consumer purchase decisions. The predictive ability of the theory lies on the researcher's ability to accurately identify and measure all salient attributes considered by a consumer. The theory also assumes a consumer undertakes comprehensive cognitive processing prior to consumption behaviour which appears to neglect any influences from emotion, spontaneity, habit or carvings. It may be difficult to accurately predict behaviour based on intention which is considered as a dynamic concept, consistently under re-evaluation by the consumer as situations change with time and additional information becomes available.

### **2.3. Consumer attitudes and consumption of counterfeit products**

The term "attitude" is generally used to define "a feeling, emotion, or mental position with regard to a fact or state". These situations are adopted in response to what a person thinks or believe, and affect how people behave. According to Huang et al., (2004), attitude is a "learned predisposition to respond to a situation in a favourable or unfavourable way". Attitude construct is often used as a predictor of consumer intentions and behaviours (Ajzen and Fishbein, 1980). Some studies have predicted an individual's attitude towards counterfeit products affect their purchase decision (Ang et al, 2001; Phau & Teach, 2009; Penz & Stottinger, 2005). As counterfeiting is illegal and generally viewed as unfavourable by the

media and general public, a negative attitude towards counterfeiting would be expected (Wang et al, 2005; Thurasamy et al, 2002; de Matos et al., 2007). But as argued in previous studies, consumer attitudes towards counterfeits have to be viewed in terms of economic, ethical, legal and quality dimensions (Cordell et al, 1996; Ang et al, 2001; Gupta et al, 2004).

### **2.3.1. Economic attitudes consumption of counterfeit products**

Price as the economic factor has been noted to play an influential role in determining attitudes towards counterfeit products where, if consumers perceive that they are being “ripped-off” by the genuine producers, they are likely to express more favourable attitudes towards counterfeits; and in turn are more likely to consume counterfeit products (Ramayah et al, 2002). This was supported by Budiman (2012), who argued that price as an extrinsic factor is an important determinant of consumer’s purchase decision (Budiman, 2012). Other investigations have identified a negative influence of perceived financial control (perceived affordability) on counterfeit purchasing intention. Thus, when people perceive that their financial ability enables them to purchase authentic products, they tend to do so, and vice-versa (Shih-I Cheng, 2011). In addition, Norum & Cuno (2010), in their research suggested that prior purchasers felt that purchasing a counterfeit product is just as good as purchasing the real brand, and by doing so, they were not hurting the US economy.

However, Huang et al. (2004) established that price is insignificant in determining consumer’s attitudes towards gray market goods counterfeits. Other empirical research projects investigating the determinants of counterfeit purchases indicate other antecedents than the financial motive as possible explanations for the conscious purchase of counterfeits (Eisend & Schuchert-Güler, 2006). These non-price determinants provide a challenge to the

counterfeiters' price-based offers, since the price is not an issue that manufacturers of original brands can address without risking financial losses or a depreciation of the brand image.

### **2.3.2. Quality attitudes consumption of counterfeit products**

Counterfeit products are generally considered to be of inferior quality to the actual good being copied, and therefore, one would expect a negative effect. The, “high price, high quality” and “low price, low quality”, belief is important in determining consumer behaviour (Ordonez, 1998; Chapman and Wahlers, 1999) as justified by (Huang, Lee, and Shu, 2004), that a consumer who believes more strongly in the price-quality inference has a more negative attitude toward gray market goods. Other studies support this that consumer willingness to obtain a counterfeit product increases if they discern high product quality prior to the purchase (Eisend and Schuchert-Güler, 2006; Chaudhry, 2011) in such a way that consumers who consider the price as an indication of quality have favourable attitudes towards counterfeits (Celso Augusto de Matos, 2007).

However, prior research indicates that some consumers perceive the quality of counterfeit goods to be as good as legitimate ones (Tom et al., 1998); as a few studies have claimed that consumers who purchased counterfeits did not believe that they were inferior in quality to the genuine products (de Matos, 2007; Penz and Stottinger, 2008; Prendergast et al, 2002). This may be attributed to the opinion that consumers are willing to compromise due to the cost saving prices (Norum, 2011) which is in support of Brucks, Zeithaml, and Naylor, (2000) findings that for durable products, the six quality dimensions: ease of use, versatility, durability, serviceability, performance and prestige, can be compromised to various extents for lower price benefits. Besides, some experimental research, did not support the price-quality inference (Sjolander, 1992), as further demonstrated by (Grewal, 1998) that the effect of price discounts



on a brand's perceived quality was minimal. This study sought to understand this "consumer confusion" in the context of Uganda where the quality continuum of fakes ranges from shoddy imitations to authentic goods, such as production overruns sold through an unauthorized channel as stated by (Gentry et al., 2006).

### **2.3.3. Legality Attitudes**

Lawfulness provides presence of laws and regulations which are meant to guide in moral rules, principles and standards guiding the ethical behaviour of an individual or group. A stringent rule of law against sell, use and purchase would reduce the demand for counterfeits as stated by previous researchers that the higher one's level of moral judgement, the less likely to buy counterfeit goods (Cordell, 1996; Ramayah, 2002; Singhapakdi, 2004). However, other findings show that perceived illegality of countefeiting has a positive impact on the buying of counterfeit products intentions (Hunt and Vitell, 1986), as supported by Tom et al, (1998) that consumers have lax attitudes towards lawfulness of counterfeits.

The weak legislation providing inconsistent and/or undelivered punishment for participating in this illegal activity of counterfeiting provides further incentives to counterfeiters to continue supplying such illicit goods worldwide (Chaudhry et al, 2011). As exclaimed by Muncy and Vitell, (1992; p.298) in thier findings "*it is ethical to passively benefit in some way than to actively benefit from an illegal activity*". Consumers may exploit the lawlessness and rationalize their behaviour by feeling less guilty when buying a counterfeit (Ang et al., 2001). As much as other findings show that neither attitudes towards lawfulness of counterfeits nor attitudes towards legality of purchasing counterfeits predicts consumer willingness to knowingly purchase counterfeit luxury brands (Phau et al, 2009), more attention is needed to establish the use of laws in controlling counterfeits in Uganda.

#### **2.4. Social influences and consumption of counterfeit products**

Social influences refer to the perceived social normative pressures regarding whether consumers should perform or not perform a given behaviour, if they think their significant others agree with their behaviour (Ajzen, 1991). Consumers may be informationally susceptible, when expertise from others influences their choice (e.g. when one does not know the product category), and also normatively susceptible, when they are more interested in making a good impression to others (Bearden, Netemeyer, & Teel, 1989) cited by deMatos et al.(2007). In another study by Albers-Miller (1999), respondents were more likely to engage in illicit behaviour if there was peer pressure to do so. While it has been shown that peer support of an illegal behaviour encourages deviant behaviour, peer rejection may also serve as a deterrent. Regarding counterfeits, friends and relatives may act as inhibitors or contributors to the consumption, depending on how much this behaviour is approved by them. Hence, it is expected that consumers perceiving that their friends/relatives approve (do not approve) their behaviour of buying a counterfeit has favourable (unfavourable) influence on the buying of counterfeit products, which this study intended to investigate.

#### **2.5. Perceived Behavioural control and consumption of counterfeit products**

Perceived behavioural control, according to (Ajzen, 2002) describes individual perceptions of the ease or difficulty of performing a specific behaviour. In the case of buying of counterfeit products, those factors include information regarding counterfeits, the time required to access counterfeits and individual ability to solve difficulties they may face in product purchases. In this study, the perceived behavioural control factors considered include; available information about counterfeit products before the buying is done, available time to buy counterfeit products and the perceived risk that may be associated with the buying of

counterfeit products, which some studies have shown positively affect the intention to buy counterfeits (Penz & Stottinger, 2005). In examining consumer purchase intentions for counterfeit products, a strong effect was observed with regard to the influence of perceived behavioural control (Shih-I, Hwai-Hui, and Le, 2011)

### **2.5.1. Information and Time available**

Consumers in evaluating the products' quality from the intrinsic attributes side, often experience the lack of information and time needed (Monroe, 1971). The process of consumer perception and decision making remains a relatively complex phenomenon, despite the depth of research undertaken in the area (Puth, Mostert, & Ewing, 1999) cited by (Xuemei & Luiz, 2011). Previous research suggests that perception hinge on available information about a product that provides the grounds for purchasing decisions (Bian, 2011). Previous studies have suggested that consumer perceptions are significant in non-deceptive counterfeiting where the customer buys a counterfeit willingly (Hanzaee , 2012) based on the information obtained about counterfeits (Lindsay and Norman, 1977). Consumers knowingly purchase counterfeits based on perceived price benefit (Albers-Millers, 1999), product features (McDonald, 1994), demographic variables (Phau, 2001), and social influences (Ang et al, 2001) and sometimes the anticipated risk involved. For instance, perceived competence personality, perceived satisfaction benefit, perceived functional attribute were found to be strong drivers of the buying of counterfeit products (Xuemei & Luiz, 2011). As recommended by Carpenter and Lear (2011), engaging in or disseminating more information about counterfeiting to the target customer base may help cast more favourable light on large brands. Unawareness or the lack of information creates opportunities for individuals to be exploited, succumbing to the tragedy of risks associated with counterfeit products like fake medicine (UNODC, 2009).

### **2.5.2. Perceived Risk and consumption of counterfeit products**

The concept of perceived risk more often used in marketing literature defines risk in terms of the consumer's perceptions of the uncertainty and adverse consequences of buying a product or service (Dowling and Staelin, 1994) as cited by deMatos et al. (2007). Hence, consumers judge the chances that a problem might occur and also what will be the negative consequences of such a problem, and this judgment will influence every stage of the consumer decision-making process. As the nature of these problems vary, the risks involved in buying counterfeit products may include components such as performance, financial, safety, social, psychological, and time/opportunity dimensions (Havlena and DeSarbo, 1991). Albers-Miller (1999) found a significant role of the risk factor on the purchasing of counterfeits in the context, such as; the product will not perform as well as an original item; will have no warranty from the seller; will not give the best possible monetary gain; may not be as safe as the original one; and the selection of a counterfeit affects their social status, waste their time or inconvenience them. Other researches reveal that perceived risk is the most important variable to predict consumer attitude toward counterfeits (De Matos, Ituassu, and Rossi, 2007).

### **2.6. Law Enforcement, Consumer Behaviour and Consumption of Counterfeits**

Law enforcement is a strategy aimed at ensuring adherence to laws governing a given society. In the fight against counterfeiting all over the world, law enforcement has been used to bring culprits to book IIPCIC (2012). The international anti-counterfeiting coalition has coordinated Federal and local enforcement in the United States to team up against counterfeiting where millions of counterfeit goods are seized. The enforcement actions are done by regulatory bodies mandated by law to enforce against counterfeits in a given country. In Uganda, UNBS,

URA and Uganda Police are concerned regulatory bodies with relevant laws to combat counterfeiting.

The Uganda National Bureau of Standards (UNBS), is a statutory organization established by an Act of Parliament of June 1983 and became operational in 1989 responsible for facilitating fair trade, promoting local industries and protecting consumers. However, it is obsolete and prescribes weak penalties and fines against counterfeits in Uganda. For example, a person found guilty of selling counterfeits can pay fines between Uganda shillings 3,000 and 7,000 (UNBS Act 1983). As suggested by previous studies, weak legislation may facilitate the problem. The Anti-Counterfeit bill 2010 which was tabled in the eighth Parliament sought to redeem this situation of weak laws against counterfeiting in Uganda (Anti-Counterfeit bill, 2010). Unfortunately it was shelved after a section of business community rejected it (Masaba, 2012).

The Customs department of URA was equally mandated to protect society through ensuring that goods imported into the country are safe for consumption as per the East African Community Customs Management Act (EACCMA, 2004). Section 200 of the EACCMA mandates URA to dis-allow into the country counterfeit goods among the prohibited goods listed in second schedule of the Act. However, the laws do not provide for a decisive position to be taken to completely stamp out counterfeiting.

The Uganda Police is mandated to keep law and order in society, which they use as sufficient reason to enforce against counterfeit goods which may cause harm to consumers in society. However, due the existing weak laws against counterfeiting in Uganda, many of Kampala traders have exploited the inconsistent and/or undelivered punishment for participating in counterfeiting as an incentive to continue supplying such illicit goods as elaborated by

Chaudhry et al, (2011). This is supported by (Ang et al., 2001), who asserted that consumers may exploit the lawlessness and rationalize their behaviour by feeling less guilty when buying counterfeits.

## **2.7. The consumption of counterfeit products**

Purchase and/or use of counterfeit products is a behaviour perceived as an outcome of the desire or intention of a consumer to actually acquire counterfeit products. According to previous research, intention to buy was measured using five indicators (Phau & Teah, 2009; De Matos et al., 2007; Ang et al., 2001). Those were: 1) Choosing the counterfeit products; 2) The desire to buy the counterfeit products; 3) recommending to the friends and relatives; 4) Telling the favourite thing about the counterfeit products and 5) thinking of the counterfeit products. Thus, intention is a symptom of a person's readiness to perform a given behaviour, and it is considered to be the immediate antecedent of the behaviour. According to Ajzen's Theory of Planned Behaviour, the intention is based on attitude toward the behaviour, subjective norms and perceived behavioural control where each predictor can be weighted for its importance in relation to the behaviour. In this study however, focus will be put on actual behaviour measured by previous buying and usage experience of counterfeit products. Previous studies proposed that the key concepts that contribute to the purchase of counterfeit luxury goods are the perceptions of personal or hedonic benefits, economic benefits and past purchase behaviour (Nia and Zaichkowsky, 2000; Gentry et al., 2006; Ha and Lennon, 2006). Those who have purchased products in the past hold more positive views of counterfeits in terms of quality, reliability and value compared to non-buyers (Cheung and Prendergast, 2006; Phau and Teah, 2009). In view of the above contrast, consumer behaviour factors need to be investigated in relation to the actual purchases and usage made in the previous period.

Consumers can refer to what influenced their previous experiences in the consumption of counterfeit products.

## **2.8. Summary of literature review**

The association between consumer behaviour and counterfeits indicated in the literature is not sufficient to adduce appropriate explanation for the increased demand for counterfeits in Uganda and may not be reliable for recommending measures on how to reduce the influx of counterfeit goods into Uganda. Literature indicates that consumer attitudes/perceptions either positively or negatively affect the consumption of counterfeit products but no definite direction is concluded given the weak legislation against counterfeits generally observed. Thus, previous studies have failed so far to integrate their results consistently into a more general framework.

Most studies have focused on the purchase intention, gathering responses on how people would behave in future when faced with a counterfeit purchase choice, which leaves a conceptual gap that this research sought to investigate the relationship between consumer behaviour factors and the actual consumption of counterfeit products which consumers have experienced in the previous past. Also, most results stem from studies based on consumers in North American or South Asian countries, and yet the African cultures may provoke different buying behaviour. Since results differ for various products and presumably also brands, it would be interesting to investigate the general rationale that may explain the buying of any counterfeit products. The arguments about the reasons for buying counterfeits still create conceptual and methodological gaps in such a way that non-price influences overrun the low price concept in the buying of counterfeit products especially in less developed countries such as Uganda.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1. Introduction**

This chapter presents the research design for the study, the study population and how sample size was determined and selected, data collection methods and instruments, their validity and reliability, data collection procedures, data analysis techniques, measurement of variables and ethical considerations

#### **3.2. Research Design**

The researcher adopted a cross-sectional study approach to enable him examine the problem of counterfeiting and how it existed in the shopping malls within the CBD of Kampala during the year 2012. This was conducive for both quantitative and qualitative research designs. The study mainly used a quantitative research design but supplemented with qualitative approaches so as to allow for in-depth description of the problem. As recommended by Mugenda and Mugenda (2003) both quantitative and qualitative approaches were used because they complement each other (Borg, Gall, and Gall, 1996) as cited by (Randolph, 2009). Thus, while qualitative approach explores the application of the theory, quantitative approach was used to test the theory by testing the hypotheses.

#### **3.3. Study population**

This study generated data from consumers of counterfeits as the target population, but since counterfeiting is a global organised crime network affecting almost every person, it is quite difficult to select a representative study population. However, for this study, traders in the Central Business District of Kampala in the trading areas of Kikuubo, Kiyembe, Nabugabo and



Luwum Street were used as representative respondents for consumers of counterfeits in Uganda. According to the KACITA October 2012 records, the accessible population of traders in the Central Business District of Kampala was 11,298 from which an approximate sample of 372 respondents was selected.

### 3.4. Sample size selection

**Table 1: Sample size selection**

TRADING AREA	NUMBER OF TRADERS (N)	SAMPLE (n)	Sampling Technique
KIKUUBO	4044	131	Simple Random Sampling
KIYEMBE	2334	75	Simple Random Sampling
NABUGABO	3211	104	Simple Random Sampling
LUWUMU STREET	1701	54	Simple Random Sampling
KACITA LEADERS	08	08	Purposive Sampling
TOTAL	11,298	372	

*Source: Primary data*

Amin (2005) defines a sample as a collection of some elements of a population. Thus, a sample is a smaller group obtained from the accessible population (Oso & Onen, 2009). From the accessible population of 11,298 traders, and using Krejcie & Morgan, (1970) sampling matrix, a sample of 372 respondents were selected. From the determined sample of 372 respondents, 08 respondents were purposively selected for an interview based on their leadership roles among the traders in KACITA.

### 3.5. Sampling Techniques and Procedure

According to Mugenda and Mugenda (2003), a sample selected from a population with subgroups should be representative from various subgroups in a way that the existing subgroups in the population are more or less reproduced in the sample. Thus, in this study, the

researcher used stratified random sampling to select a total sample of 364 respondents from the accessible population and used proportionate quota sampling to ensure sub-groups are fully represented. Elements from each subgroup were selected using random number method where the researcher compiled the list of all elements in each subgroup and assigned numbers equivalent to the appropriate number of subjects in each subgroup, which was selected randomly to form the desired sample size for each subgroup as shown in Table 1 above. The 08 respondents for the interview were purposively selected based on their leadership status in KACITA management.

### **3.6. Data collection methods**

This study generated primary data obtained from responses gathered from the selected respondents using questionnaire survey for quantitative data and interviews for qualitative data.

#### **3.6.1. Questionnaire Survey**

This study adopted the questionnaire survey method because it enabled the researcher to describe the population and to count the frequency distribution of variables as recommended by Mugenda and Mugenda (2003). The researcher used the survey method where questionnaires were distributed to the targeted respondents in the trading areas of Kikuubo, Kiyembe, Nabugabo and Luwum Street to gather data from the responses obtained. The obtained data was then analysed and findings were used to generalize results from the selected sample to the entire population of consumers of counterfeit products in Uganda.

#### **3.6.2. Interview method**

As recommended by Amin (2005), a key informant interview was adopted because it enabled a loosely structured conversation with people who had specialized knowledge about the topic to provide required information. The face to face interactions with the selected KACITA executive and opinion leaders helped the researcher to explore the subject in-depth which resulted in the discovery of additional information that had not been revealed in a survey. It also provided opportunities to reveal other factors and issues that may influence the consumption of counterfeit products and may require further investigation.

### **3.7. Data collection instruments**

#### **3.7.1. Self-administered questionnaire**

A questionnaire was designed and used because it allows gathering of facts and opinions from a big sample that can be quantified and used for analysis (Hussey & Hussey, 1997). A total of 372 self-administered questionnaires were distributed to the selected respondents to establish their views about the consumption of counterfeit products in Uganda. The independent variables were grouped into three dimensions; consumer attitudes, social influences and perceived behaviour control. Consumer attitudes were constructed based on Tom et al (1998) proposed model to measure attitude. Social influences were constructed based on Ajzen, (1991) model that friends and relatives influence the buying of counterfeit products. Behavioural control was investigated in reference to the previous study by (Shih-I, Hwai-Hui, & Le, 2011) in their research about examining customer purchase intentions for counterfeit products based on a modified TPB. The questionnaire was expressed in terms of Likert five-scale with values; 1-Strongly disagree, 2-Disagree, 3-Not sure, 4-Agree and 5-Strongly agree (See Appendix1).

#### **3.7.2. Key informant interview guide**

As elaborated by Sekaran (2003), a key informant interview guide was adopted to enable the researcher ask for information from respondents referring to predetermined themes about the research topic. It allowed for flexibility in terms of adaptability and probing. The interview guide was structured based on a list of themes developed from the research questions which led the researcher in conducting the face-to-face interview with the key informant to gather data concerning the study. A total of eight (08) key informants were targeted, but the researcher was able to interview only six (06) who included members from the KACITA executive and opinion leaders in the Central Business District community. Face to face interviews were conducted where major comments were written down by the researcher in line with the predetermined themes.

### **3.8. Validity and Reliability**

To ensure accuracy and consistency of the research instrument in measuring the variables under investigation, validity and reliability tests were carried out.

#### **3.8.1. Validity**

The content validity was used where the instruments were given to professionals/ experts to assess the concept the instrument is trying to measure, and determine whether the set of items or checklist accurately represents the concepts under study. A Coefficient of Validity Index (CVI) was computed using the formulae;

$$CVI = \frac{\textit{Items rated relevant}}{\textit{Total number of items in the questionnaire}}, \text{ and according to Amin (2005), and the}$$

findings were as follows for the questionnaire;

**Table 2: Summary of validity tests for the questionnaire items**

<i>Expert</i>	<i>Total number of items</i>	<i>Number of items rated relevant</i>	<i>CVI</i>
Expert1	19	16	0.84
Expert2	19	14	0.74
<b>Average</b>			<b>0.79</b>

Results from the table above indicate an average CVI of 0.79, which was accepted as valid because it's above 0.7 as recommended by Amin (2005). (For details, refer to appendix III).

### **3.8.2. Reliability**

In this study, the internal consistency technique was used to measure the reliability, where Cronbach's Coefficient Alpha was computed to test for reliability. The researcher adopted the general convention in research prescribed by Nunnally & Bernstein (1994) who state that one should strive for reliability values of 0.70 or higher to imply consistency among the items in measuring the concept of interest. The reliability test was computed on the final data set.

**Table 3: Summary of reliability tests for the questionnaire items**

<b>Item</b>	<b>No of items</b>	<b>Alpha</b>
Consumer attitudes	9	0.5
Social influences	2	0.8
Perceived behavioural control	3	0.7
Law enforcement	3	0.8
Consumption of counterfeits	14	0.76
<b>Overall</b>	<b>31</b>	<b>0.73</b>

*Source: primary data*

Findings in table 3 above show a summary of results where an average alpha of 0.73 was obtained from the results, which indicate that questionnaire items were relevantly consistent in measuring the themes under study. The results further show that social influences and law enforcement / regulatory bodies had better reliability than perceived behavioural control and consumer attitudes with the least alpha value, which is explained by the variance in the accuracy of items measuring each variable. Refer to Appendix IV for details.

### **3.9. Data collection procedures**

A letter of introduction was obtained to introduce the researcher to access the respondents. The questionnaires were first tested and adjusted accordingly. The researcher recruited, trained and deployed four (04) research assistants whose role was to distribute the questionnaires to the target population based on the sampling techniques. Each research assistant was in-charge of distribution and collecting of questionnaires from each trading area and where possible make clarifications. Appointments were fixed for a one to one meeting with the key informants' interviews. The researcher conducted face-to-face interviews.

### **3.10. Data analysis**

Primary data obtained from the questionnaire was analysed using SPSS at univariate and multivariate levels. At univariate level, frequency tables were used to show the distribution of variables. At multivariate level, a regression model was fitted to determine the relationship between the independent variables and the dependent variable. A multistage regression was then fitted, where the first model excluded law enforcement and the second model included it so as to establish the moderating effect of law enforcement onto the relationship between independent and dependent variables. Using the content analysis approach, interview findings were summarized and presented in a thematic approach following the objectives of the study.

### **3.11. Measurement of variables**

The independent variable consumer behaviour was determined by measuring the consumer attitudes, social influence and perceived behavioural control using a Five-level Likert scale with values; 1-Strongly disagree, 2-Disagree, 3-Not sure, 4-Agree and 5-Strongly agree. To match the values for statistical analysis, the dependent variable; consumption of counterfeit products was also measured using the five-level Likert scale by determining the responses on the three sub-categories (buying, type and source of product) of the variable.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.1. Introduction

A total of 364 questionnaires were distributed to the respondents out of which 324 questionnaires were returned, and out of the eight (8) interviews planned, only six (06) key informants were obtained for the face to face interview. Data was obtained and analysed following research objectives and hypotheses. This chapter therefore presents the response rate, background information of respondents, analysis and interpretation of research findings.

#### 4.2. Response rate

**Table 4: Response rate**

Category	Targeted	Actual	Response rate
Kikuubo	131	107	81.7%
Kiyembe	75	71	94.7%
Nabugabo	104	90	86.5%
Luwum Street	54	50	92.6%
Leaders	08	06	75%
<b>Total</b>	<b>372</b>	<b>324</b>	<b>87.1%</b>

*Source: primary data*

A sample of 372 respondents who were categorized into subgroups according to their trading area was used. The researcher deployed four research assistants each per trading area to strictly follow up the questionnaires on fulltime basis, and thus, as indicated in Table 4, 324 responses were obtained yielding a response rate of 87.1%, which was a higher response return than the



70% recommended by Amin (2005). Thus, the results were trusted to provide fair representation of traders in KACITA as consumers of counterfeit products in Uganda.

### 4.3. Background characteristics of the respondents

The background characteristics of the respondents in this study included age, sex and income levels as presented in tables 4, 5 and 6.

#### 4.3.1. Age

This information was generated from responses on the questionnaire and the findings are summarized in table 5.

**Table 5: Age group distribution of respondents**

<b>Age group</b>	<b>Frequency</b>	<b>Percent</b>
0-24yrs	66	20.8
25-34yrs	110	34.6
35-44yrs	86	27.0
45yrs and above	56	17.6
<b>Total</b>	<b>318</b>	<b>100.0</b>

*Source: primary data*

The findings in table 5 show that most respondents, 110 (34.6%) were 25-34 years old; followed by 86 (27%) of 35-44 yrs old; and the least were 45 years and above. Thus, the researcher concluded that the average age of the respondents was between 25-34 years, which is an age bracket for the youthful people who are able to make decisions especially in acquisition of items for consumption. This was elaborated by one of the key informants during

the interview who stated that the youth appreciate style and may buy counterfeit products for purposes of fashion and trendy styles.

#### **4.3.2. Sex**

The questionnaire was administered to both female and male respondents or traders and the findings are summarized in table 6.

**Table 6: Sex of respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Female	134	42.1
Male	184	57.9
<b>Total</b>	<b>318</b>	<b>100.0</b>

*Source: primary data*

The findings shown in Table 6 indicate that more than half of the respondents were male 184 (57.9%) and 134 (42.1%) were female. This was relevant to the study because as stated by the previous researchers, gender is a vital consideration in making consumption decisions in society and families.

#### **4.3.3. Income Levels**

This information was generated from responses to the questionnaire and the findings are summarized in table 7.

**Table 7: Income levels of respondents**

<b>Income levels</b>	<b>Frequency</b>	<b>Percent</b>
0-245,000	73	23.0
245,000-325,000	47	14.8
325,000-410,000	51	16.0
410,000+	147	46.2
<b>Total</b>	<b>318</b>	<b>100.0</b>

*Source: primary data*

The findings in table 7 indicate that most of the respondents 147 (46.2%) earn Uganda Shillings 410,000 and above, and the least number 47 (14.8%) earn between Ugx 245,000 and Ugx.325, 000. Generally, the researcher concluded that majority of the respondents (more than 75%) earn above Ugx.245, 000, which is a minimum threshold for taxable income in Uganda. This may imply that most people can afford, and price may not be the only factor to limit them from buying original products, but other consumer behavior factors may influence their purchase decision. This concurs with one respondent during the interview who said that people may buy counterfeit products because they have limited options to choose from due to the great influx of Chinese made products flooding markets worldwide.

#### **4.4. Descriptive Results on the Dependent variable**

The dependent variable was measured using three categories which included; the buying of counterfeit products, the type of counterfeit product consumed and the source of counterfeit products consumed. The findings from the responses are summarized in the table 8 below.

**Table 8: Consumption of counterfeit products**

<i>Consumption</i>	<b>D</b>	<b>NS</b>	<b>A</b>	<b>N</b>
1. Buying of counterfeits in the last 12 months	7.2	0	92.8	318
2. Type of counterfeit products used in the previous year				
Handbags	72.6	0	27.4	318
Clothing	62.3	0	37.7	318
Music/video	62.3	0	37.7	318
Jewellery	70.4	0	29.6	318
Medicine	80.8	0	19.2	318
Motor spares	67.3	0	32.7	318
Footwear/shoes	62.3	0	37.7	318
Other	92.1	0	7.9	318
3. Source or place of purchase of counterfeit products				
Supermarket	77.0	0	23.0	318
Market	63.8	0	36.2	318
Shop	42.8	0	57.2	318
Hawker	52.8	0	47.2	318
other	98.1	0	1.9	318
<b><i>Aggregate average statistic for Consumption</i></b>	<b>6.9</b>	<b>0</b>	<b>93.1</b>	<b>318</b>

*KEY: D = disagree + strongly Disagree, NS=Not Sure, A=Agree + Strongly Agree, N=Total Frequency (Source: primary data)*

The findings in table 8 show that most of the respondents 295 (92.8%) had bought counterfeit products in the last one year. This implies that they bought counterfeit products and used them during the year 2012, upon which they obtained experience of consumption of such counterfeit products to reasonably give relevant opinions required in this research.

#### **4.4.1. Types of Counterfeit Products**

According to table 8, most counterfeit items consumed/used included clothing 120 (37.7%), 120 (37.7%) music/video and footwear/ shoes, 120 (37.7%), followed by motor spares, 104 (32.7%) jewelry, 94 (29.6%) and hand bags, 87 (27.4%). While the least consumed counterfeit products were medicines 61(19.2%) and other items which included mobile phones, food stuffs, and electronics among others, as stated by some key informants during the interview. The variety of products found and consumed as counterfeits indicates that the problem of counterfeiting has affected almost every product which implies the problem is broad and has to be addressed to prevent further damage.

#### **4.4.2. Sources of Counterfeit Products**

Results in table 8, further indicate that most of the respondents bought the counterfeit products from shops; 182 (57.2%), followed by hawkers; 150 (47.2%), market; 115 (36.2%), while the least of the responses indicated supermarket; 73 (23.0%) and other areas; 6 (1.9%) such as drug shops/ pharmacies, as specified on some questionnaires. The results imply that there is high prevalence of counterfeit products to the extent that counterfeit products can be found from almost all shopping centres.

#### 4.5. Descriptive statistics results

##### 4.5.1. Consumer attitudes and Consumption of Counterfeits

Consumer attitudes towards the consumption of counterfeit products were studied by measuring the attitudes towards the economic, quality and legal aspects of counterfeiting. Results were found and summarized as shown in table 9 below.

**Table 9: Summary of responses on consumer attitudes on Consumption of Counterfeits**

<i>Consumer Attitudes questionnaire items</i>	Response category, N and percentages (%)			
	<b>D</b>	<b>NS</b>	<b>A</b>	<b>Total</b>
Counterfeit goods hurt the economy & legitimate manufacturers	79 26.2%	13 4.3%	209 69.4%	301 100%
I consume counterfeit products because the prices of designers' products are unfairly high.	106 36.1%	39 13.3%	149 50.7%	294 100%
My personal income does not permit me to easily spend on original products.	134 43.6%	42 13.7%	131 42.7%	307 100%
I would consume counterfeit products even if I could easily afford to buy genuine designer products.	192 63.4%	43 14.2%	68 22.4%	303 100%
Buying counterfeit products demonstrates that I am a wise shopper	187 64.7%	47 16.3%	55 19.0%	289 100%
Counterfeit products are just as good as designer products	158 54.7%	69 23.9%	62 21.5%	289 100%
I am aware of existing laws about counterfeiting in Uganda	113 38.8%	91 31.3%	87 29.9%	291 100%
People who <b>sell</b> counterfeits in Uganda are committing a crime	107 36.9%	83 28.6%	100 34.5%	290 100%
People who <b>buy</b> counterfeits in Uganda are committing a crime	130 45.1%	99 34.4%	59 20.5%	288 100%
<b>Overall aggregate average statistic for consumer attitudes</b>	<b>185</b> <b>58.70%</b>	<b>15</b> <b>4.80%</b>	<b>115</b> <b>36.50%</b>	<b>315</b> <b>100%</b>

KEY: *D* = Disagree + Strongly Disagree, *NS*=Not Sure, *A*=Agree + Strongly Agree, *N*=Total Frequency (Source: primary data)

From the responses presented in table 9, majority of the respondents agreed 209 (69.4%) that counterfeit products hurt the economy and legitimate manufacturers. This view was confirmed by one key informant during the interview, who asserted that most times counterfeits are difficult to differentiate in colour and shape from originals, yet they are inferior and this affects the pricing of originals and thus, business dealers in originals end up in limited sales and losses.

The findings show that about half of the respondents 149 (50.7%) agreed that they consume counterfeit products because the prices of designer products are unfairly high. This was underscored by almost every key informant during the interview who emphasized that most people buy counterfeit products because they offer a cheaper option in pricing. This was further substantiated by one key informant who stated that the upbringing culture especially in 'Buganda' (Central Uganda) nourishes most people to love easier and cheaper items, and expensive things are perceived to be for the "whites". However, less than half 131(42.7%) of the respondents agreed that their personal income does not allow them to spend on originals, implying that for a higher percentage of the respondents 134(43.6%), their personal income allows them to afford originals.

As for the quality of counterfeits, most respondents 192 (63.4%) disagreed to consume counterfeit products even if they could afford to buy genuine designer products, while 187 (64.7%) among those who responded, disagreed to the statement that buying counterfeit products demonstrates wisdom in shopping. 158 (54.7%) respondents disagreed that counterfeit products are just as good as designer products, which was contrary to what one of the respondents stated that counterfeits are just as good as originals except for their shorter user life.

A higher number of respondents 113 (38.8%) disagreed to be aware of existing laws about counterfeits, and thus, 107 (36.9%) and 130 (45.1%) respondents disagreed that people who sell and buy counterfeits in Uganda respectively commit a crime. The results further indicated high percentages of respondents who were not sure. This implies that the subject of counterfeits was sensitive for fear of being incriminated. For example, in the case of positive responses to statements such as “am aware of existing laws”, “buy or sell of counterfeits is a crime”, confirms that the respondent is aware. This was substantiated by some key informants who argued; “*counterfeiting is now a current problem the government may pick interest in, so the research could be used by law enforcers to identify dealers*”.

Generally, the aggregate average statistics for consumer attitudes show that more than half of the respondents 185 (58.7%) of those who responded to the consumer attitude aspects in the questionnaire disagreed to all statements measuring consumer attitudes towards the economic, quality and legal aspects of consumption of counterfeit products, which implies a general negative attitude about counterfeiting obtained.

#### **4.5.2. Social Influences and Consumption of Counterfeits**

Social influence was investigated by measuring the aspects of influence relatives and friends exert onto the consumers in their decision making to consume counterfeit products, and findings were obtained as indicated in table 10.



**Table 10: Summary of responses on social influences**

<i>Social influences questionnaire items</i>	Response category in percentages (%)			
	<b>D</b>	<b>NS</b>	<b>A</b>	<b>N</b>
My relatives and friends approve my decision to consume counterfeits	224 74.7%	26 8.7%	50 16.7%	300 100%
My relatives and friends think that I should consume counterfeited products	231 75.7%	17 5.6%	57 18.7%	305 100%
<b>Overall aggregate average statistic</b>	<b>230</b> <b>74.2%</b>	<b>27</b> <b>8.7%</b>	<b>53</b> <b>17.1%</b>	<b>310</b> <b>100%</b>

*KEY: D = Disagree + Strongly Disagree, NS=Not Sure, A=Agree + Strongly Agree, N=Total Frequency (Source: primary data)*

The findings from table 10 above show that majority of the respondents 224 (74.7%) disagreed that to the statement that their decision to consume counterfeits was approved by their relatives and friends. The findings further show that majority 231 (75.7%) respondents disagreed that their relatives and friends think that they should consume counterfeit products.

Generally, the overall aggregate average statistic implies that most respondents out of the 310 who responded to the questionnaire aspects of social influence, 230 (74.2%) did not support the statements measuring social influence towards counterfeit use. This suggests that the respondents were neither influenced by relatives nor friends to consume counterfeit products. This was confirmed by one key informant during the interview who stated... *“class which people used to copy from others, has gone down that even people with money lack ‘class’ as opposed to the past when people used to buy brands of good quality to exhibit class and others would copy them for reasons of adjusting to the available class”*. Other interviews revealed that some consumers buy counterfeit products because of peer pressure from their closed ones for fashion changes and group dynamics.

### 4.5.3. Perceived Behavioural Control and Consumption of Counterfeits

Perceived behavioral control factors were studied through categories measuring aspects of time available, information available and the risk associated with counterfeit use, and findings obtained from the responses to the questionnaires were as summarized in table 11.

**Table 11 : Summary of responses on Perceived behavioural control**

	Response category in Percentages (%)			
<i>Perceived behavioural control</i>	<b>D</b>	<b>NS</b>	<b>A</b>	<b>N</b>
I would consume counterfeit products if I have time available to access such products	202 66.7%	24 7.9%	77 25.4%	303 100%
I would consume counterfeit products if I have information available about such products	191 63.2%	27 8.9%	84 27.8%	302 100%
I would consume counterfeit products if there is no risk/problem associated with such products	130 42.9%	29 9.6%	144 47.5%	303 100%
<b>Overall aggregate average statistic</b>	<b>187</b> <b>59.7%</b>	<b>24</b> <b>7.7%</b>	<b>102</b> <b>32.6%</b>	<b>313</b> <b>100%</b>

*KEY: D = Disagree + Strongly Disagree, NS=Not Sure, A=Agree + Strongly Agree, N=Total Frequency (Source: primary data)*

Findings shown in table 11 indicate that majority of the respondents 202 (66.7%) disagreed while only 77 (25.4%) agreed to the statement that people consume counterfeit products if they had time available to access such products. This implies that even if consumers had enough time available to access counterfeit products, it's not sufficient motivation to buy and consume counterfeit products, and thus, other factors need to be investigated. Findings also showed that more than half; 191 (63.2%) respondents disagreed while 84 (27.4%) agreed to the statement that they would consume counterfeit products if they had information available about such products. This means that most respondents would not buy and use counterfeit products if they

had all available information about such products such as products features, price and product quality among others. This was confirmed by one of the key informants who stated... *“most people would not buy counterfeits if they knew that they were counterfeits and of poor quality compared to originals”*. Thus, most people buy counterfeit products because they lack technical knowledge to differentiate between counterfeits and originals.

The findings also show that the number of respondents who disagreed 130 (42.9%) were less than those who agreed 144 (47.5%) to the statement that they would consume counterfeit products if there was no risk/problem associated with such products. This implies, that most respondents indicated that they consume counterfeit products because they are not aware of any risk associated with them. . This was confirmed by almost all key informants during the interviews who emphasized *“they would neither buy nor use counterfeit products if they knew of any risk or problem associated with such products”*.

#### **4.5.4. Law Enforcement, Consumer Behaviour and Consumption of Counterfeits**

The variable law enforcement was studied as a moderating variable subdivided into questionnaire items measuring efforts by UNBS, URA and Police in combating counterfeit products in Uganda, and table 12 shows results.

**Table 12: Summary of responses on law enforcement against counterfeits in Uganda**

	Response category in percentages (%)			
	<b>D</b>	<b>NS</b>	<b>A</b>	<b>N</b>
<i>Law enforcement by regulatory bodies</i>				
UNBS is doing enough to combat counterfeiting in Uganda	177 58.0%	43 14.1%	85 27.9%	305 100%
URA is doing enough to stop counterfeit products entering Uganda	191 62.6%	46 15.1%	68 22.3%	305 100%
The Police do enough to protect society from counterfeit products in Uganda	193 64.1%	34 11.3%	74 24.6%	301 100%
<b>Overall aggregate average statistic</b>	<b>211</b> <b>67.6%</b>	<b>31</b> <b>9.9%</b>	<b>70</b> <b>22.4%</b>	<b>312</b> <b>100%</b>

KEY: *D* = disagree + strongly disagree, *NS* = not Sure, *A* = agree + strongly agree, *N* = Total Frequency (Source: primary data).

Findings shown in table 12 above indicate that more than half of the respondents 177 (58.0%) disagreed, and only 86 (27.9%) agreed to the statement that UNBS is doing enough to combat counterfeiting in Uganda. This implies that the law enforcement by UNBS against counterfeiting has not been recognized by most people. This was affirmed by various key informants who implied in their responses that UNBS does not work independently and professionally because of political influence. It was also noted from the interviews that UNBS lacks a punitive law against counterfeits; the anti-counterfeiting bill proposed in 2010 was stalled by politics.

The findings further indicate that 191 (62.6%) respondents disagreed while about 68 (22.3%) agreed to the statement that URA is doing enough to stop counterfeit products from entering Uganda. This means that most respondents did not recognize the efforts of URA in stopping counterfeit products from entering the country. This was confirmed by one key informant who stated that URA staff lack technical knowledge to differentiate counterfeits from originals, and

another also commented that URA only minds about collection of taxes and pays less attention of quality of products being cleared into the country.

Similarly, findings in table 12 above show that most respondents disagreed 193 (64.1%) while about 74 (24.6%) agreed that the Police did enough to protect society from counterfeit products in Uganda. This means that most people did not recognise the law enforcement of Police against counterfeits in Uganda. This was supported by findings from an interview where one respondent stated that Uganda police was always introduced in situations of panic but persistent operations can never be sustained, and in addition policemen are not trained to identify counterfeit products so it becomes difficult to enforce against them

Generally, the aggregate statistic indicates that most people of the 312 who responded to the aspects of law enforcement disagreed 211 (67.6%). This implies that law enforcement by UNBS, URA and Police was recognized against the vice of counterfeiting in Uganda. This was substantiated by findings from the interview which indicated that there existed weak relevant laws against counterfeits in Uganda. In addition to this, one of the key informants stated that generally Government may be reluctant to fight counterfeit products because both counterfeits and originals pay taxes.

#### **4.6. Hypotheses testing**

##### **4.6.1. Hypothesis 1:**

To establish whether there existed a relationship between consumer attitudes and the consumption of counterfeit products, the researcher was guided by the following null hypothesis: “There is no relationship between consumer attitudes and consumption of counterfeit products in Uganda”. The degree and nature of the relationship between consumer

attitudes and consumption of counterfeit products was measured using correlation and regression analysis.

**Table 13: Correlation matrix between consumer attitudes and counterfeit use**

		counterfeit use	consumer attitudes
counterfeit use	Pearson Correlation	1	.066
	Sig. (2-tailed)		.242
	N	318	315
consumer attitudes	Pearson Correlation	.066	1
	Sig. (2-tailed)	.242	
	N	315	315

*Source: primary data*

The results in table 13 above show a non significant positive correlation of 0.066 between consumer attitudes and counterfeit use. This implies that the relationship is too small to cause any change and besides, it is insignificant. Therefore, the researcher accepted the null hypothesis that there is no relationship between consumer attitudes and consumption of counterfeit products in Uganda.

**Table 14: Regression output between consumer attitudes and counterfeit use**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.066 <sup>a</sup>	.004	.001	.59714

a. Predictors: (Constant), consumer attitudes

The regression results shown in Table 14 indicate a coefficient, R Square = 0.004. This means that a unit change in consumer attitudes explains a 0.4% unit variation in the consumption of

counterfeit products. This is a very small variation and it implies that consumer attitudes have no significant effect on the consumption of counterfeit products.

**4.6.2. Hypothesis 2:**

The second objective of the study was to investigate the relationship between social influences and consumption of counterfeit products in Uganda. Data was analyzed based on a null hypothesis that there is no relationship between social influence and the consumption of counterfeit products in Uganda. The degree and nature of the relationship between consumer attitudes and consumption of counterfeit products was measured using correlation and regression analysis.

**Table 15: Correlation matrix between social influence and counterfeit use**

		counterfeit use	social influence
counterfeit use	Pearson Correlation	1	.146**
	Sig. (2-tailed)		.010
	N	318	310
social influence	Pearson Correlation	.146**	1
	Sig. (2-tailed)	.010	
	N	310	310

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results in table 15 above indicate a positive correlation of 0.146 between social influence and counterfeit use. The results indicate a positive significant relationship between social influence and consumption of counterfeit products. This implies that social influence contributes 14.6% to the consumption of counterfeit products. Thus, the researcher therefore rejected the null hypothesis, and therefore adopted the alternative hypothesis that there is a relationship between social influence and consumption of counterfeit products.

**Table 16: Regression output between social influence and counterfeit use**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.146 <sup>a</sup>	.021	.018	.58813

a. Predictors: (Constant), social influence

The regression results shown in Table 16 indicate R Square = 0.021, which means that social influence causes a change of 2.1% in the consumption of counterfeit products while holding other factors constant.

**4.6.3. Hypothesis 3:**

To determine the relationship between perceived behavioural control factors and consumption of counterfeit products in Uganda, the researcher was guided by a null hypothesis: “there is no relationship between perceived behavioural control and the consumption of counterfeit products in Uganda”. The degree and nature of the relationship between consumer attitudes and consumption of counterfeit products was measured using correlation and regression analysis.

**Table 17: Correlation matrix between perceived behavioural control and counterfeit use**

		Counterfeit use	perceived behavioural control
Counterfeit use	Pearson Correlation	1	.098
	Sig. (2-tailed)		.084
	N	318	313
perceived behavioural control	Pearson Correlation	.098	1
	Sig. (2-tailed)	.084	
	N	313	313



The results in table 17 above show a positive correlation of 0.098 between perceived behavioural control and consumption of counterfeit products in Uganda. However, the relationship is very small (0.098) on the scale of 1. Besides, it is also not significant at 95% or 0.05 level of confidence, (Sig.0.084 is greater than 0.05). Thus, the researcher accepted the null hypothesis that there is no significant relationship between perceived behavioural control factors and the consumption of counterfeit products.

**Table 18: Regression output between perceived behavioural control and counterfeit use**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.098 <sup>a</sup>	.010	.006	.59732

a. Predictors: (Constant), perceived behavioural control

The results shown in Table 18 indicate R Square = 0.010. This means that perceived behavioural control represents a 1% variation in the consumption of counterfeit products in Uganda. This variation is very small which implies that other factors are at play to therefore explain the phenomena of consumption of counterfeit products in Uganda.

#### **4.6.4. Hypothesis 4:**

To determine the moderating effect of law enforcement on consumer behaviour factors and consumption of counterfeit products in Uganda, the researcher was guided by a null hypothesis: “there is no moderating effect between consumer behaviour factors and consumption of counterfeit products. The degree and nature of the relationship between consumer attitudes and consumption of counterfeit products was measured using correlation and regression analysis.

**Table 19: Correlation matrix between law enforcement and counterfeit use**

		Counterfeit use	law enforcement
Counterfeit use	Pearson Correlation	1	.079
	Sig. (2-tailed)		.165
	N	318	312
Law enforcement	Pearson Correlation	.079	1
	Sig. (2-tailed)	.165	
	N	312	312

The results in table 19 above show a positive non significant correlation of 0.079 between law enforcement and consumption of counterfeit products in Uganda. This implies that law enforcement affects consumption of counterfeit products by only 7.9%, which is quite low and therefore other factors are responsible for consumption of counterfeits in Uganda and thus, the researcher accepted the null hypothesis that there is no significant moderating effect of law enforcement onto the consumption of counterfeit products.

**Table 20: Regression output between law enforcement and counterfeit use**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.079 <sup>a</sup>	.006	.003	.59299

a. Predictors: (Constant), law

The results in table 20 show R Square = 0.006. This means that law enforcement explains 0.6% of the consumption of counterfeit products in Uganda. This implies that any change in law enforcement does not cause any significant change in the consumption of counterfeit products in Uganda. This means that other than law enforcement, there are other factors which explain the consumption of counterfeit products in Uganda.

**4.7. Multiple Regression**

A multiple regression model was fitted to test the relevant contribution of each independent variable in explaining the variations in the dependent variable as shown in the Table 21 below:

**Table 21: Multiple Regression between consumer behaviour factors and counterfeit use**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.143 <sup>a</sup>	.020	.011	.58662		
2	.155 <sup>b</sup>	.024	.011	.58652		
a. Predictors: (Constant), perceived behavioural control, consumer attitudes, social influence						
b. Predictors: (Constant), perceived behavioural control, consumer attitudes, social influence, law						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.040	.149		20.412	.000
	consumer attitudes	-.007	.052	-.009	-.143	.887
	social influence	.064	.030	.130	2.116	.035
	perceived behavioural control	.018	.033	.034	.534	.594
2	(Constant)	3.004	.153		19.664	.000
	consumer attitudes	-.014	.053	-.016	-.260	.795
	social influence	.065	.030	.131	2.132	.034
	perceived behavioural control	.012	.033	.023	.367	.714
	law	.029	.027	.061	1.050	.295
a. Dependent Variable: Counterfeit use						

The results in Table 21 above show that the independent variables were fitted in one regression model against the dependent variable, and the moderating variable was introduced in the second model to determine its effect on the relationship between the independent and

dependent variables. Results in table 21 above in the model1 summary indicate R –square = 0.02, which implies that the independent variables explain only 2% of the variation in the consumption of counterfeit products in Uganda, which is insignificant and very small. This suggests that there no overall significant relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda, and thus, other factors may be explaining the increased consumption of counterfeits in Uganda. However, the standardized coefficients obtained in the regression models fitted indicate that social influence seems to have a greater effect on consumption of counterfeit products in Uganda with 13% variance in explaining consumption of counterfeit products.

The results in Table 21 also indicate findings of regression model2 when law enforcement was included in the model as a moderating factor. The results indicate that there is no significant effect of law enforcement on the relationship between consumer behaviour factors and the consumption of counterfeit products. However, the inclusion of law enforcement in the model, R-square increases from 0.02 to 0.024, which means that the moderating effect of law enforcement explains only 0.4% variance in the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda, which is insignificant and very low.

## **CHAPTER FIVE**

### **SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

## **5.1. Introduction**

The study was conducted to investigate the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda. This chapter therefore presents the summary, discussions, conclusions and recommendations of the findings in chapter four.

## **5.2. Summary**

### **5.2.1. Consumer attitudes and consumption of counterfeit products**

The study found out that there was no significant relationship between consumer attitudes and the consumption of counterfeit products. However, the descriptive statistics indicated that majority of the respondents agreed that counterfeit products hurt the economy and legitimate manufacturers. Counterfeit products are not as good as designer products and thus, buying of counterfeit products was not wise shopping. It was upheld by most respondents that they buy counterfeit products because the prices of originals is unfairly high, and they would not buy counterfeit products if they could afford originals. The findings also indicated that most people were not aware of existing laws about counterfeits, and thus, most people perceived that those who sell and buy counterfeits in Uganda do not commit a crime.

Findings from the interview also indicated that: Most people believe original products are very expensive and the counterfeits provide a cheaper option which is affordable. It was also generally stated that most counterfeit products are the same in colour and shape as originals but offer shorter user life, and thus they are expensive in the long run and some have associated risks of usage. Another interviewee said that *‘indeed counterfeits hurt businesses dealing in originals and lead to loss of money since they offer ineffective use’*.

### **5.2.2. Social influences and consumption of counterfeit products**

The study found a positive significant relationship between social influence and consumption of counterfeit products. The correlation results indicated that social influence contributes 14.6% to the consumption of counterfeit products in Uganda, and the regression results indicated a significant variance in consumption of counterfeit products attributed to social influence.

### **5.2.3. Perceived behavioural control and consumption of counterfeit products**

Perceived behavioural control slightly affects the consumption of counterfeit products in Uganda and thus, the relationship was found insignificant. The descriptive statistics however, indicated that most people would not consume counterfeit products if there was a known risk associated with such products. Qualitative findings from the interview indicated that; *‘most respondents emphasized information available about the products as strong factors to impede or facilitate the consumption of counterfeit products in Uganda’*.

### **5.2.4. Law enforcement, Consumer Behaviour and consumption of counterfeit products**

It was established from the findings that law enforcement neither affects the consumption of counterfeit products nor influences the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda. This was substantiated by the descriptive statistics which indicated that neither UNBS nor URA and Police did enough to combat counterfeiting in Uganda. This was supported by the strong statements obtained from the interviews which emphasized that the law enforcement had not been recognized in the fight against counterfeiting in Uganda.

## **5.3. Discussion of findings**

### **5.3.1. Consumer attitudes and consumption of counterfeit products**

The findings of the study indicated that there was no relationship between consumer attitudes and the consumption of counterfeit products, which was contrary to the findings by previous studies which predicted that individual's attitudes towards counterfeit products affect their buying intention, which in turn affects the actual buying behaviour (Ang et al, 2001; Phau and Teach, 2009; Penz and Stöttinger, 2005).

The findings from the descriptive statistics indicated that counterfeit products hurt the economy and legitimate manufacturers, and such products are not as good as designer products, and as such, it wasn't wise shopping of such products. This was also contrary to the findings by Norum and Cuno (2010), which suggested that prior purchasers felt that purchasing a counterfeit product is just as good as purchasing the real brand.

The argument upheld by most respondents that they buy counterfeit products because the prices of originals is unfairly high, was in agreement with the findings of Harvey and Wall (2003) who established that monetary price of originals has a positive effect on choice and purchase of pirated goods. This further was substantiated by Lau (2006); Moores and Dhaliwal (2004) who established in their online survey that excessive prices of original software is the key factor to use pirated software and high cost of legal software impact the intention to buy pirated software. In addition, the findings that people would not buy counterfeit products if they could afford originals, was in agreement with Shih-I Cheng et al., (2011) who reported that when people perceive that their financial ability enables them to purchase authentic products, they tend to do so and vice-versa.

The opinion that counterfeit products are not as good as designer products was in line with Jenner and Artun (2005) who established in their survey that the perceived quality difference

between counterfeits and genuine brand reduces purchase intentions for all product categories. Being not aware of existing laws about counterfeits and asserting that people who sell and buy counterfeits in Uganda do not commit a crime was an argument in line with findings by Norum and Cuno (2010) who suggested that if the respondent believed that the buyers and/or sellers were committing a crime, they were less likely to buy counterfeit goods themselves.

The qualitative findings indicating people's beliefs that original products are very expensive and rather people buy the cheaper affordable option of counterfeits since they seem to be same in colour and shape as originals was in support of the findings of Tom et al (1998) which state that some consumers perceive the quality of counterfeits to be as good as legitimates ones. This was supported by some studies which claimed that consumers who purchased counterfeits did not believe they were inferior to the genuine ones (de Matos, 2007; Penz and Stottinger, 2008; Prendergast et al, 2002).

### **5.3.2. Social influences and consumption of counterfeit products**

The relationship predicted between social influence and consumption of counterfeit products was in agreement with the findings of Ang et al. (2001), who established an association between normative susceptibility and the use of counterfeits, which was supported by Penz and Stottinger (2005) who found out that normative pressure affects purchase intentions for counterfeits.

The findings which indicated that friends and relatives neither approve consumer's decisions to buy counterfeit products nor their thoughts to buy such products, was contrary to the findings of Albers-Miller (1999) who found out that presence of friends who also buy an illicit good enhance willingness to buy and buying alone decreases the willingness to buy.

### **5.3.3. Perceived behavioural control and consumption of counterfeit products**



The study found out that there was no significant relationship between perceived behavioural control and consumption of counterfeit products in Uganda. This was contrary to the findings of Shih-I et al. (2011) who observed a strong effect of the influence of perceived behavioural control on consumer purchase intentions for counterfeit products, which was supported by Penz and Stottinger (2005) in a similar study.

The other findings of the study is where most people held the opinion that they would not be affected by time as a limiting factor to consume counterfeit products, was to the contrary with Ajzen' (2002) findings which indicated that time available for a consumer to make a purchase decision was a significant factor in facilitating such as decision. The argument that most people would not buy and use counterfeit products if they had all available information about such products was in line with findings of Penz and Stottinger (2005) who established that such factors positively affect the intention to buy counterfeit products. The opinion that most respondents would not consume counterfeit products if there was a known risk associated with such products was the same argument upheld by Shih-I et al (2011).

The qualitative findings from the interview which indicated emphasis on information available being a strong factor to impede or facilitate the consumption of counterfeit products in Uganda, was in support of the earlier findings by Bian (2011) who suggested that perception hinge on available information about a product that provides ground for purchasing decisions. This was supported by Hanzaee (2012) who stated that available information supports consumers who buy counterfeit willingly.

#### **5.3.4. Law enforcement, Consumer Behaviour and consumption of counterfeit products**

The study revealed that law enforcement does not have a significant effect on the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda. This was in line with findings from previous studies which indicated that neither attitudes towards lawfulness of counterfeits nor attitudes towards legality of purchasing counterfeits predicts consumer willingness to knowingly purchase counterfeit luxury brands (Phau et al, 2009).

In addition, other findings which indicated that most respondents implied that UNBS, URA and Police did not do enough to combat counterfeiting in Uganda would be explained by the existence of weak legislation against counterfeiting in Uganda. Other researchers similarly noted that weak legislation providing inconsistent and/or undelivered punishment for participating in counterfeiting, provides further incentives to counterfeiters to continue supplying such illicit goods worldwide (Chaudhry et al, 2011), and as supported by (Ang et al., 2001), consumers may exploit the lawlessness and rationalize their behaviour by feeling less guilty when buying counterfeits.

#### **5.4. Conclusions**

Whereas the consumption of counterfeit products may be influenced by various factors, this study established that there was no significant relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda. Thus, it was concluded that the consumption of counterfeit products in Uganda may be explained by other factors rather than the consumer behaviour factors. However, some conclusions were drawn from the correlation, descriptive and qualitative findings of each of the consumer behaviour factors as elaborated below.

##### **5.4.1. Consumer attitudes and consumption of counterfeit products**

Consumer attitudes do not explain the consumption of counterfeit products in Uganda. However, as much as most consumers acknowledge that counterfeit products are not as good as the original designer products, and the buying of such products is not wise shopping, most people continue to buy counterfeit products in Uganda because the price of originals is unfairly high, and so they choose the cheaper option of counterfeit products.

#### **5.4.2. Social influences and consumption of counterfeit products**

The positive relationship between social influence and the consumption of counterfeit products in Uganda indicates that a slight change in the social pressure on consumers for one will change the demand for counterfeit products in Uganda. This implies that in addressing the problem of counterfeit products being consumed rampantly in Uganda today, social relationships need to be used as a key factor in identifying change agents which may bring a workable solution to the problem of counterfeits hurting almost everybody in business. Opinion leaders, role models and influential persons, among others, in families, groups, organizations, communities and social circles can be used to change consumers' beliefs and attitudes about counterfeits in Uganda.

#### **5.4.3. Perceived behavioural control and consumption of counterfeit products**

Perceived behavioural control factors (information available, time available and risk involved with counterfeits), did not have a significant relationship with consumption of counterfeit products in Uganda. This implies that information available to buyers/consumers about products is not vital in influencing their consumption decisions. Available information about various

products may be providing confusing shopping experiences, such as where time available is not sufficient to scrutinize all information before making appropriate shopping decisions.

#### **5.4.4. Law enforcement, Consumer Behaviour factors and consumption of counterfeit products**

Law enforcement is not significant in moderating the relationship between consumer behaviour factors and the consumption of counterfeit products in Uganda. The existing weak legislation against counterfeiting in Uganda could have had an impact on the consumers to assume that there isn't any legislation against counterfeiting in Uganda. The weak efforts by regulatory bodies in the fight against counterfeiting is an indication that consumers have not recognised law as a measure in protecting consumers, promoting local industries and facilitating fair trade against counterfeit products in Uganda.

### **5.5. Recommendations**

In consideration of the study findings and conclusions highlighted above, the researcher made the following recommendations.

#### **5.5.1. Consumer attitudes and consumption of counterfeit products**

As much as the findings of the study indicated that there was no relationship between consumer attitudes and the consumption of counterfeit products, other factors and issues could be responsible and government could do the following.

The high prices of original products need to be addressed so that consumers can be attracted to buy originals other than being carried away by the cheaper counterfeits. This can be done through government subsidies and tax exemptions allowed to manufactures and traders of original products so as to minimise their production costs and eventually levy minimal prices affordable by most buyers.

Also government price ceilings can be adopted on most of the original products so as to prevent exploitative traders from unreasonable hiking of prices for good products.

Higher tax rates if imposed on counterfeits, than on originals, can raise the cost of trading in such products and consequently the prices of such counterfeits will be higher than prices of originals and thus, they become no longer attractive to cheaper option buyers.

Brand owners and dealers in original products should conduct customer sensitizations through use of trust-promoting messages to persuade consumers to avoid the bad shopping of counterfeits and adopt the good shopping for originals that creates lasting impressions as intended by the designer of original products.

#### **5.5.2. Social influences and consumption of counterfeit products**

There should be a deliberate effort by the concerned government bodies and brand owners to identify opinion leaders, family heads, political leaders, role models, among others, and train/sensitize them about the risks involved in shopping counterfeits verses the advantages of consuming original products, so that these leaders can eventually influence the consumer community.

Product brand owners should ensure guaranteed product performances to create lasting impressions which can be recommended to other relatives and friends

### **5.5.3. Perceived behavioural control and consumption of counterfeit products**

Shops/outlets for original branded products need to be opened at various points in the Central Business District of Kampala and even with upcountry outlets so as to create availability and easy access of original products. This minimises the lack of choices based on ignorance of where original products can be found.

Guaranty and warranty should be mandatory to all products sold on markets to ensure safety and durability is guaranteed to all consumers.

Effective brand marketing initiatives such as network marketing, relationship marketing, and online marketing, among others need to be adopted by brand owners for them to ensure their customers easily access the right information for the right products and easily monitor customer follows ups for continued business.

## **5.6. Limitations of the study**

In carrying out this study, a number of challenges were encountered which included the following;

*Sensitivity of the subject.* Most respondents were reluctant to respond to the questionnaires and interview in fear of confidentiality aspects. Some respondents feared to allow access to their shops by the research assistants referring to the New Vision paper article dated 10<sup>th</sup> April 2013, which reported that some people disguising as researchers (data collectors) got involved in theft of some shops around the Central business streets. Other respondents declined to provide

information in fear that the research could be a government ploy to identify dealers in counterfeits and eventually condemn their products and shops.

*Busy respondents:* Others were not willing to respond because they were very busy, while some stated that they did have enough time to give to the researcher since they thought the research would not help them improve the quality of the products on the market.

*Language barrier:* The researcher faced challenges of interpreting the questionnaire to some respondents especially in Kikuubo and Nabugabo who did not understand English and preferred to use the common dialect (Luganda), which called for some questionnaires to be administered by the research assistants and this was time consuming.

It was *expensive* to recruit and train research assistants who could effectively distribute the questionnaires through these busy trading streets.

### **5.7. Recommendations for further research**

National exploratory study about the prevalence of counterfeit products in Uganda is urgently required to identify the extent of the problem in terms of quantities and ratios so as to provide baseline statistics for national planning and policy making to handle the problem.

There is need to investigate the relationship between marketing stimuli and the purchase of counterfeit products in Uganda.

A study about the counterfeit product attributes and intention to buy counterfeit products would give a broader perspective to understand why people prefer to buy the glittering duplicates other than originals.

The effect of corruption on the implementation of laws and policies against counterfeits in Uganda needs to be investigated

A conceptual analysis of effectiveness of anti-counterfeit laws of Uganda needs to be studied. The study needs to be broadened to other business districts. This study indicated in general terms that business men were the drivers of counterfeit products in Uganda. An investigative study is recommended to qualify the major motivating factors explaining the traders' motivations of dealing in counterfeit products in Uganda.



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## Appendix I: Questionnaire

Dear respondent,

This questionnaire is for obtaining your views about consumer behaviour factors and the consumption of counterfeit products in Uganda. You are kindly requested to answer all questions as objectively as possible. The questionnaire is primarily for academic purposes and your responses shall be treated with maximum adherence to confidentiality. The data obtained by the researcher from the study shall be used for writing a dissertation leading to the award of Masters of Management Studies (Business Administration) of Uganda Management Institute. Thank you in advance for your support.

Yours sincerely, David Dongo, Uganda Management Institute- Kampala Uganda

### Section A: Bio data:

Please tick (✓) for your suitable response.

1. How old are you? Please select age group below by ticking appropriately:

0-24 yrs	25-34yrs	35-44yrs	45yrs and above

2. What is your Sex?    Male  Female

3. What is your monthly income level in Uganda Shillings?

0-245,000	245,000-325,000	325,000-410,000	410,000 and above

### Section B: The consumption of counterfeit products in Uganda

Please indicate your response by ticking 1 = *Strongly disagree*, 2 = *Disagree*, 3 = *Not sure*, 4 = *Agree* and 5 = *Strongly agree*

- 4. Have you bought or used the listed counterfeit products in the last twelve months?**

<i>Consumption</i>	1	2	3	4	5
1. Bought counterfeits in the last 12 months					
2. Used the following counterfeit products in the last 12 months:					
Handbags					
Clothing					
Music/video					
Jewellery					
Medicine					
Motor spares					
Footwear/shoes					
Other					
3. Bought counterfeit product from the following source:					
Supermarket					
Market					
Shop					
Hawker					
other					

**Section C: Consumer behaviour factors and the consumption of counterfeit products**

Please indicate your response by ticking 1 = Strongly disagree, 2 = Disagree, 3 = Not sure, 4 = Agree and 5 = Strongly agree

**5. What are your attitudes about the consumption of counterfeit products in Uganda?**

<i>Economic Attitudes</i>		1	2	3	4	5
EA1	Counterfeit goods hurt the economy & legitimate manufacturers					
EA2	I consume counterfeit products because the prices of designers' products are unfairly high.					
EA3	My personal income does not permit me to easily spend on original products.					
<i>Quality Attitudes</i>						
QA1	I would consume counterfeit products even if I could easily afford to buy genuine designer products.					
QA2	Buying counterfeit products demonstrates that I am a wise shopper					
QA3	Counterfeit products are just as good as designer products					
<i>Legal Attitudes</i>						
LA1	I am aware of existing laws about counterfeiting in Uganda					
LA2	People who <b>sell</b> counterfeits in Uganda are committing a crime					
LA3	People who <b>buy</b> counterfeits in Uganda are committing a crime					

**6. How much social influence do you experience to buy counterfeit products?**

<i>Subjective Norms</i>		1	2	3	4	5
SN1	My relatives and friends approve my decision to consume counterfeits					
SN2	My relatives and friends think that I should consume counterfeited products					

**7. Perceived behavioural control factors**

<i>Factors that facilitate or impede the consumption of counterfeit products</i>		1	2	3	4	5
PB1	I would consume counterfeit products if I have time available to access such products					
PB2	I would consume counterfeit products if I have information available about such products					
PB3	I would consume counterfeit products if there is no risk/problem associated with such products					

**8. Law enforcement by regulatory bodies**

<i>Regulatory bodies</i>		1	2	3	4	5
RB1	UNBS is doing enough to combat counterfeiting in Uganda?					
RB2	URA is doing enough to stop counterfeit products entering Uganda					
RB3	The Police do enough to protect society from counterfeit products in Uganda					

## **Appendix II: Key informant interview guide**

1. What is the extent of counterfeiting in Uganda?
2. What are your attitudes towards the consumption of counterfeits?
3. Do you think there are social influences on the consumption of counterfeit products in Uganda?
4. Would there be any factors that limit or facilitate the consumption of counterfeit products in Uganda?
5. What other reasons do you think have led to increased consumption of counterfeit products in Uganda?
6. What is the impact of regulatory bodies (UNBS, URA and Police) in the enforcement of measures against counterfeit products in Uganda?
7. What policies and measures do you think can help to control counterfeit products in Uganda?

### Appendix III: Validity tests for questionnaire items

<i>Validity tests for questionnaire items</i>		Expert1	expert2
1	Have you bought or used counterfeit products in the last one year?	√	√
2	Counterfeit goods hurt the economy & legitimate manufacturers	√	√
3	I consume counterfeit products because the prices of designers' products are unfairly high.	√	√
4	My personal income does not permit me to easily spend on original products.	√	×
5	I would consume counterfeit products even if I could easily afford to buy genuine designer products.	√	√
6	Buying counterfeit products demonstrates that I am a wise shopper	×	√
7	Counterfeit products are just as good as designer products	×	√
8	I am aware of existing laws about counterfeiting in Uganda	√	√
9	People who <b>sell</b> counterfeits in Uganda are committing a crime	√	
10	People who <b>buy</b> counterfeits in Uganda are committing a crime	√	√
12	My relatives and friends approve my decision to consume counterfeits	√	√
13	My relatives and friends think that I should consume counterfeited products	√	×
14	I would consume counterfeit products if I have time available to access such products	×	√
15	I would consume counterfeit products if I have information available about such products	√	√
16	I would consume counterfeit products if there is no risk/problem associated with such products	√	×
17	UNBS is doing enough to combat counterfeiting in Uganda?	√	√
18	URA is doing enough to stop counterfeit products entering Uganda	√	√
19	The Police do enough to protect society from counterfeit products	√	√
	<b>Summary</b>	16	15
	<b>Average CVI obtained = 0.79</b>	16/19 =0.84	14/19 =0.74

Key: √=essential/ useful, ×=not essential/ not useful



## Appendix IV: Reliability Statistics

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Counterfeit Use	-31.07	974.525	-.303	.732
Handbags	-23.82	828.769	.470	.704
Clothing	-24.81	810.217	.495	.701
Music/video	-25.19	855.389	.315	.720
Jewellery	-23.99	815.871	.512	.700
Medicine	-22.92	842.713	.495	.704
Motor spares	-24.42	852.590	.336	.717
Footwear/shoes	-25.28	848.969	.337	.718
Other	-21.80	967.745	-.025	.738
Supermkt	-23.22	816.292	.580	.696
Mkt	-24.77	813.894	.481	.703
Shop	-27.08	895.213	.176	.733
Hawker	-26.01	836.819	.375	.714
Other	-21.21	948.673	.246	.726
Counterfeit goods hurt the economy & legitimate manufacturers	-34.00	966.819	.018	.732
I consume counterfeit products because the prices of designers' products are unfairly high	-33.27	970.508	-.020	.733
My personal income does not permit me to easily spend on original products.	-32.92	969.429	-.010	.733
I would consume counterfeit products even if I could easily afford to buy genuine designer products	-32.26	946.220	.268	.725
Buying counterfeit products demonstrates that I am a wise shopper	-32.21	960.173	.112	.730
Counterfeit products are just as good as designer products	-32.50	957.820	.136	.729
I am aware of existing laws about counterfeiting in Uganda	-32.85	980.048	-.133	.736
People who sell counterfeits in Uganda are committing a crime	-33.05	976.269	-.086	.735
People who buy counterfeits in Uganda are committing a crime	-32.64	964.206	.063	.731
My relatives and friends approve my decision to consume counterfeits	-32.25	957.561	.144	.729
My relatives and friends think that I should consume counterfeited products	-32.31	951.516	.200	.727
Access to counterfeit products	-32.43	955.290	.149	.729
Information available about counterfeit products	-32.48	954.785	.161	.728
Risk/problem associated with counterfeit products	-33.16	967.091	.016	.732
UNBS is doing enough to combat counterfeiting in Uganda	-32.45	947.516	.226	.726
URA is doing enough to stop counterfeit products entering Uganda	-32.25	954.653	.163	.728
The Police do enough to protect society from counterfeit products in Uganda	-32.28	947.892	.214	.726
<i>Overall average for the 31 items , alpha 0.73</i>				

## Appendix V: Interview findings

Theme	Key Informant	Response
Extent of counterfeiting in Uganda	1.	High chances of getting counterfeits because Chinese have brought in many. Counterfeits are many because dealers want to minimise taxes.
	2.	About 90% of most shops sell counterfeits eg electrical, stationery and shoes.
	3.	Almost 90% of the goods on market are counterfeits and substandard..
	4.	Most items in Uganda are substandard.
	5.	There are now very limited options to find original products in Uganda.
	6.	Over 80% of the population cannot expensive items
Attitudes towards the consumption of counterfeit products in Uganda.	1.	If government did their work, I would support banning counterfeits
	2.	They are just as good as originals except for the shorter user life. Local counterfeits affect the pricing of originals so it hurts dealers in originals. Government loses less since both duplicates and originals pay taxes. Some counterfeits are better in quality than originals distributed by brand holders e.g. 'bic' pens from China are better than ones from Kenya.
	3.	The upbringing culture especially in Buganda region teaches people to love cheaper options; expensive items are perceived to be for whites. Some counterfeit items are similar in to originals with slight quality differences. Originals are very expensive. Even the quality of branded goods such as 'bata' shoes has deteriorated.
	4.	. Businessmen are looking for profit, with no central regulations. Outsourcing of brands has hurt original brands. Durability is low; some products are dangerous and expensive in the long run since they keep on breaking down. Investment plans have been distorted by counterfeiters. True businesses have failed and people on loans are outcompeted out of business by cheaper counterfeits.
	5.	Counterfeiting has attracted poor quality investors in Uganda. Even if i had the money, I would buy counterfeits because there are too many of such products everywhere. I have a belief that no company now makes original products. It is now a global problem there is scarcity of raw materials to make original products.
	6.	The cost of living has gone up to afford originals. Though counterfeits lead to loss of money because they offer ineffective usage.
Social influences and consumption of counterfeit products in Uganda.	1.	Class has deteriorated. Some friends and salesmen have influenced me to buy products which turned out to be counterfeits.
	2.	The youth appreciate style, and so they buy counterfeit brands for style and class
	3.	I normally influence people to buy products basing on their capability to pay. I wouldn't support known bad items
	4.	We tend to copy what others have used.
	5.	Class has gone down that even the rich what to buy as opposed to the past where people used to show class buy buying branded products
	6.	
Factors that limit or facilitate the consumption of counterfeit products in Uganda	1.	Sensitization of consumers. I would buy an item only if am sure of it. Lack of information about such products.
	2.	Only about two shops sell expensive original shoes at about 1.2m per pair, a layman such as a policeman cannot buy a shoe of 1.2m nor look at it, instead buys one of 15,000
	3.	
	4.	Lack of technical people to guide the mass. Corruption has killed the fabric of society morals to do right.
	5.	The media has become a catalyst in promoting counterfeits and bad acts in society where poor quality products are highly marketed to entice buyers and raise public demand as compared to originals which sell by brand quality.

	6.	
Other reasons leading to increased consumption of counterfeit products in Uganda	1.	People buy counterfeits because they have limited options. Chinese products are very rampant on market. Counterfeits are cheaper.
	2.	Most people especially villagers can't afford originals so they are good to help people with less money.
	3.	
	4.	Purchasing power has gone down. The greed to make money abates counterfeiting.
	5.	The too much recycling of items has caused duplicates. Corruption has caused many problems including allowing counterfeits into Uganda.
	6.	The trend is difficult to reverse because the rich have made alot of money from counterfeits.
Influence of regulatory bodies (UNBS, URA and Police) in the enforcement of measures against counterfeit products in Uganda	1.	Government has failed to protect traders from the free trade market forces. Implementation of available legislation has failed.
	2.	Generally government may not fight counterfeits because most buyers know what they buy. Better duplicates are even approved by UNBS are allowed into the market. UNBS only tests standards; Police has no law except of the brand owner presents a court order.
	3.	UNBS is full of politics. They are not working professionally. They do not judge. The politics stalled the bill against counterfeits. UNBS is not doing enough, neither URA is helping, and Police seem not to have any idea about counterfeits.
	4.	UNBS is not doing anything.
	5.	
	6.	URA,UNBS and police can do something but it affects only the poor persons.
Policies and measures that can help to control counterfeit products in Uganda	1.	
	2.	
	3.	UNBS should be independent to do their work eg in the past UNBS was stopping substandard shoes but the Minister of trade sat with businessmen and gave an order to allow in such shoes. Government should come up with laws and sensitize mass about such bad products
	4.	Double standards should be avoided. Necessary training is required.
	5.	Government policy should be strengthened. URA customs should be empowered to stop counterfeits at verification of imports. Consistence in implementation of laws in Uganda should be adopted, not when policies are introduced in panic then abandoned thereafter.
	6.	Consumers should be careful when buying items. Government should stop counterfeits in Uganda.

## Appendix VI: Recommendation for fieldwork



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Your Ref:

Our Ref: G/35

15 March 2013

**Mr. David Dongo**  
12/MMSBA/27/013

Dear Mr. Dongo,

### FIELD RESEARCH

Following a successful defense of your proposal before a panel of Masters Defense Committee and the inclusion of suggested comments, I wish to recommend you to proceed for fieldwork.

Please note that the previous chapters 1, 2 and 3 will need to be continuously improved and updated as you progress in your research work.

Wishing you the best in the field.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Benon Basheka'.

Benon Basheka (PhD)

**HEAD, HIGHER DEGREES DEPARTMENT**



**Appendix VII: Fieldwork introduction letter**



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15 March 2013

**TO WHOM IT MAY CONCERN**

**MASTERS IN MANAGEMENT STUDIES DEGREE RESEARCH**

Mr. David Dongo is a student of the Masters Degree in Management Studies of Uganda Management Institute 27<sup>th</sup> Intake 2011/2012 specializing in Business Administration, **Reg. Number 12/MMSBA/27/013.**

The purpose of this letter is to formally request you to allow this participant to access any information in your custody/organisation, which is relevant to his research.

His Research Topic is: ***“Consumer Behaviour Factors and the Consumption of Counterfeit Products in Uganda: A Case of the Central Business District of Kampala”***

A handwritten signature in blue ink that reads 'Benon C. Basheka'.

Benon C. Basheka (PhD)  
**HEAD, HIGHER DEGREES DEPARTMENT**