



THE HONG KONG
POLYTECHNIC UNIVERSITY

香港理工大學

Pao Yue-kong Library

包玉剛圖書館

Copyright Undertaking

This thesis is protected by copyright, with all rights reserved.

By reading and using the thesis, the reader understands and agrees to the following terms:

1. The reader will abide by the rules and legal ordinances governing copyright regarding the use of the thesis.
2. The reader will use the thesis for the purpose of research or private study only and not for distribution or further reproduction or any other purpose.
3. The reader agrees to indemnify and hold the University harmless from and against any loss, damage, cost, liability or expenses arising from copyright infringement or unauthorized usage.

IMPORTANT

If you have reasons to believe that any materials in this thesis are deemed not suitable to be distributed in this form, or a copyright owner having difficulty with the material being included in our database, please contact lbsys@polyu.edu.hk providing details. The Library will look into your claim and consider taking remedial action upon receipt of the written requests.

**TOURIST DEMAND FOR COUNTERFEITS
AND THE ETHICAL DECISION-MAKING
PROCESS**

YINGHUAN ZENG

PhD

The Hong Kong Polytechnic University

2019

The Hong Kong Polytechnic University
School of Hotel and Tourism Management

**Tourist Demand for Counterfeits and the
Ethical Decision-Making Process**

Yinghuan Zeng

A thesis submitted in partial fulfillment of the requirements for the
degree of Doctor of Philosophy

September 2018

CERTIFICATE OF ORIGINALITY

I hereby declare that this thesis is my own work and that, to the best of my knowledge and belief, it reproduces no material previously published or written, nor material that has been accepted for the award of any other degree or diploma, except where due acknowledgement has been made in the text.

Yinghuan ZENG

ABSTRACT

Counterfeiting is a well-recognized and growing problem around the world. Although there are laws regulating the supply of counterfeits, the problem still exists because of the demand for counterfeits. One third of the total demand is non-deceptive and the majority of non-deceptive counterfeit consumption is by tourists. Previous studies have found that consumer behavior is different when on vacation because of the hedonic nature of tourism and lack of social constraints; thus tourists are more likely to partake in unethical behaviors.

Tourist decision-making of destination choice has been studied a lot in previous literature. The topic predominantly assumes that tourists are rational decision makers who make the best choices after careful consideration. This rational assumption dominates literature of consumer decision-making and ethical decision-making. However, according to dual-process theories in psychology, there are two types of thinking: Type 1 fast thinking by intuition and Type 2 slow thinking by reasoning. Possibly, tourist decision-making is irrational and fast, especially for unplanned decisions while travelling. Various unethical tourists behaviors have been condemned by residents of popular tourist destinations. Purchasing of counterfeit goods is one of them. Therefore, it can be used as a case to investigate the ethical decision-making process of tourists. Unethical behaviors can be prevented if there is a better understanding of how tourists think and what affects their thinking when making ethical decisions. Currently, there is a knowledge gap in understanding the ethical decision-making process of tourists because their expressed ethical concerns do not necessarily translate into ethical consumption behaviors (also known as attitude-behavior gap).

Research on consumer misbehavior in tourism is extremely limited. In addition, there is an urgent need to explore situations when tourists make decisions (both consumption and ethical decision) based solely on intuition. Hong Kong is a perfect place to conduct the research on tourists' purchase of counterfeit goods because shopping is an important tourist activity and popular shopping areas for tourists are at the same time common areas for counterfeit trade, such as Ladies Market and Temple Street Market.

The aim of this research is to explore tourists' demand for counterfeits and the ethical decision-making process. The objectives of this research are: 1) To determine the incidence of counterfeit purchases among different tourist types; 2) To estimate the economic value of

counterfeit purchase among different tourist types; 3) To explore the ethical decision-making among different tourist types; 4) To assess the degree of neutralization among different tourist types; 5) To assess the impact counterfeit goods have towards the perception of Hong Kong as a shopping destination among tourists; 6) To test the efficiency of different anti-counterfeiting strategies in combating counterfeit consumption.

A conceptual model is developed after critically reviewing literature of counterfeit demand, consumer decision-making, psychology of decision-making (dual-process theory) and ethical decision-making. Dual-process model is combined with ethical decision-making model by considering the hedonic nature of tourism, time pressure, and the possibility of intuitive decision-making by tourists. Mixed methods are used to collect data from three cohorts: Hong Kong residents, mainland Chinese tourists and international tourists.

The result shows that 34.8% of Hong Kong residents, 21.0% of international tourists and 15.2% of mainland Chinese tourists buy counterfeits in Hong Kong. The counterfeit demand in Hong Kong is estimated that Hong Kong residents spend HK\$ 781.69 million (US\$ 100.22 million) on non-deceptive counterfeits, mainland Chinese spend HK\$ 5,340.77 million (US\$ 684.71 million) and international tourists spend HK\$ 978.83 million (US\$ 125.49 million) per year. It is estimated that the tourist market constitutes 89% of counterfeit purchases in Hong Kong. Different tourist types use similar neutralization techniques. The availability of counterfeits tend not to reduce the shopping experience for those who do not buy counterfeit products. International tourists and mainland Chinese tourists still agree Hong Kong is a shopping paradise despite the existence of counterfeit products. The result of hypothesis test of the dual-process thinking shows that characteristics of Type 1 fast thinking and Type 2 slow thinking are different from previous literature. Both types of thinkers are teleological when making ethical judgement. Culture, age, education, religion, and travel companionship are found to have significant effect on ethical judgement. Price discounts of genuine products is the most effective anti-counterfeiting marketing strategy for all tourist types. The results of binary logistic regression shows that the conceptual model is statistically significant. The model correctly predict 77.1% overall, specifically correctly predict 96.1% non-buyers and 15.8% buyers. Six factors prove to be significant determinants ($p < 0.05$) of the likelihood to purchase counterfeits: moral intensity, motivation, personal relevance, type of thinking, effect of others, and religion.

This research adds new knowledge to consumer decision-making, ethical decision-making,

and tourist misbehavior. It also helps brand companies and Hong Kong Special Administrative Region (HKSAR) government to have a clearer understanding of tourists' demand for counterfeits and its impact on destination image, and thus improve anti-counterfeiting strategies.

Key words: tourists, counterfeit demand, ethical decision-making, dual-process theory

ACKNOWLEDGEMENTS

The PhD life in the past three and a half years is a life-changing experience for me. I started my PhD under multiple pressures as a mother, a daughter, and a wife. It was a big challenge for me to manage work-life balance. Compared to other PhD colleagues, I might not be the most productive in publishing papers; but I believe I am “productive” in self-improvement and life management. I cannot do all these without many people’s support and help.

I want to express my gratefulness to my Chief supervisor, Dr. Stephen Pratt. He enlightened me, encouraged me and supported me all the time. He gave me no pressure but sufficient freedom to do what I want to do. His passion, innovation and integrity showed me a role model as a scholar. I feel very lucky to be supervised by Stephen, which might be the reason that I never win a prize in lotteries.

I want to thank Dr. Denis Tolkach for giving me advice on the thesis and agreed to be my Chief supervisor at critical stage after Stephen moving to Fiji. My same sincere thanks also go to Professor Brian King and Dr. Lorenzo Masiero for their comments on my confirmation report.

Finally, I thank deeply from my heart to my family, especially my mother and my mother-in-law. Without their help I could not overcome so many difficulties in life. I also need to thank my two daughters, for tolerating my busyness and temper. Special thanks to my husband, who keeps encouraging me to be a better me. What we have done is always not easy.

TABLE OF CONTENTS

ABSTRACT	I
ACKNOWLEDGEMENTS	IV
1 Introduction	1
1.1 Problem statement.....	2
1.2 Aim of the research.....	4
1.3 Research significance	4
2 Counterfeits	6
2.1 The supply of counterfeits	6
2.2 IPR law and legislation	8
2.3 The demand for counterfeits	11
2.4 Anti-counterfeiting strategies	15
2.5 The case of Hong Kong	17
3 Consumer decision-making.....	20
3.1 Consumer behavior in tourism.....	20
3.1.1 Tourism consumer: rational decision-maker?.....	21
3.1.2 Tourism consumer: irrational decision-maker?	26
3.1.3 Conclusion.....	29
3.2 The psychology of decision-making.....	29
3.2.1 Dual-process theories	30
3.2.2 How does Type 1 work?	33
3.2.3 How does Type 2 work?	35
3.2.4 Variables of Type 1 and Type 2 processing.....	38
3.2.5 Effects of time, emotion and group on decision-making	41
3.2.6 Dual-process theory in tourism research.....	43
3.2.7 Conclusion.....	44
3.3 Ethical decision-making	45
3.3.1 Moral action: Rest's model	46
3.3.2 Level of moral reasoning: Kohlberg's model	47
3.3.3 Individual and situational effects: Trevino's interactionist model.....	49
3.3.4 Learning from the feedback: Hunt and Vitell's general theory model	51
3.3.5 Characteristics of the moral issue: Jones's issue-contingent model	52
3.3.6 The role of emotion: Gaudine and Thorne's cognitive-affective model.....	54

3.3.7	Moral intuition: Haidt’s social intuitionist model	56
3.3.8	Dual-process decision making: Woiceshyn’s integrative model	56
3.3.9	Factors of ethical decision-making	57
3.3.10	Measurement of ethical decision-making	60
3.3.11	Conclusion.....	62
3.4	Neutralization.....	62
3.5	Conclusion	65
4	Conceptual framework and hypotheses	66
5	Methodology	77
5.1	Key research question.....	77
5.2	Research design	77
5.3	Questionnaire design based on literature review & observations.....	82
5.4	Interviews and Pre-test.....	88
5.5	Back-to-back translation into Chinese questionnaire	93
5.6	Sampling	93
5.7	Pilot study	97
5.8	Main survey	98
5.9	Data analysis	98
6	Interview results	101
6.1	Demographic profile of interviewees.....	101
6.2	Strict non-buyers	102
6.3	Lenient non-buyers.....	104
6.4	Potential buyers	105
6.5	Absolute buyers.....	105
6.5.1	Liberated buyers.....	106
6.5.2	Struggle buyers.....	110
6.5.3	Spurious buyers	110
6.5.4	Effect of anti-counterfeit marketing strategies.....	111
7	Survey results	113
7.1	Data check and Normality.....	113
7.2	Profile of the respondents.....	115
7.3	Exploratory factor analysis	117
7.4	Incidence of counterfeit purchases	119

7.5 Economic value of counterfeit purchases	122
7.6 Perceived benefits & marketing strategies of counterfeit sellers	123
7.7 Impact of counterfeits on shopping experience	124
7.8 Effectiveness of anti-counterfeiting strategies	125
7.9 Degree of neutralization by cohorts	126
7.10 Ethical decision-making process - Hypotheses testing	127
7.10.1 Ethical dilemma	128
7.10.2 Motivation & opportunity to process	129
7.10.3 Ethical judgement.....	130
7.10.4 Judgement-behavior gap	133
7.10.5 Ethical / unethical behavior.....	135
7.10.6 Actual consequences	135
7.10.7 Impacts of personal experience	137
7.10.8 How Type 1 and Type 2 thinking works?.....	138
7.10.9 Effects of demographical factors on ethical decision-making	139
7.10.9.1 Differences in ethical decision-making by tourist type.....	139
7.10.9.2 Differences in ethical decision-making by gender	142
7.10.9.3 Differences in ethical decision-making by age	143
7.10.9.4 Differences in ethical decision-making by education level.....	145
7.10.9.5 Differences in ethical decision-making by religion.....	148
7.10.9.6 Differences in ethical decision-making by travel alone or with others	150
7.11 Ethical decision-making model of counterfeit demand.....	152
7.12 Conclusion.....	153
8 Discussions.....	159
8.1 Objective One: the incidence of counterfeit purchases among different tourist types.....	159
8.2 Objective Two: to estimate the economic value of counterfeit purchase among different tourist types	160
8.3 Objective Three: To explore the ethical decision-making among different tourist types	161
8.4 Objective Four: To assess the degree of neutralization among different tourist types.....	168
8.5 Objective Five: To assess the impact counterfeit goods have towards the perception of Hong Kong as a shopping destination among tourists	169

8.6 Objective Six: To test the efficiency of different anti-counterfeiting strategies in combating counterfeit consumption.....	170
9 Conclusion, contribution and implications	172
9.1 Theoretical contributions	172
9.2 Practical implications	173
9.3 Limitations and future directions	175
9.4 Conclusion	176
Appendices	178
Appendix 1 Interview discussion guide.....	178
Appendix 2 Questionnaire - the 1 st version	180
Appendix 3 Questionnaire - the 2 nd version.....	188
Appendix 4 Questionnaire - the final version.....	198
Appendix 5 Questionnaire - simplified Chinese version.....	209
Appendix 6 Questionnaire - traditional Chinese version.....	218
References	227

LIST OF TABLES

Table 1-1 Top Ten places visited by tourists in Hong Kong.....	3
Table 3-1 Some common terminologies of dual processes	31
Table 3-2 Common characteristics of Type 1 and Type 2 processing	32
Table 3-3 Moral intensity items.....	54
Table 3-4 The multidimensional ethics scale (MES).....	61
Table 3-5 The refined multidimensional ethics scale (MES)	61
Table 4-1 Measurement of moral intensity.....	71
Table 5-1 TripAdvisor reviews about counterfeit shopping	85
Table 5-2 Sampling quota for pilot study	95
Table 5-3 Sampling quota of main survey.....	95
Table 5-4 Visitor arrivals by Country/Territory of Residence by major market areas ...	96
Table 6-1 Demographic profile of interviewees	101
Table 6-2 Summary of interview results.....	102
Table 7-1 Results of Descriptive Statistics and normality of ethical scales	113
Table 7-2 Profile of the main survey respondents (n=1500)	115
Table 7-3 Results of EFA in main survey	118
Table 7-4 Counterfeit product buying patterns by cohort.....	120
Table 7-5 Total non-deceptive counterfeit expenditure in Hong Kong	123
Table 7-6 Perceived benefits of purchasing counterfeit products.....	124
Table 7-7 Perceived effectiveness of counterfeit sellers' marketing strategies	124
Table 7-8 Impact of counterfeits on shopping experience.....	125
Table 7-9 Perceived effectiveness of anti-counterfeiting strategies	126
Table 7-10 Degree of neutralization by cohorts	127
Table 7-11 Numbers of Type 1 and Type 2 thinkers by gender and cohorts	127
Table 7-12 Moral intensity difference by type of thinking.....	128
Table 7-13 Motivation difference by type of thinking	129
Table 7-14 Ethical principles followed by Type 1 fast thinkers	131
Table 7-15 Level of moral reasoning and the ethical theory	131
Table 7-16 Effectiveness of counterfeit sellers' marketing strategies by types of thinking	132
Table 7-17 MES and the ethical theory	132
Table 7-18 Mean score of MES	133

Table 7-19 Effect of others by types of thinking	134
Table 7-20 Comparison of moral judgement and moral behavior of Type 2 thinkers..	135
Table 7-21 Comparison of ethical behavior between Type 1 and Type 2 thinking	135
Table 7-22 Correlation between actual consequence and neutralization.....	136
Table 7-23 Correlation between satisfaction and shopping intention and perception change	138
Table 7-24 Ethical decision-making difference by cohort.....	140
Table 7-25 Ethical decision-making difference by gender	142
Table 7-26 Ethical decision-making difference by age	144
Table 7-27 Ethical decision-making difference by education	146
Table 7-28 Ethical decision-making difference by religion	148
Table 7-29 Ethical decision-making difference by travel companionship	150
Table 7-30 Result of binary logistic regression	152
Table 7-31 Logistic regression for likelihood to not buy counterfeit products	153
Table 7-32 Summary of Hypotheses Testing.....	154
Table 7-33 Summary of key findings of demographic effects	155

LIST OF FIGURES

Figure 2-1 Conceptual model of consumer complicity	12
Figure 3-1 Summary of literature on tourism consumer behavior published in three leading tourism journals from 2000 to 2012	21
Figure 3-2 Theory of planned behavior	23
Figure 3-3 Theory of reasoned action and its extensions	24
Figure 3-4 Travel decision model.....	25
Figure 3-5 General model of traveler leisure destination awareness and choice	26
Figure 3-6 The relationship between self-congruity and travel behavior.....	28
Figure 3-7 A more complete model of the tripartite structure	37
Figure 3-8 Knowledge structures in the tripartite model.....	38
Figure 3-9 The elaboration likelihood model (brief).....	39
Figure 3-10 The elaboration likelihood model (detailed).....	40
Figure 3-11 Consumer decision-making under emergency purchasing situation	42
Figure 3-12 New general model of tourism decision making	44
Figure 3-13 Model of moral action	47
Figure 3-14 Kohlberg's stages of moral development	48
Figure 3-15 Interactions model of ethical decision-making in organizations	50
Figure 3-16 General theory of marketing ethics.....	52
Figure 3-17 An issue-contingent model of ethical decision making in organizations....	53
Figure 3-18 The role of emotion in ethical decision-making	55
Figure 3-19 Ethical decision-making based on moral intuition	56
Figure 3-20 An integrative model for ethical decision making.....	57
Figure 3-21 Empirical studies examining effects by dependent variable.....	59
Figure 3-22 The influence of ability to neutralize on ethical decision-making.....	63
Figure 4-1 A dual-process model of ethical decision-making for counterfeit consumption by tourists	68
Figure 4-2 A dual-process model of ethical decision-making for counterfeit consumption by tourists: variables and hypotheses tests	70
Figure 5-1 The Research "Onion"	78
Figure 5-2 Research procedure.....	81

1 Introduction

Counterfeiting is a well-recognized and growing problem around the world (Fink et al., 2016). Counterfeiting generally refers to unauthorized manufacturing of products that are protected by intellectual property rights (IPR) including patents, copyrights, and trademarks (Cordell et al., 1996). According to World Intellectual Property Organization (WIPO), IPR acknowledges the ownership of inventions, literary and artistic works, and names, logos, images, and designs in business to encourage creativity (WIPO, 2007). Counterfeit products are either 100% direct copy or imitations which infringe IPR of the owners of genuine products.

The estimated loss to global trade due to counterfeiting is estimated to be US\$600-700 billion annually, accounting for about 7% of business worldwide (IACC, 2012). According to a recent report commissioned by Business Action to Stop Counterfeiting and Piracy (BASCAP, 2011), the total value of global trade in counterfeit is estimated to be as much as \$1.77 trillion in 2015, which may result in the loss of more than 2.5 million jobs and over \$125 billion in the broader economy including government tax revenues, welfare spending, costs of crime services and foreign direct investment (FDI) (Chaudhry & Zimmerman, 2012).

This study takes a demand-side approach to investigating counterfeiting. The supply of counterfeits is supported by consumer demand. The problem of counterfeiting has existed for at least 2,000 years (Chaudhry & Zimmerman, 2009). Since then various anti-counterfeiting legislation, regulations and business strategies have been established and initiated, trying to curb counterfeiting from the supply side. However, the problem of counterfeiting continues to rise. Therefore, it is important to investigate counterfeiting from the demand side to better understand the issue.

The focus of this study is non-deceptive counterfeiting. Deceptive counterfeiting refers to situations when consumers do not realize they are buying fake products, while non-deceptive counterfeiting occurs when consumers are fully aware that the product purchased is a counterfeit based on specific cues such as price, location and material (Gentry et al., 2006). According to previous research, one-third of the total demand for counterfeiting is non-deceptive (Bian & Veloutsou, 2007). Counterfeit of branded fashion products is the focus of this study. Non-deceptive counterfeits are usually fashion products such as clothing,

shoes, handbags, watches, etc., because they cause relatively little harm to consumers compared to counterfeit pharmaceutical products, airplane and automobile parts or other types of products (Jiang, 2014). In addition, advanced technology enables the counterfeiters to copy the genuine branded products with much higher quality than ever before.

Many studies have been conducted to investigate reasons why consumers knowingly purchase counterfeit products. Low price is identified as one of the most important determinants for counterfeit consumption (Albers-Miller, 1999; Bloch et al., 1993). Non-price determinants have also been identified because high income consumers also knowingly buy counterfeit products (Eisend & Schuchert-Güler, 2006): personal determinants such as demographic and psychographic variables (Cheung & Prendergast, 2006; Wang et al., 2005); product characteristics, such as price and product attributes (Leisen & Nill, 2001); social and cultural context (Hoon Ang et al., 2001); purchase situation variables (Harvey & Walls, 2003); and ethical and lawful concerns (Tan, 2002).

1.1 Problem statement

The majority of non-deceptive counterfeit consumption is by tourists in countries where counterfeits are rampant, and the determinants of tourists' consumption behavior can be quite different from general consumers: more playfulness, novelty and symbolic purposes (Gentry et al., 2001). The purchase situation of tourists is different with less time to make purchase decisions, lower constraints from legislation, social and cultural norms at home. Thus, the consumer behavior of individuals can be quite different while on vacation (Kozak & Tasci, 2005; McKercher, 2015; Selanniemi, 2003). Unfortunately, most of the previous research on counterfeit demand is derived from data of general consumers especially university students using convenience sampling (e.g. Castaño & Eugenia Perez, 2014; Norum & Cuno, 2011; Peng et al., 2012; Wang & Song, 2013). Empirical studies on tourists' demand for non-deceptive counterfeits are extremely rare (Correia & Kozak, 2016).

Hong Kong is the second major source of global counterfeiting as well as a famous tourism destination (USCBP, 2014). In 2014, 63% of the total seizures related to IPR infringement in United States originated from mainland China and 25% from Hong Kong; the corresponding figures in 2013 were 68% and 25% respectively (USCBP, 2014). Nearly 30% of the products being counterfeited are wearing apparel / accessories. Other counterfeited

product categories include consumer electronics (24%), handbags / wallets (8%), footwear (7%), and watches / jewelry (7%) (USCBP, 2014). Hong Kong is also a tourism destination well known as a “shopping paradise”. From luxurious shopping malls to open air markets, tourists from all over the world are coming to Hong Kong to seek unique shopping experiences. According to the 2014 annual report of Hong Kong Tourism Board, overnight visitors spend an average of 61.7% of their total spending on shopping (HKTB, 2014). Shopping is one of the most important activities for tourists (Timothy, 2005). Shopping is the most prominent motivation for mainland Chinese tourists to visit Hong Kong (Huang & Hsu, 2005). Therefore, the shopping experience is a crucial factor that affects tourists’ overall satisfaction and intention to re-visit Hong Kong (Lloyd et al., 2011).

Common areas for counterfeit trade are, at the same time, popular shopping areas for tourists in Hong Kong. Ladies Market and Temple Street were ranking five and six respectively among the Top Ten most visited places in 2014, as shown in Table 1-1 (HKTB, 2014). Stanley Market is another open-air market popular for tourists. Many vendors in these markets sell counterfeit branded products such as handbags, clothing and accessories. The availability of counterfeit products may denigrate the shopping experience; alternatively, it may heighten the experience for those tourists who want a taste of risk, thrill, or novelty which they can rarely experience at home. Wu et al. (2014) found that international tourists enjoy shopping in street markets because the price is cheap, bargaining is fun, and the quality of fake products can be good. Similarly, Correia and Kozak (2016) point out that tourists accept the reality that street markets sell fake products and this will not negatively affect the image of street markets; conversely, some tourists seek street markets to buy counterfeits. The same study also confirms that the price and utility perception of counterfeits can positively affect tourists’ satisfaction and willingness to re-visit street markets. However, how tourists make decisions regarding purchase of counterfeit goods remains largely unknown.

Table 1-1 Top Ten places visited by tourists in Hong Kong

Rank		Places Visited	% of tourists	
2013	2014		2013	2014
1	1	Avenue of Stars	28	29
2	2	Victoria Peak / Peak Tower	26	25
3	3	Hong Kong Disneyland	21	21
4	4	Ocean Park	19	18

5	5	Open-air Market – Ladies Market	17	17
6	6	Open-air Market – Temple Street	11	11
7	7	HK Convention & Exhibition Centre (including Golden Bauhinia Square)	11	11
8	8	Clock Tower at Tsim Sha Tsui	10	10
9	9	Tsim Sha Tsui Waterfront Promenade	10	9
10	10	Lan Kwai Fong / Soho	9	8

Source: HKTB (2014)

1.2 Aim of the research

The aim of this research is to explore tourists' demand for counterfeits and their ethical decision making process. The data are collected from international tourists, mainland Chinese tourists, and Hong Kong residents to investigate the differences of counterfeits purchase behavior. After an extensive literature review, the objectives of this research are identified to address research gaps, as follows:

1. To determine the incidence of counterfeit purchases among different tourist types;
2. To estimate the economic value of counterfeit purchase among different tourist types;
3. To explore the ethical decision-making among different tourist types;
4. To assess the degree of neutralization among different tourist types;
5. To assess the impact counterfeit goods have towards the perception of Hong Kong as a shopping destination among tourists;
6. To test the efficiency of different anti-counterfeiting strategies in combating counterfeit consumption.

1.3 Research significance

To the author's best knowledge, this research makes the first attempt to use mixed methods in a tourism study that investigates tourist demand for counterfeits based on comprehensive psychological models. In psychological studies, mixed methods have been used for counterfeit issues. For example, Herstein et al. (2015) use mixed methods to understand the attitude of counterfeit buyers, but their sample is MBA students not tourists, and no conceptual model is developed in their study. However, their study provides reference for defining counterfeit buyers and designing items of anti-counterfeit marketing strategies in the current PhD study. In tourism studies, among the limited studies that apply psychology theories (Pearce & Packer, 2013), most apply one specific psychological model (e.g. Theory of Planned Behavior) and only use quantitative methods (e.g. Correia & Kozak, 2016; Meng

& Choi, 2016). For example, Ajzen and Fishbein (2000) apply the Theory of Planned Behavior to investigate how tourist attitudes affect consumption intentions. The most recent quantitative research about tourist demand for counterfeits in street markets is done by Correia and Kozak (2016). That study applies the Theory of Planned Behavior to investigate how tourists' attitude of counterfeits affects their intentions to buy counterfeits. However, Correia and Kozak (2016) only used quantitative survey to collect data and assume that tourists decisions of counterfeit purchase are logical and volitional. This neglects intuitive decision-making and the "attitude-behavior gap" (Newholm & Shaw, 2007). The mixed method approach can not only explore intuitive decision-making, but also contribute to development of a conceptual model that is more applicable for investigating ethical issues in tourism context.

The significance of this research is as follows. First, the research will test the determinants of consumer demand for counterfeits that have already been identified in the context of tourism: some factors might not be appropriate and new determinants might be identified. Second, it will contribute to an understanding of how tourists, as a specific type of consumer, make ethical decisions on counterfeit purchases compared with local residents. Models of decision-making psychologies will be critically reviewed and synthesized to develop a conceptual framework for this research. Considering the hedonic nature, time pressure, and the possibility of intuitive decision-making, a conceptual model will be developed to better explain tourists' ethical decision-making. This will contribute to the existing literature of ethical decision-making, most of which are rational decision making in an organizational context. The conceptual model is verified with empirical data collected from both qualitative and quantitative research in order to generalize the theory to tourists from different cultures. The research will also help understand the differences of ethical decision making across tourists from different cultures. Last but not least, this research helps brand companies and Hong Kong Special Administrative Region (HKSAR) government to have a clearer understanding of tourists' demand for counterfeit products and its impact on destination image; anti-counterfeiting strategies can also be improved with the test of current strategies' impact on different tourist types. However, the limitation of the study might be under-report or over-report by the respondents because of the sensitive nature of the topic and the fact that counterfeit products are illegal (Prince et al., 2008).

2 Counterfeits

2.1 The supply of counterfeits

Counterfeiting trade has been a multimillion business and a global problem for at least 2,000 years (Chaudhry & Zimmerman, 2009). The high profits from sales and low investment required for counterfeit goods are main drivers of counterfeit trade. Manufacturers of counterfeits do not incur the usual business costs of research & development, advertising and taxes, and it is easy to produce duplicates at lower costs (Stumpf & Chaudhry, 2010). The development of the Internet, the growth of globalization and weak IPR enforcement also provide convenience for counterfeiting trade to expand (Chaudhry & Zimmerman, 2009).

More importantly, the demand for counterfeits sustains the supply of counterfeits. The benefits to buyers of counterfeit goods seem relatively straightforward also. When consumers knowingly purchase counterfeit products, they do so at a fraction of the legitimate product's price while gaining the product's visual attributes and product functionality without paying for the associated quality (Cordell et al., 1996).

The products being counterfeited can be found in a growing number of categories (Spink et al., 2013). According to the statistics of U.S. Customs and Border Protection (USCBP), handbags / wallets, watches / jewelry, consumer electronics, clothing and footwear account for over 80% of counterfeits seized in 2014 (USCBP, 2014). While electronics, clothing and fashion items have been copied for a long time period, an increasing number of other goods are being counterfeited including pharmaceuticals, airplane and automobile parts, and even food products (Carpenter & Lear, 2011). Counterfeit products are mainly sold through informal distribution channels such as flea markets, clandestine shops, sidewalk vendors and the Internet (Chaudhry & Zimmerman, 2009; Correia & Kozak, 2016; Radón, 2012; Wu et al., 2014).

The increased proliferation of counterfeits has serious consequences for various stakeholders including consumers, business, governments and the wider society. The health and safety of consumers can be threatened by counterfeit products whose quality is inferior and fails to reach related national or international standards. The low quality of medicines, foodstuffs, airplane and automobile parts can have harmful and even fatal consequences to

consumers. For example, in China, fake milk powder has caused infant deaths (Shetty, 2004) and many children have suffered from serious illnesses because of the injection of fake vaccines (Cabral-Isabedra, 2016); counterfeit drugs for improving sexual performance sold online have seriously threatened customers' health (Liang & Mackey, 2012); and the flood of counterfeit aircraft parts have created "unacceptable risks to national security and the safety of U.S. military personnel" (Olson, 2012).

Companies whose products are counterfeited are negatively affected in different aspects. First, the demand for legitimate products may decrease due to counterfeit trade. Secondly, the company revenue will be lower resulting in lower employment. Thirdly, affected companies have to invest more in anti-counterfeiting strategies which incurs additional business costs. Finally, the image and reputation of the affected companies may be damaged due to counterfeiting (Nia & Zaichkowsky, 2000). This can potentially force the companies to close down or only operate in countries where there is strong enforcement of IPR. Thus, counterfeiting is seen to undermine industry competitiveness and decrease employment (Chaudhry, 2006).

Governments, and society more widely, can also lose as a result of counterfeit activity. Income and profits from counterfeit trade are often not declared and hence, by definition, form a black market. Together with lower employment and job redundancies due to counterfeit trade, the potential income and company tax revenues will be lower for the governments where counterfeit goods are produced and sold. Further, governments may have to spend more budget revenues on producing anti-counterfeiting marketing and advertising strategies, and / or monitoring and enforcing intellectual property rights legislation. Counterfeit trade also has plausible links with illegal labor, organized crime and terrorism (IACC, 2016). The profits from counterfeit trade have been used to fund terrorist activities (Lee, 2012). When IPR infringement is increasing, research and innovation in society is discouraged and thus negatively influences technological, economic, and socio-cultural development (Chaudhry & Zimmerman, 2009).

Most counterfeit products can be traced to only a few source countries and regions. Mainland China has been the main source of these counterfeit goods but Hong Kong also, has ranked highly as a source of counterfeits, as captured by United States and European Customs Services (EU, 2015; USCBP, 2014). Large-scale importing and exporting of counterfeit products among mainland China and Hong Kong are known to exist (Stumpf &

Chaudhry, 2010). In 2014, 63% of the total IPR seizures by the United States Customs Service originated from mainland China and a further 25% originated from Hong Kong (USCBP, 2014). In the European Union for 2014, the corresponding figures from mainland China and Hong Kong were 80% and 8% respectively (EU, 2015).

It is estimated that, on average, 20% of consumer products sold in China are counterfeit (Fleming, 2014) and counterfeit goods account for approximately 8% of China's GDP (Philipp, 2014; Swike et al., 2008). Another estimate is that the value of counterfeit goods coming from China is \$US 150 billion (Zimmerman, 2013). Zimmerman (2013) provides several reasons for China being the main source of pirated goods. First, both Confucianism and Communism do not emphasize individual ownership; second, in Chinese history, censorship has been deemed more important than copyrights in terms of knowledge diffusion; and third, the final inventions belong to the State. US companies are reluctant to invest in research and development in China due to the flagrant disregard for IPR there (Ren, 2018). While IPR laws exist, the penalties for breaking these laws are negligible (Swike et al., 2008).

2.2 IPR law and legislation

Many policies and legislation have been designed to battle counterfeiters, especially by US and EU. According to the United States Trademark Act, trademark counterfeiting is the act of producing, selling or disturbing a product with a spurious mark that is substantially indistinguishable from a registered mark, which is likely to deceive and cause confusion (Abbott & Sporn, 2002). Sometimes the sellers will intentionally tell the buyers that the products are fake by selling at a much lower price, with poor packaging and at different locations. They try to justify their behaviors and argue that they have told people that the product was a copy and people still buy it. The sellers defend their position stating they are just satisfying the demand of a market segment that cannot afford the real product but still want a copy. However, the courts will treat this non-deceptive counterfeiting the same as deceptive counterfeiting and give the same punishments to suppliers. Consumers are not taken into account by the courts (Chaudhry & Zimmerman, 2009).

The US also has many other IPR enforcement initiatives to battle piracy activities. For example, the US government cooperates with the private sector to initiate a new campaign

called “Strategy Targeting Organized Piracy (STOP!)”. The Department of Homeland Security now governs IPR enforcement and various layers of government sectors are strategically involved in IPR protection, including US Customs, Department of Commerce, FBI, US Patent and Trademark Office, Justice Department and State Department. In addition to government departments, various private sector organizations also provide assistance to policy makers in aspects of IPR related program, training and technical support, e.g. International Anti-Counterfeiting Coalition (IACC, 2016)

In the EU, the Taxation and Customs Union of European Commission has various legislations and action plans to deter counterfeiters. *Regulation (EU) No 608/2013* is the legislation concerning customs enforcement of IPR (EU, 2013). According to this regulation, the marketing of counterfeit products could also be considered to deceive consumers and endanger their health and safety. Such marketing is unlawful and will be kept off the EU market to ensure legitimate trade. EU and US have cooperated to provide necessary infrastructure for IPR enforcement operation and developed Third-Country IPR enforcement strategy to regulate IPR environment in third-world countries (Chaudhry & Zimmerman, 2009).

In addition to governments, international organizations also safeguard IPR enforcement. For example, the World Trade Organization (WTO) has established the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) to provide general principles to guide the IPR enforcement (WTO, 1994); the World Intellectual Property Organization (WIPO) offers services and encourage global cooperation to protect intellectual property (WIPO, 2016); and the Organization for Economic Cooperation and Development (OECD) publishes statistics and reports to help governments to make effective policies against IPR infringement (OECD, 2016).

China began to issue new patent and trademark laws and agreed to protect IPR via the US-China Bilateral Trade Agreement in 1979. Since then, China has joined the WIPO, the Paris Convention, the Berne Convention, and the Madrid Protocol. After the accession to the WTO in 2011, China has enacted a set of IP laws and initiated many anti-counterfeiting campaigns (USTR, 2013). In 2013, the Supreme People’s Court of China issued a judicial interpretation on the liability of using the Internet as intermediaries for counterfeiting trade. China has taken efforts to revise laws, rules, guidelines, and judicial interpretations of IPR which improve IPR protection and enforcement. However, it remains a significant challenge

to effectively enforce IPR laws in China, because there are administrative obstacles across central, provincial and local level authorities and political efficacy risk is perceived as the highest risk for business operations in China (Zimmerman, 2013).

Compared to mainland China, Hong Kong has relatively stronger enforcement of IPR. The Basic Law specifically emphasizes in Article 139 and 140 that Hong Kong should develop appropriate policies that reach the highest international standards and provide legal protection for IPR. According to the Intellectual Property Department of Hong Kong (HKIPD) (HKIPD, 2016), there is a complete system of IP laws that protect trademarks, patents, designs and copyright such as *Trade Marks Ordinance (Chapter 559)*, *Copyright Ordinance (Chapter 528)* and *Trade Descriptions Ordinance (Chapter 362)*. According to the *Trade Descriptions Ordinance*, “anyone who sells or possesses for sale any goods with any forged trademark commits an offence. Upon conviction, offenders are liable to a maximum fine of HK\$500,000 and a maximum imprisonment of five years’ imprisonment” (SCMP, 2016). It should be noted that the IP laws in Hong Kong are under a territorial protection which only protects IP registered within Hong Kong but not outside Hong Kong. The Hong Kong Customs and Excise Department (HKCED) is responsible for IPR enforcement against suppliers and retailers of counterfeits. It investigates complaints of IPR infringement and has extensive power of search premises and seizure goods. To increase the efficiency of combating counterfeiting, the Intellectual Property department cooperates with Guangdong and Macao to create an IP database to share information. Meanwhile, the Customs department cooperates with IPR owners and IPR enforcement authorities overseas to form a stronger IPR net (HKCED, 2016). It also provides cash rewards to encourage organizations and citizens to report information of counterfeiters.

However, there is no punishment for buyers of counterfeits in Hong Kong. There is only one simple sentence suggesting that “every citizen in HKSAR should respect IPR and refrain from buying infringing goods” on the website of Customs department (HKCED, 2016). To educate companies and consumers, the Intellectual Property department organizes various public events such as seminars, exhibitions, public lectures, and educational campaigns. It promotes IPR knowledge and legislation through TV announcements, videos, brochures and other promotional channels.

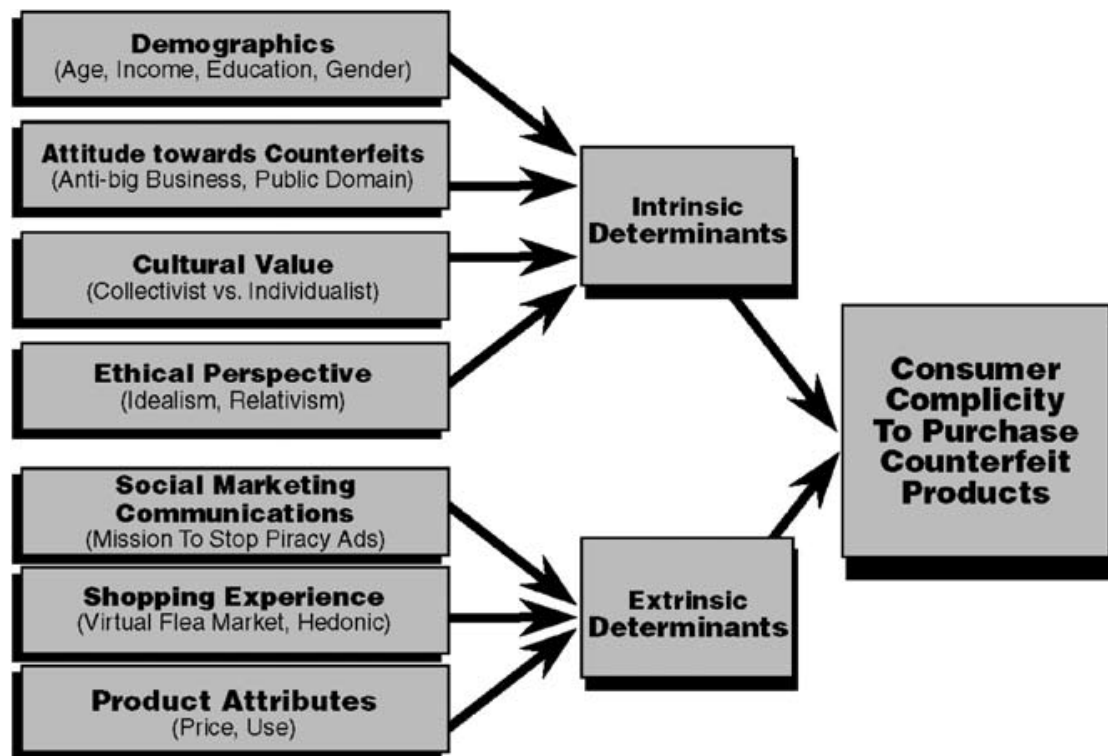
In conclusion, the IPR laws and legislations mainly focus on the supply side of counterfeiting but there are few laws on consumer demand.

2.3 The demand for counterfeits

Consumers may be deceived about the origin of the products. However, there are occasions when consumers intentionally purchase counterfeit products – what Wilcox et al. (2009) termed “non-deceptive counterfeiting”. They are aware of the counterfeiting through cues such as price, purchase location, packaging, country of origin, selling style or the materials used (Chakraborty et al., 1997; Gentry et al., 2001; Prendergast et al., 2002). In 2004, a survey of 929 respondents in UK was conducted to understand consumer attitudes towards counterfeit products. The result shows that 62% would knowingly purchase counterfeit products if the price is right and the quality is good, and they considered no harm in buying counterfeit goods as long as the sellers do not put the buyers at risk; 59% were aware the negative impacts of counterfeiting on business and 67% felt that it was the responsibility of government to tackle the problem of counterfeiting (ACG, 2004).

Consumers are willing to buy counterfeit products for many different reasons: to save money out of financial concern and show shrewdness (Tom et al., 1998); perceive the quality of fake products is as good as the genuine ones; buy fake products to express anti-big-business sentiment; or lack of IPR knowledge and are unaware of its importance. A study of 1,304 US consumers was conducted in 2005 to investigate reasons to buy counterfeit products. This study showed the major reasons for purchasing counterfeit products are “easily available” (78%), “buy same quality at better price” (73%) and “genuine product is priced too high” (68%) (Stewart, 2005).

Many studies have been conducted to understand the motivations, attitudes and factors that influence counterfeiting demand. Chaudhry and Zimmerman (2009) developed a conceptual model to synthesize factors that are important for the demand of counterfeit goods. As shown in Figure 2-1, the consumer complicity to buy counterfeit products are determined by two aspects: (1) intrinsic determinants including demographics, attitude towards counterfeits, cultural value and ethical perspective; (2) extrinsic determinants including social marketing communications, shopping experience, and product attributes (Chaudhry & Zimmerman, 2009).



Source: Chaudhry & Zimmerman (2009)

Figure 2-1 Conceptual model of consumer complicity

Demographics of the consumer includes age, gender, income, education, and psychographic variables (e.g. risk-taker). Prendergast et al. (2002) conducted a survey to understand demand of non-deceptive counterfeit products in Hong Kong and confirms the effect of age, occupation, education and income. The results show that low spenders are mainly young students or workers with low education and low income, while high spenders usually are white-collar office workers with higher education and higher income. However, their focus was only local residents and the behavior of tourists may be different. Carpenter and Lear (2011) investigate the moderated effect of gender on purchase intention and attitude towards counterfeit products. The findings suggest that gender does affect the ethical belief of counterfeiting; specifically, females in the USA are less likely to hold stronger ethical beliefs and are less likely to perceive the sale of counterfeit products as a crime, at least for fashion items (Carpenter & Lear, 2011).

Attitudes toward counterfeiting include variables of anti-big business sentiment, social benefit of dissemination, and attitude of counterfeits in a product category (e.g. movies vs. pharmaceuticals) (Chaudhry & Zimmerman, 2009). Previous research has shown that consumers generally see buying counterfeit products as a victimless crime, and often believe

that the quality of counterfeit products are similar to the genuine ones (Chaudhry & Zimmerman, 2009). Consumer attitudes of counterfeits might be different by product category. For example, Nunes et al. (2004) found consumers perceived CD manufacturers were less harmed through piracy than manufacturers of other products.

Differences in cultural values can contribute to different attitudes of counterfeit products. Research has found that Eastern consumers are collectivist and more willing to buy fake products, and Western consumers are more individualistic so emphasize individual ownership of creation (Husted, 2000; Marron & Steel, 2000; Wang et al., 2005). The purchase intention for counterfeit goods is found to be different by nationality (Chapa et al., 2006). Even among consumers from the same region / culture, consumers can vary in terms of their ethical beliefs and their preferred ethical ideology (Al-Khatib et al., 2005). Hence, mainland Chinese consumers may hold different ethical beliefs and cultural values to the Hong Kong Chinese and Western consumers.

Ethical perspectives measure consumer attitudes towards morality and lawfulness of knowingly purchasing counterfeits. There are different theories of moral evaluation such as idealism versus relativism. For idealism, a person should always behave ethically and never intentionally harm another person, no matter in what situation. For relativism, ethical criteria can vary by situation and culture (Fennell, 2006b). However, ethical and legal issues are often considered the least important factors by consumers when purchasing counterfeit products (Prendergast et al., 2002).

Product attributes include variables of: image/perceived fashion content; price, quality, performance; investment-at-risk; and purpose (personal use vs. gift) (Chaudhry & Zimmerman, 2009). Wee et al. (1995) discovered that consumer intentions to buy counterfeit products can be explained by product appearance, image, purpose (for personal use or gift), and perceived quality. Later research shows that price and quality are the two most important factors that motivate counterfeit consumption (Prendergast et al., 2002). Cordell and colleagues (1996) found that consumers were more willing to purchase counterfeit products with low investment-at-risk, that is, when the value of the products is lower so the loss is not as great if the product breaks or malfunctions. Product category is found to influence the effect of product attributes on purchase intention (Wee et al., 1995) and the choice criteria for counterfeit goods (Prendergast et al., 2002).

Shopping experience relates to location (e.g. Internet, flea market), situation (e.g. on holiday), and ease of accessing counterfeits (e.g. Internet downloads) (Chaudhry & Zimmerman, 2009). First, the shopping locations form the shopping environment that affect consumer attitudes. For example, consumers are more tolerant of buying fake products in flea markets and feel more relaxed when buying from the Internet. Second, purchase intention can be affected by different situations. For example, Schuchert-Güler and Eisend (2003) verified that German consumers are more willing to buy counterfeit products when they are on holiday. They also pointed out that the emotion (e.g. the sense of adventure) increases consumers' motivation to buy counterfeits as souvenirs.

Research by Schuchert-Güler and Eisend (2003) uncovers that consumers whose home countries have strict IPR enforcement are more likely to engage in counterfeit purchases as a hedonic and adventured shopping experience when they are abroad or on holiday. According to a report of Daily Mail Online (DMO, 2011), over half of UK tourists buy counterfeit products abroad. Among them, two thirds bought fake products knowingly, and the other one third thought they bought genuine products at a discounted price. For those who knowingly bought fake products, they wanted to save money and thought purchasing fake goods abroad was "harmless" but illegal in UK. Therefore, it is assumed by this PhD study that Western tourists are more likely to buy counterfeits in Hong Kong than mainland Chinese tourists. Such shopping experiences are perceived as adventures since Western tourists cannot easily purchase counterfeit products in their home country due to stricter regulations on the importation of counterfeits and the higher degree of adherence to IPR in these countries (Schuchert-Güler & Eisend, 2003).

On the contrary, tourists from mainland China where counterfeit products are prevalent maybe less likely to buy fake products abroad. If a Chinese consumer wants to buy counterfeits, he or she can easily buy counterfeit goods at a lower price and higher quality in China than abroad. However, for those who can afford genuine products, especially Chinese luxury consumers, they prefer to shop overseas to avoid counterfeits (KoreaBizwire, 2016). It is widely believed that the quality of products abroad are better than those in mainland China. Hong Kong is the top destination favored by Chinese luxury consumers; followed by destinations such as Europe, United States, Japan and Korea (Albatross, 2016). Therefore, for mainland Chinese tourists, the shopping experience of counterfeits can negatively affect tourist satisfaction and the destination image of Hong Kong. This is just

opposite to previous research on cultural values where Eastern consumers are more likely to buy fake products because they are collectivist and Western consumers are more likely to protect IPR because they are more individualistic (Husted, 2000, Marron and Steel, 2000, Wang et al., 2005). The effect of cultural values on counterfeit consumption can be different when an individual is at home and on holiday.

Social marketing communications measure how effective anti-piracy advertisements are to reduce consumer demand for counterfeit products. Governments and industry organizations have used various anti-counterfeiting marketing tactics such as inviting celebrities as role models (Jackie Chan and Arnold Schwarzenegger for movie piracy, for example), instilling a fear of prosecution, and implying an association between buying fake products and organized crime (Chaudhry & Zimmerman, 2009). To better understand the demand for counterfeit products, it is necessary to assess the effectiveness of these anti-counterfeiting marketing strategies.

2.4 Anti-counterfeiting strategies

There are four types of anti-counterfeiting strategies: law, product, pricing, and marketing (Herstein et al., 2015). While IPR laws mainly regulate the supply of counterfeits, the latter three marketing strategies aim to act as an effective agent to change consumer demand for counterfeits. For each type of strategy, strategies could incentivize positive behavior (carrot) or punish negative behavior (stick) (e.g. Chiu et al., 2007; Delener, 2000).

Most companies tend to protect their IPR through legal channels if their products have been counterfeited. When counterfeits are produced in a foreign country, the affected companies can request support from local governments to take actions under international law or agreements and pressure the source country to eliminate counterfeit trade (Jacobs et al., 2001). The affected companies may also lobby the government to pass criminal laws to battle counterfeiters (Bush et al., 1989). Legal actions can also significantly decrease consumer intentions to buy counterfeits if there is punishment (Albers-Miller, 1999). However, consumers are protected by law in most cases. Anti-counterfeiting marketing strategies are thus important to decrease demand for counterfeits.

Product strategies try to add extra value to the genuine products than counterfeits. The brand companies might invest more in research & development to provide products with higher

quality or more exclusive designs; or invest in special technologies such as holograms to make unique labels that are difficult to be copied (Chaudhry & Walsh, 1996). Premium services can also be provided to enhance customer loyalty such as customized services, after-sales services and reward programs. For example, customers can get certain points when buying a product and the points can be redeemed for special products (e.g. not-for-sale products) or experiences (e.g. facial or other hairdressing services). The more points, the higher status, the more adding-value services are provided (McEachern, 2015).

Pricing strategies offer genuine products at lower prices such as discounts or second-hand products to attract consumers. Price has proven to be an influential determinant of knowingly purchasing counterfeits by many studies. Decreasing prices of genuine products will make counterfeits less attractive. However, the effectiveness of pricing strategies may differ by product category. Luxury brand companies should exercise caution in using pricing strategies because high prices, to some extent, represent prestige, status and social image. Lower price may devalue the luxury brand products (Nia & Zaichkowsky, 2000).

Marketing communication strategies try to educate the public via media to communicate different messages concerning the risk or negative impacts of buying counterfeits and the association between counterfeiting and organized crime (Chaudhry & Zimmerman, 2009). However, social media marketing can be expensive and its effectiveness is post hoc and not clear. Herstein et al. (2015) used mixed methods to understand the effectiveness of different anti-counterfeiting strategies on counterfeit purchasing behavior. The in-depth interviews first identified four groups of consumers: struggle consumers (buy fake products sometimes and does not tell others about such purchases); indifferent consumers (buy fake products sometimes and not afraid to let others know); spurious consumers (buy fake products often but avoid telling others); liberated consumers (buy fake products often, feel very proud of such behavior and willing to let others know). These four groups of consumers were asked to express their opinions towards two groups of anti-counterfeiting strategies: negative strategies that emphasizing risk and negative impacts of buying fake products; and positive strategies that encouraging consumers to protect IPR proactively. The research shows that all negative strategies are not effective for all the four group of consumers. However, some positive strategies are effective for some groups of consumers. Justifying why genuine products deserve high price and signing in Internet sites to boycott counterfeits are effective for the struggle consumers. Price strategies (e.g. discount, second-hand) of genuine products

are found to be significantly effective for all four consumer groups. However, the Herstein et al. (2015) study does not consider the influence of situational factors (e.g. time and location) and cultural difference across countries. The effectiveness of some updated strategies are also worth investigation, such as outlet stores of luxury brands that offer affordable prices of outdated genuine products.

2.5 The case of Hong Kong

The dominant aim of this research is to examine the ethical decision-making of purchasing counterfeits by tourists from different countries. This is important for Hong Kong because mainland China and Hong Kong are economies that supply a large share of the global counterfeiting market (USCBP, 2014).

Tourism has been designated as one of the four key industries in Hong Kong and has been a driving force of continued economic development in recent years. International tourist arrivals into Hong Kong have witnessed incredible growth over the last two decades. According to the statistics of Hong Kong Tourism Board, in 1994, international visitor arrivals totaled 9.33 million and by 2014 the figure had risen to 60.84 million, growing at an average annual rate of 9.8% across this 20-year period (HKTB, 2015). Nearly half (47.7%) of the international tourist arrivals stayed in Hong Kong overnight in 2017. Chinese Mainland visitors comprised the largest inbound tourist segment making up 76.01% of all international tourist arrivals in 2017 (or 44.45 million). The tourism expenditure associated with inbound tourism in 2017 was \$HK 296.70 billion, an increase of 1.0% over 2016 (HKTB, 2018).

Hong Kong markets itself as Asia's World City. It is perceived by many tourists and potential tourists as a shopping destination (Huang & Hsu, 2005; Wong & Law, 2003). In 2014, overnight visitors and same-day visitors spent 61.7% and 90.8%, respectively, of their total tourism expenditure on shopping. The most frequently purchased product categories are Ready-to-wear clothes (purchased by 42% of visitors); Cosmetics (31%); Snacks & Confectionaries (28%); Medicine / Chinese herbs (18%); Shoes & other footwear (18%) and Handbag / Wallets / Belts (15%) (HKTB, 2015).

Shopping is a ubiquitous activity for tourists. It can motivate tourists to travel. Tourists may indeed travel far distances for good shopping experiences (Timothy, 1999). Further, the shopping behavior of people as tourists can vary significantly from those same people as

residents (Timothy, 2005). People may spend more, indulge in more hedonistic purchases and purchase a different range of goods and services as a tourist than at home (Swanson & Timothy, 2012). Shopping behavior differs by nationality, culture and the types of goods and services purchased (Keown, 1989). Similarly, social norms also are important in guiding ethical behavior so that acceptable types of shopping behavior differ among cultural groups (Chatzidakis et al., 2006). Shopping behavior, as with other types of activities, can be very different when the person is on vacation or at home (Currie, 1997; Goulding & Shankar, 2011). Some people may partake in risky or illegal shopping behavior, such as purchasing illegal goods such as drugs or counterfeit goods while on vacation – behavior that they would never consider doing while in their home country. Since shopping is an indispensable tourist activity in Hong Kong, it is very important to investigate risky shopping behaviors of tourists.

Many researchers have noted tourists' desire for authenticity, whether it is performance (Cohen, 1988), handicrafts (de Kadt, 1979) or food products (Ren, 2011). For tourists who seeks genuine products, the existence of counterfeits can negatively affect their impressions of Hong Kong. Ren (2011) describes how local and European authorities are seeking to monitor and enforce the originality of a local cheese in Poland. These authorities are concerned with how counterfeits might be avoided. They note how regional products can be used to promote the destination and counterfeited products can bring irreparable damage to the image of regional products and the image of destination. Despite China being the largest counterfeiter of goods, authenticity and the threat of counterfeiting is a concern for their tourism authorities. For example, in Xishuangbanna (one of the first and better known tourism areas in China), traditional handicrafts face stiff competition from low-priced factory made replicas (Yang et al., 2006). As noted above, China has a different philosophy to intellectual property rights so legal protection of traditional knowledge and skills is weak in China. This was acknowledged by the Xishuangbanna Cultural Bureau, which was concerned that a flood of machine-made cultural products would devalue the authentic experience. Detecting counterfeit products is seen as one of the attributes of an independent tourist's knowledge and skills (Tsaur et al., 2010).

However, purchasing counterfeits in open-air markets can also be perceived as an authentic culture experience in Hong Kong by international tourists. In this case, the existence of counterfeits does not damage the destination image but improves the shopping experience since it provides opportunities for tourists to communicate with the locals through

bargaining.

There is little research among Hong Kong stakeholders (such as Hong Kong government), on the demand for purchasing counterfeit products and its impact on Hong Kong as a shopping destination. This research will help to fill the gap in the body of knowledge in this area. Given there has only been a small amount of research into counterfeiting in Hong Kong and little research in the tourism context, this research has the opportunity to test the previous work on counterfeiting demand using a framework of ethical decision-making, and potentially make a future contribution to the theory in the tourism context.

3 Consumer decision-making

When people are on vacation, they can behave very differently from when they are at home. One of the key motivations for travel is to get rid of the working stress, social or cultural constraints at home and to seek freedom, happiness and a different experience from normal life at the target destinations (Pearce & Lee, 2005; Ross & Iso-Ahola, 1991). In other words, a person may be “another person” (Gazley & Watling, 2015) on vacation compared to at home. When on vacation, tourist behaviors may be affected by emotion, intuition or other factors while on a tight schedule. When at home, people usually need to consider much more social, cultural or organizational factors to make reasonable decisions (McKercher, 2015). Thus, tourists may not use a self-reasoning process before they make certain choices. Consumption decisions on vacation can be different from at home, especially when purchasing counterfeit products. It is important to understand how tourists make ethical decisions on counterfeit consumption, whether based on intuition, emotion or systematic moral reasoning (Correia & Kozak, 2016; McCabe et al., 2016).

This chapter first reviews studies on consumer behavior in tourism because counterfeit consumption is one type of consumer behavior. Research gaps of tourism consumer behavior are identified. The psychology of decision making is then reviewed as the theoretical foundation to understand how people make decisions. Since counterfeits are illegal, buying counterfeits is considered as an ethical issue, and thus literature of ethical decision-making needs to be reviewed. Typical models of ethical decision-making are selected for review since they will be useful for the conceptual framework development of this research. Theories of neutralization are also reviewed. Last but not least, a conceptual framework of ethical decision-making is developed to describe the decision-making process when tourists buy counterfeits.

3.1 Consumer behavior in tourism

Consumer behavior is about how people make choices in the process of selecting, purchasing, consuming and disposing of products and services to satisfy individual needs and wants (Engel et al., 1995; Solomon, 1996). By adapting theories and models from consumer behavior, research into tourism consumer behavior mainly focuses on various individual factors that determine tourists’ decision-making. Some studies have considered

external factors but focused primarily on destination choice. According to a recent review paper by Cohen et al. (2014), there are seven important conceptual dimensions of individual determinants of consumer behavior (Figure 3-1): decision-making (e.g. Sirakaya & Woodside, 2005; Smallman & Moore, 2010); values (e.g. Crick-Furman & Prentice, 2000; Li & Cai, 2012); motivations (e.g. Bieger & Laesser, 2002; Hung & Petrick, 2011); self-concept and personality (e.g. Beerli et al., 2007; Usakli & Baloglu, 2011); attitudes and expectations (e.g. Gnoth, 1997; Hsu et al., 2009); perceptions (e.g. Huang & Hsu, 2005; Pike & Ryan, 2004); satisfaction, trust and loyalty (e.g. Alegre & Garau, 2010; Fam et al., 2004; Oppermann, 2000).

2000–2012	<i>Annals of Tourism Research (ATR)</i>	<i>Tourism Management (TM)</i>	<i>Journal of Travel Research (JTR)</i>	Total number of articles
Key concepts	77	139	167	383
Decision-making	15	11	23	49
Values	2	4	3	9
Motivations	12	40	37	89
Self-concept and personality	4	7	5	16
Attitudes and expectations	17	12	12	41
Perceptions	8	21	33	62
Satisfaction, trust and loyalty	19	44	54	117
Influences	11	20	14	45
Technology	4	18	7	29
Generation Y	2	1	4	7
Ethical consumption	5	1	3	9
Research contexts	33	41	17	91
Group and joint decision-making	3	5	1	9
Under-researched segments	5	15	4	24
Cross-cultural issues in emerging markets	9	8	7	24
Emotions	7	9	4	20
Consumer misbehaviour	9	4	1	14
Total	121	200	198	519

Source: Cohen et al. (2014)

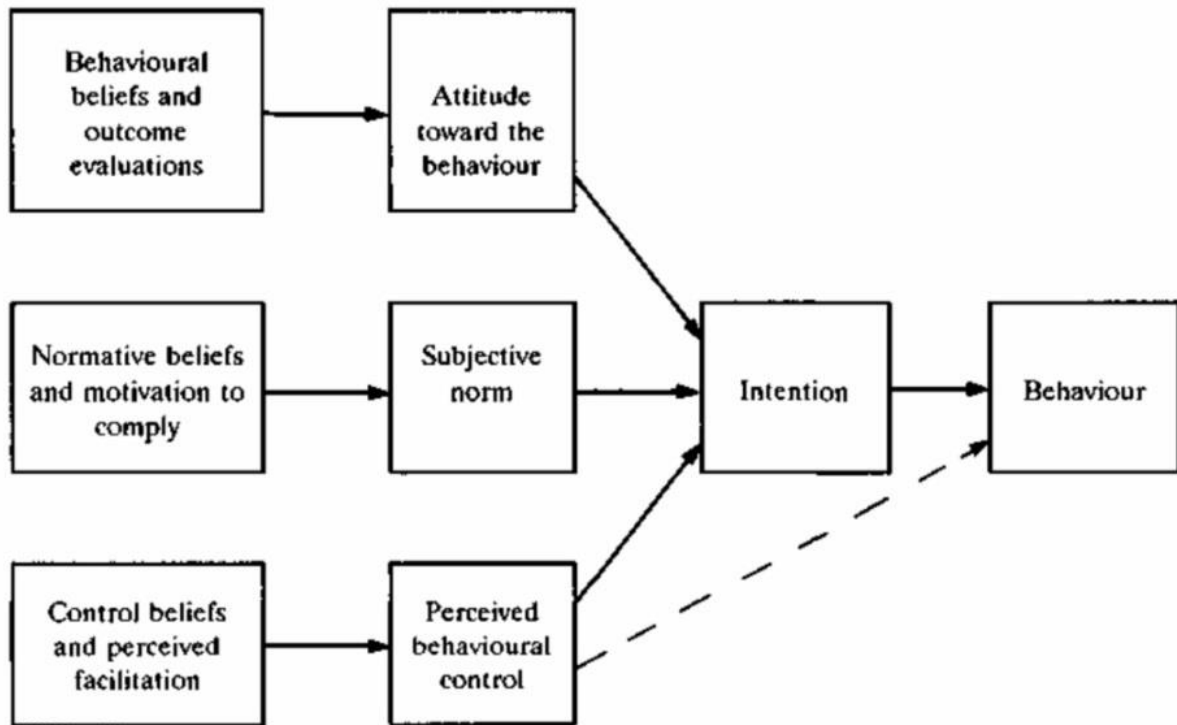
Figure 3-1 Summary of literature on tourism consumer behavior published in three leading tourism journals from 2000 to 2012

3.1.1 Tourism consumer: rational decision-maker?

Studies on decision-making account for 9.4% of the total literature on tourism consumer

behavior from 2000 to 2012, according to Cohen et al. 2014 (Figure 3-1). The current research on decision-making of tourism consumers has one significant drawback: tourists are always assumed to be rational decision makers. It is believed that a tourist is a person who wants to maximize the utility through estimating benefits and costs of every consumption choice before making a decision (Mathieson & Wall, 1982; Schmoll, 1977; Wahab et al., 1976). From the perspective of cognitive psychology, decision-making is considered to be a sequential process with various successive steps (Van Raaij & Francken, 1984) from attitude towards the good or service to behavior intention.

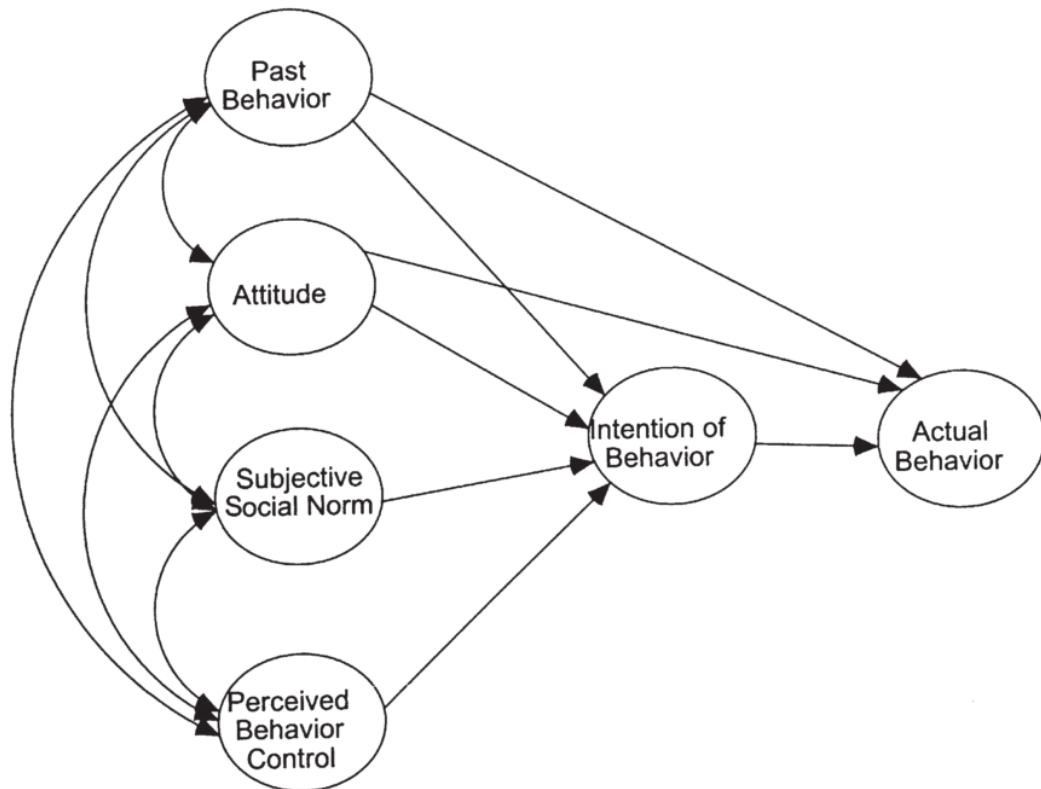
The theories of planned behavior and reasoned action have been widely applied to develop sequential models of tourist decision-making (Ajzen & Driver, 1992; Oh & Hsu, 2001; Quintal et al., 2010). Ajzen and Driver (1992) developed the Theory of Planned Behavior to investigate leisure choice by tourists. The theory focuses on the psychological variables that influence a tourist's willingness to pay for a specific leisure activity, such as hiking, fishing, and camping. The basic concepts of the theory of planned behavior are (Figure 3-2): i) a person should have an intention to perform a behavior; ii) the intention is affected by attitude toward the behavior, subjective norm and perceived behavioral control; iii) attitude toward the behavior is affected by behavioral beliefs and the evaluation of outcomes; subjective norm is affected by normative beliefs and motivation to comply; perceived behavioral control is affected by control beliefs and perceived facilitation (Ajzen & Driver, 1992). Later research has developed the theory of planned behavior in tourism context. For example, Quintal et al. (2010) integrate the perceived risk and perceived uncertainty into the model of theory of planned behavior to study tourist destination choice; Meng and Choi (2016) include authentic perception and environmental concerns into the planned behavior model for destination choice.



Source: Ajzen & Driver (1992)

Figure 3-2 Theory of planned behavior

One important extension of theory of planned behavior is the theory of reasoned action that includes past behavior as additional factor that impacts intention. This theory suggests that past behavior and attitudes which form tourist past experience can directly impact actual behavior. The theory also emphasizes the interrelations between past behavior, attitude, subjective norms and perceived behavioral control. As shown in Figure 3-3, Oh and Hsu (2001) applied the Theory of Reasoned Action to investigate the volitional and nonvolitional aspects of gambling behavior. The effect of past experience has specifically emphasized by some prior studies. For example, it has been proven that past experience significantly affect tourists' destination image, subsequent intention and preference to choose a destination (Crouch et al., 2014; Rodríguez Molina et al., 2013; San Martín et al., 2013).



All single-headed arrows indicate causal paths, while the double-headed curvilinear arrows indicate correlations

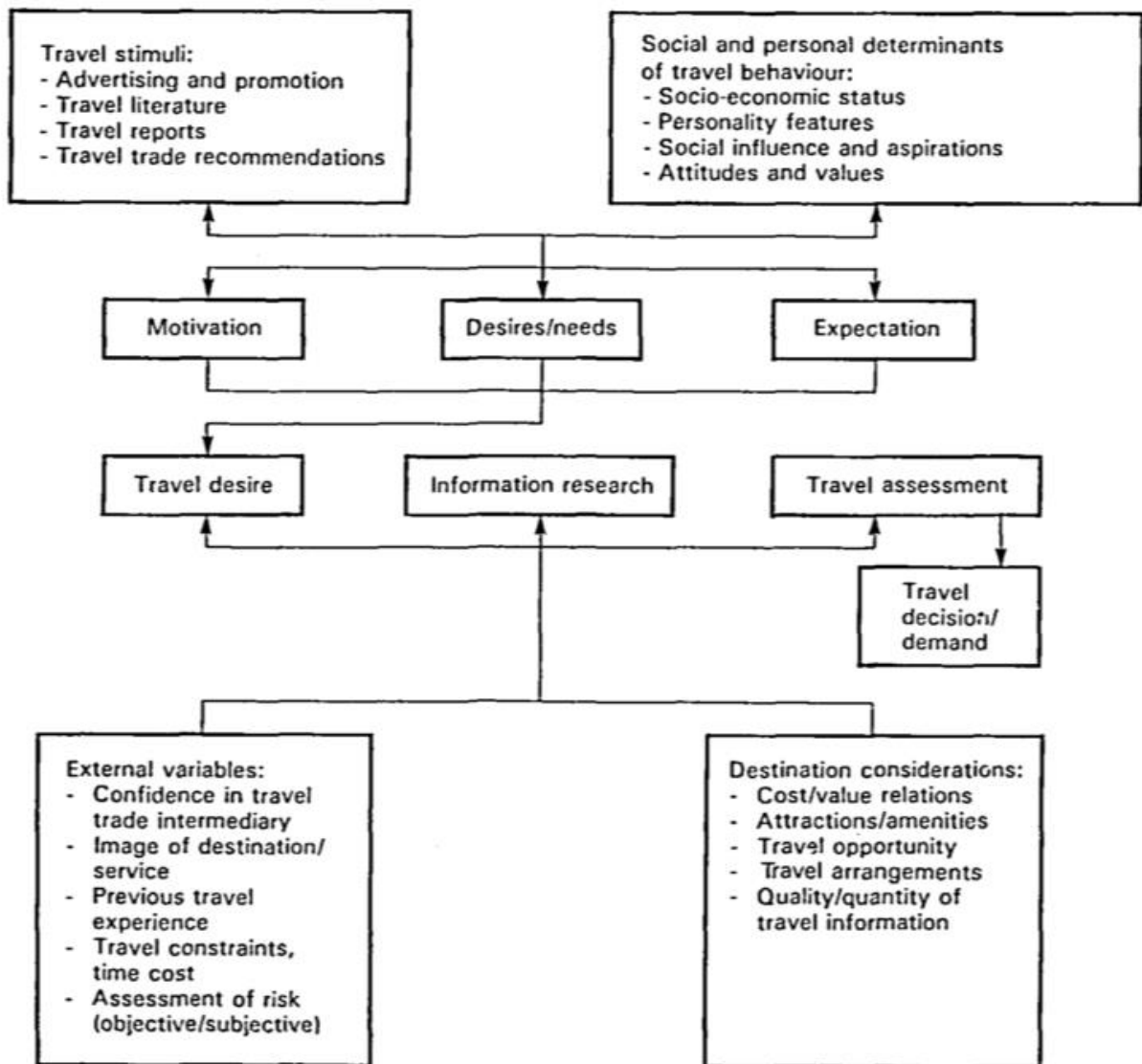
Source: Oh & Hsu (2001)

Figure 3-3 Theory of reasoned action and its extensions

However, these two theories have been criticized by psychological studies which show no relationship between attitudes and the actual behavior: i) attitudes can be unstable and may change under different contexts (Ajzen & Fishbein, 2000); ii) attitudes are not necessarily consistent with actual behavior, which results in the “attitude-behavior gap” (Newholm & Shaw, 2007).

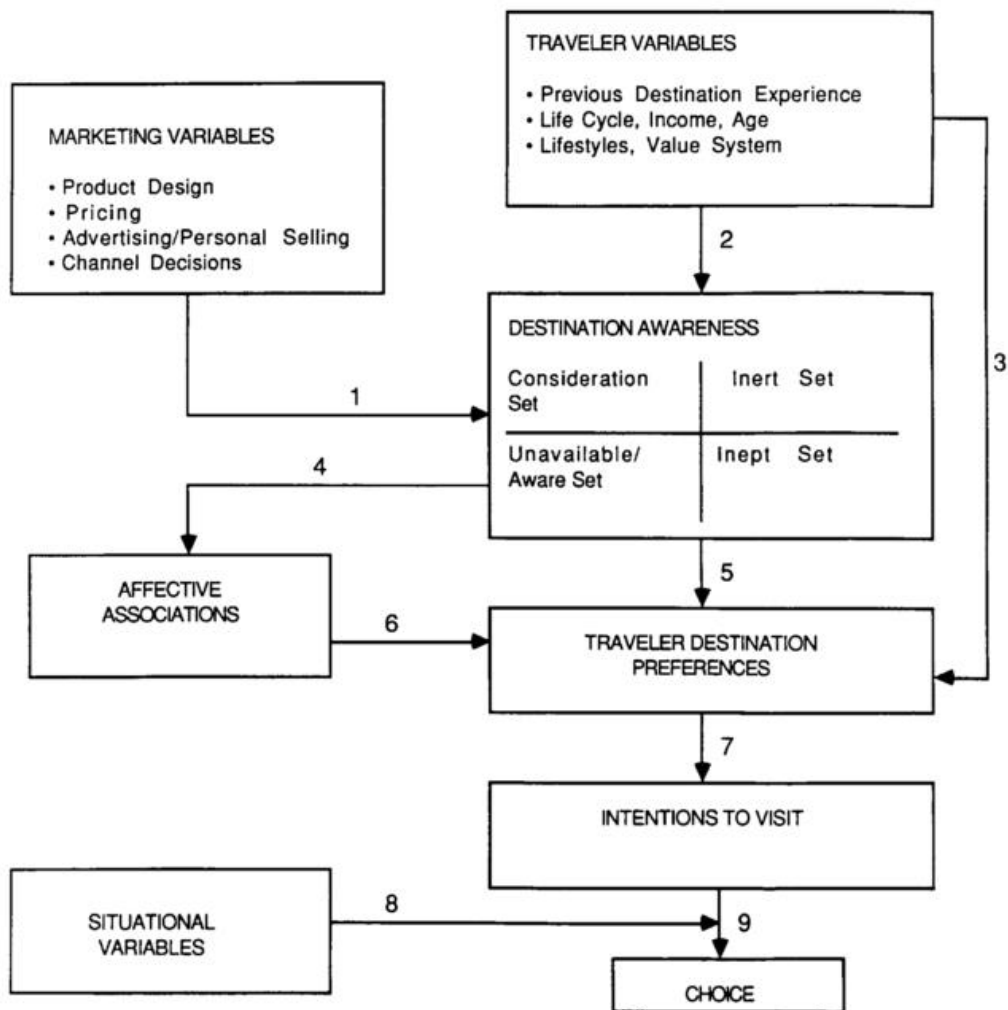
Apart from individual factors, external factors also influence tourist decision-making. As shown in Figure 3-4, Moutinho (1987) emphasized the role of travel stimuli (e.g. advertising, travel literature, travel reports and recommendations) and social determinants (e.g. socio-economic status, social influence and aspirations) on motivation, desires and expectations of a destination. He also pointed out that before making destination choice, information search is affected by several external variables (e.g. image of a destination, travel constraints of time and money, assessment of risk) and various characteristics of a destination (e.g. cost/value, quality of travel information). To further capture the complexity of tourist

decision making, Woodside and Lysonski (1989) considered the influence of situational factors on destination choice as shown in Figure 3-5.



Source: Moutinho (1987)

Figure 3-4 Travel decision model



Source: Woodside & Lysonski (1989)

Figure 3-5 General model of traveler leisure destination awareness and choice

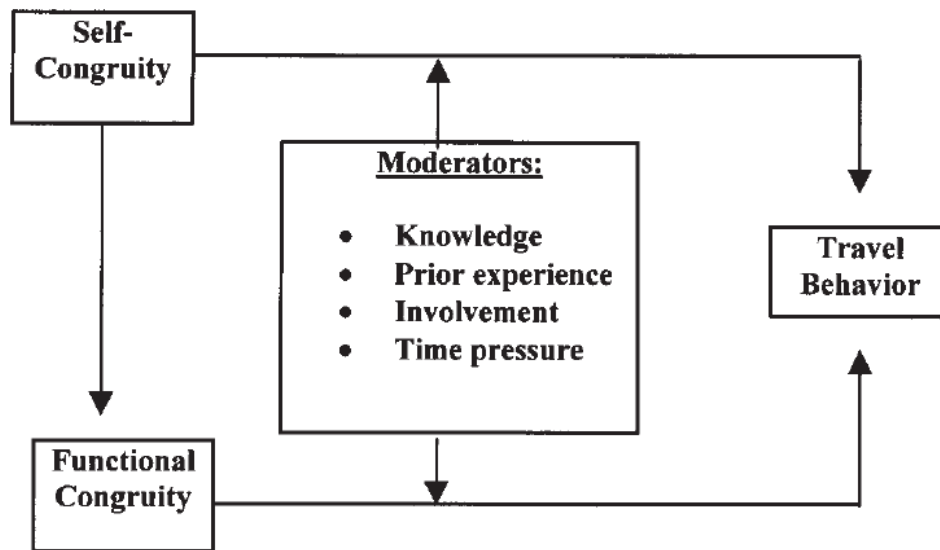
These rational decision-making models might be suitable for analyzing destination choice because tourists have sufficient time to gather information and consider different alternatives before taking the trips. That is why most of the current research on tourist decision-making is focused on destination choice (e.g. Karl et al., 2015; Oppewal et al., 2015; Zhang et al., 2015). However, consumption decisions, such as shopping, during the trips usually needs to be made quickly within a tight schedule. In these situations, rational decision-making models might be inappropriate and insufficient to explain tourist decision-making.

3.1.2 Tourism consumer: irrational decision-maker?

Consumption decisions made by tourists are not always rational, planned or complex. Given

the hedonic and affective nature of tourist behavior, their decision can be unplanned, impulsive, intuitive and much simpler than described in rational decision making models (Bargeman & van der Poel, 2006; Hyde & Lawson, 2003). Gnoth (1997) warned that hedonic or emotionally-driven tourist behavior can be apparently irrational, thus models that assume consumers are rational decision makers may be problematic when applied to tourism. He suggests that tourist decision-making models should consider the influence of emotion on tourist values, attitudes, motivations and their final behavior. For tourists who are emotionally driven, their attitudes are controlled by emotions more easily and social norms are very likely to be disregarded in order to pursue pleasure. However, few research studies investigate the influence of emotion on tourism choice, especially ethical choice such as responsible tourism or ecotourism (Malone, 2014).

In addition, a consumption choice might express a different 'tourist' self compared to the normal self at home. For example, Hyde and Olesen (2011) suggest that a tourist will buy and pack items that can most help to maintain and construct his or her self-identity in new settings at a destination. Kim and Jamal (2007) also find that a tourist who participates in a specific festival is able to reconstruct a desired self with the experience of the event. Thus, self-concept is considered to be a relatively more stable factor than emotion that can guide judgements and determine final behavior (Beerli et al., 2007; Crick-Furman & Prentice, 2000; Swarbrooke & Horner, 2004). Self-concept contains four aspects: real self-image, ideal self-image, social self-image and ideal social self-image (Sirgy, 1982). Self-congruity theory, the perceived match between the consumption choice and a tourist's personality and self-image, is used frequently to understand how self-concept influences different aspects of decision-making, such as perceptions of destination image, destination choice and travel intentions (Beerli et al., 2007; Boksberger et al., 2010; Hung & Petrick, 2012; Sirgy & Su, 2000). As shown in Figure 3-6, the relationship between self-congruity and travel behavior is affected by knowledge, prior experience, involvement into the trip and time pressure (Sirgy & Su, 2000). Hung and Petrick (2012) further explore the role of self-congruity and functional congruity on travel behavior and suggest that perceived travel constraints, constraint negotiation and self-efficacy also influence travel intentions. However, studies of self-concept are very limited and only cover 3% of literature on tourism consumer behavior in three leading tourism journals from 2000 to 2012 as shown in Figure 3-1 (Cohen et al., 2014).



Source: Sirgy & Su (2000)

Figure 3-6 The relationship between self-congruity and travel behavior

Apart from internal factors (e.g. emotion, self-concept), ethical concerns are an important external factor that can affect tourist consumption decisions, attracting more and more researchers' attention. Increasing ethical issues of consumption have challenged the common assumption of the rational consumer (Bezençon & Blili, 2010). Ethical consumer behavior is defined as “decision making, purchases, and other consumption experiences that are affected by the consumer’s ethical concerns” (Cooper-Martin & Holbrook, 1993, p. 113). However, as shown in Figure 3-1, research on ethical consumption in tourism is under-researched as it only covers 1.7% of literature on tourism consumer behavior in three leading tourism journals from 2000 to 2012 (Cohen et al., 2014). The current literature on ethical consumption mainly focuses on the trends of sustainable tourism demand. For example, Goodwin and Francis (2003) suggests that UK tourists have increasing demand for responsible tourism. Results of the national survey showed that the percentage of UK tourists who were willing to pay more for an ethical holiday has increased from 45% to 52% between 1999 and 2001. A recent study also shows that 72% of respondents agree that choosing a destination that preserves local culture and heritage is very important (Mintel, 2011). However, the expressed willingness to consume ethically is not always consistent with actual tourism behavior. A study by Miller et al. (2010) indicates most UK citizens are not clear about the impact of tourism on environment and society, and insist that they are entitled to the rights to consume resources since they are paying for the holiday. They prefer to protect the environment or serve the community through their daily life rather than by

changing their tourist behavior.

3.1.3 Conclusion

In conclusion, there is a knowledge gap in understanding the ethical decision-making process of tourists because their expressed ethical concerns do not necessarily translate into ethical consumption behaviors (Bergin-Seers & Mair, 2009; Carrigan & Attalla, 2001). Tourists do not always behave rationally as assumed by most tourism consumer behavior models. Consumer misbehavior is defined as behavior that violate norms of conducts that are generally accepted in consumption situations (Fullerton & Punj, 2004). This negative side of consumer behavior has received increasing attention in marketing and management research which try to give rational or cognitive explanations for misbehavior (Fisk et al., 2010). Again, the irrational aspects of misbehavior are overlooked which is especially important in the context of tourism. However, research on consumer misbehavior in tourism is extremely limited. Exceptions are Uriely et al. (2011) who investigate how unconscious forces of sex and aggression lead to deviant tourist behavior; and Sönmez et al. (2006) who point out that different tourists have different perceptions on what misbehavior is. For example, some tourists may think binge drinking and casual sex are normative behaviors while others perceive them as deviant behaviors. Further research on culture differences is necessary to better understand tourism consumer misbehavior. Most importantly, there is an urgent need to explore situations when tourists make decisions simply based on intuition. Psychological theories of decision making need to be reviewed to develop a more holistic model of tourist ethical decision-making that include rational and irrational tourists.

3.2 The psychology of decision-making

The rationality of decision-making is closely related to Type 1 fast thinking and Type 2 slow thinking in psychological studies. In this section, dual-process theories are first reviewed to have general understanding of Type 1 fast and Type 2 slow thinking (Evans & Stanovich, 2013; Stanovich et al., 2014), followed by a further review on how Type 1 works (Kahneman, 2011), how Type 2 works (Ajzen, 1991; Ajzen & Fishbein, 1980; Stanovich et al., 2014) and how these two types of thinking work together (Petty & Cacioppo, 1986; Petty et al., 2015; Petty & Wegener, 1999).

3.2.1 Dual-process theories

Much research from neurobiology has suggested that decision-making is not a single and coherent process but the outcome of complicated interactions between different brain systems. The multiple interacting systems can perform different functions that will involve and coordinate to come up with solutions for the problem being faced. This process is complex and cannot be explained sufficiently by oversimplified models of rational decision-making which assumes individual is always rational (Brocas & Carrillo, 2014).

In psychology, dual-process theory has been developed since the 1970s to explain the duality of the human mind (Frankish & Evans, 2009). It is believed that there are two different reasoning processing systems for a given task which might generate consistent or conflicting results. One process is unconscious, effortless and fast; the other process is conscious, effortful and slow (Evans & Frankish, 2009; Kahneman, 2011; Stanovich, 1999). Dual-process theory has been extensively developed by many researchers on various aspects of social psychology, especially on judgement and decision-making, leading to a proliferation of such theories to explain the two processes, such as automatic-controlled (e.g. Shiffrin & Schneider, 1977), heuristic-systematic (e.g. Chaiken, 1980), peripheral-central (e.g. Petty & Cacioppo, 1986), intuition-reasoning (e.g. Kahneman & Frederick, 2002), and System 1-System 2 (e.g. Kahneman, 2011), and Type 1-Type 2 (Evans & Stanovich, 2013).

Table 3-1 lists some common terminologies of dual processes in detail. Evans (2009) critiques whether it is necessary to have so many dual-process theories with different terminologies that describe two similar reasoning systems, or whether all the dual-process theories can be incorporated and unified into one grand dual-process theory. System 1-System 2 is suggested by Stanovich (1999) as a more generic term and has become popular when used by Kahneman (2011) who won the 2002 Nobel Prize in Economic Science. However, the term System 1-System 2 seems to indicate an assumption that the two types of processes operate explicitly in two specific brain systems (Stanovich et al., 2014). As mentioned earlier, the brain has many different interacting systems, so the dual processes might occur in two sets of neurological systems rather than two single systems. To avoid this controversial assumption, Evans and Stanovich (2013) argue that Type 1-Type 2 processing is a better terminology. Thus, Type 1-Type 2 processing will be adopted as the terminology of dual-process theory in this study.

Table 3-1 Some common terminologies of dual processes

Author	Type 1 processing	Type 2 processing
Posner and Snyder (1975); Shiffrin and Schneider (1977); Bargh and Chartrand (1999)	Automatic processing	Controlled/conscious processing
Chaiken (1980); Chen and Chaiken (1999)	Heuristic processing	Systematic processing
Thaler and Shefrin (1981)	Doer	Planner
Johnson-Laird (1983); Reber (1993)	Implicit inferences/cognition	Explicit inferences/leaning
Petty and Cacioppo (1986); Petty and Wegener (1999)	Peripheral route	Central Route
Fazio (1986); Fazio and Towles-Schwen (1999)	Spontaneous processing	Deliberative processing
Sloman (1996); Smith and DeCoster (2000)	Associative system/processing	Rule-based system/processing
Moskowitz et al. (1999)	Passive mind	Active mind
Haidt (2001); Kahneman and Frederick (2002)	Intuition system	Reasoning system
Stanovich (1999); Kahneman (2011)	System 1	System 2
Evans and Stanovich (2013)	Type 1 process	Type 2 process

The characteristics of Type 1 processing and Type 2 processing are summarized in Table 3-2. Type 1 processing is relatively fast, unconscious, implicit, automatic, and effortless with low demand for cognitive capacity. It will associate memory and pre-learned knowledge, and apply available heuristic rules to process information cues (Chen & Chaiken, 1999; Tversky & Kahneman, 1974). This process handles information holistically and relies on intuition, expertise and past experiences. For example, a skilled chess player can figure out the next move quickly solely based on experience. Actually, prior research found that Type 1 processing is more effective than Type 2 processing when decision-making needs professional skills and knowledge (Kahneman, 2011). However, Type 1 processing is constrained by social-cognitive principles of knowledge activation namely availability (have the knowledge), accessibility (can be retrieved) and applicability (relevant to the issue) (Higgins, 1996). From the perspective of evolutionism, Type 1 processing represents an “old mind” that is based on instincts and associative learning which is similar to other animals (Evans, 2003). It has low correlations with intelligence and only aims at short-leashed generic goals (Stanovich & Toplak, 2012).

Table 3-2 Common characteristics of Type 1 and Type 2 processing

Type 1 processing	Type 2 processing
Relatively fast	Relatively slow
Often unconscious or preconscious	Often conscious
Automatic, effortless	Intentional, effortful controlled
Implicit	Explicit
Relatively undemanding of cognitive capacity	Capacity demanding
Holistic	Analytic
Intuitive	Reflective
Acquisition by biology, exposure, and personal experience	Acquisition by culture and formal tuition
Parallel	Sequential
Evolutionarily old	Evolutionarily recent
Lower correlations with intelligence	Higher correlations with intelligence
Short-leashed genetic goals	Long-leashed goals that tend toward personal utility maximization

Source: adapted from Stanovich et al. (2014)

Type 2 processing is relatively slow, conscious, explicit and intentional with high cognitive effort. It requires cognitive capacity to analyze and reflect information comprehensively and critically (Petty & Wegener, 1999). This process is sequential to reason abstract hypothetical thoughts which cannot be performed by animals. It relies on knowledge that is acquired by different cultures and formal education, and thus forms an evolutionally “new mind” (Evans, 2003). Type 2 processes correlates highly with intelligence and aims at long-leashed goals to maximize personal utilities (Stanovich et al., 2014). Thus, Type 2 processing is a distinctive form of cognition that enable humans to undertake hypothetical thinking, mental simulation, and consequential decision making (Evans, 2010).

Impressions and tentative judgements generated by Type 1 might be accepted, supported, or corrected by controlled processes of Type 2 (Epstein, 1994; Evans & Frankish, 2009; Kahneman & Frederick, 2002; Sloman, 1996). However, there is controversy about how the two types of processing work together. Some researchers argue that Type 1 processing and Type 2 processing operate alternatively (e.g. Fazio, 1986; Fazio & Towles-Schwen, 1999); some consider the two types of processing occur sequentially (e.g. Gilbert, 1989); and most believe that they can operate simultaneously (e.g. Chaiken, 1980; Evans & Stanovich, 2013; Kahneman, 2011; Moskowitz et al., 1999; Petty & Wegener, 1999; Sloman, 1996; Stanovich et al., 2014).

Specifically, Evans and Stanovich (2013) explain that Type 1 and Type 2 processing work together as “default interventionism”: 1) Type 1 operates as the default process when encountering a stimulus; 2) Type 2 overrides and replace the default Type 1 process when the decision-makers have low confidence with intuitive judgments, necessary motivation, time and cognitive capacity to generate more reasoning judgements (Petty & Wegener, 1999; Thompson et al., 2011). For this study, the assumption of simultaneous-processing will be adopted to investigate the ethical decision-making of counterfeit consumption.

3.2.2 How does Type 1 work?

Associative memory

Associative memory will operate automatically with Type 1 processes. Associative memory is “a network of long-term memory for semantic information, emotions and goals that is governed by the spread of activation, as determined by the strengths of interconnecting weights” (Morewedge & Kahneman, 2010). When encountering a stimulus, the decision-maker will search relevant information from memory. The retrieved information will be weighted and combined to form judgments. Other related knowledge that is not activated in the associative process will be underweighted or even neglected, which might lead to bias of judgement and choice (Morewedge & Kahneman, 2010).

Associative memory has three features—associative coherence, attribute substitution, and processing fluency (Morewedge & Kahneman, 2010). Associative coherence means information in memory that is consistent with stimulus will be activated more easily and lead to corresponding responses. For example, when thinking of the elderly, a stereotyped image (e.g. grey hair, walking slowly) of elderly people will be activated, leading to emotion of care and respect and motion response of walking slowly unconsciously which will reinforce the initial impression of the elderly. This is the reciprocity of associative coherence showing the connections among visual perception, emotions, verbal and facial expressions, motion reactions or other conscious and unconscious responses (Förster & Liberman, 2007). Attribute substitution suggests that humans often act as cognitive misers that will substitute an easier and more accessible attribute for a difficult one, even if the easier one might be wrong, to generate heuristic judgements which might be misleading (Kahneman & Frederick, 2002). Processing fluency is the subjective experience about how easy or difficulty it is to process information and accomplish a cognitive task. It is more fluent to

process coherent, accessible and simpler information and easier to generate decisions for a cognitive task (Alter & Oppenheimer, 2009).

Heuristics rules

The three features of associative memory give rise to three major heuristics rules that are helpful to make intuitive judgements but might lead to bias of Type 1 processing: availability, representativeness, and adjustment and anchoring (Kahneman, 2011; Tversky & Kahneman, 1974). Availability means Type 1 processing relies on information that has been obtained and can be easily recalled from memory. For example, one may assess the risk of drunk driving by recalling such occurrences among one's friends. Representativeness indicates that information of high similarity and representativeness will be activated and retrieved from memory more easily to make judgements. For example, people tend to guess a child's future occupation by comparing the perceived characteristics of the child and the stereotypes of different occupations; or use average height of male in the whole population of a country to estimate the average height of male in a city, regardless the differences in sample size (Tversky & Kahneman, 1974). Adjustment and anchoring refers to making judgements by adjusting from a given starting point (an anchor). Different starting points will generate different judgements. For example, 15,000 HKD per month is considered as high salary when compared to the median 12,000 HKD, but as low salary when compared to the mean 17,000 HKD.

Framing effect

Judgements will also be influenced by how a situation is presented, which is called the framing effect (Tversky & Kahneman, 1981). Different "decision frame" means different descriptions of a situation, its acts, outcomes and contingencies related to a particular choice, will lead to different conceptions and judgements (Tversky & Kahneman, 1981). For example, for one problem, positive descriptions are more favored than negative ones, e.g. loss or gain, mortality or survival. Thus, framing effect influences judgements by determining what kind of and in what way the information of a problem is provided to a decision-maker. It has been widely applied in marketing to influence consumer behaviors, such as framing price promotion messages in effective ways to improve consumption intentions (Chen et al., 1998). In addition to the presentation of the problem, Tversky and Kahneman (1981) also point out that framing effect is controlled by norms, personal habits

and characteristics of the decision-maker.

Prospect theory

Prospect theory holistically analyses how people make decisions under uncertainty by identifying three common effects of choices under risk: certainty effect, reflection effect and isolation effect (Kahneman & Tversky, 1979). Certainty effect indicates that decision-makers tend to rely on sure cues and choose certain options rather than uncertain options. For example, most people will choose option A rather than option B to guarantee gains and avoid risk to get nothing.

A: You can get 450 HKD for sure.

B: You have 50% chance to win 1,000 HKD and 50% chance to win nothing.

However, decision-makers are willing to choose uncertain options and risks to take when they try to avoid a loss. This is the reflection effect referring to the effect of loss aversion. Decision-makers care more about loss than gain. Between a sure-win option and a possible-to-lose option, decision-makers will choose the former option to secure gain and avert risk. Between a sure-to-lose option and a possible-to-win option, decision-makers will choose the latter option by seeking risk to win and avoid loss. In this case, the effects of reference points are very important, which echoes the adjustment and anchoring heuristics (Kahneman, 2003).

Therefore, different judgements and choices will be made when a same situation is framed differently and has different reference points. This refers to the third effect of prospect theory: isolation effect - Decision-makers will ignore the fact of a similar situation, focus on different presentations (frame) and anchors, and make different judgements that are inconsistent and isolated from each other (Kahneman & Tversky, 1979).

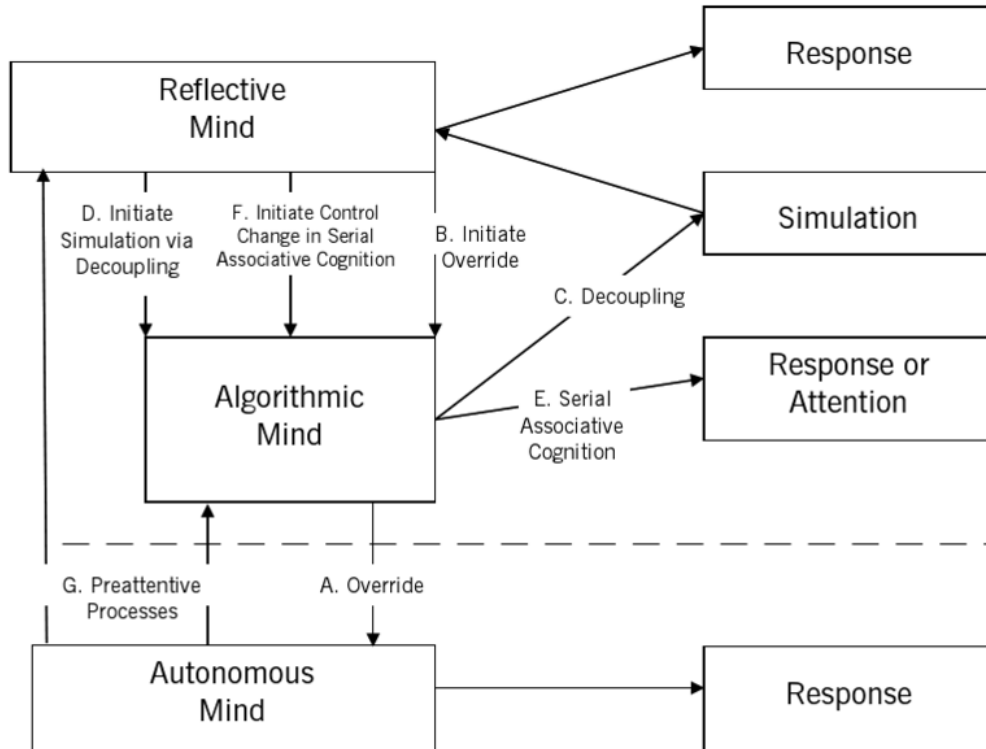
3.2.3 How does Type 2 work?

Most of the dual-process theorists have focused on investigating how Type 1 processing works (e.g. Kahneman, 2011; Kahneman & Frederick, 2005; Tversky & Kahneman, 1981), but few have studied the working process of Type 2. Exceptions are Ajzen (Ajzen, 1991; Ajzen & Fishbein, 1980) and Stanovich (2009).

Fazio (1986) first studies how attitudes guide behaviors based on the dual-process theory.

He points out that the dual processes are spontaneous processing and deliberative processing. Spontaneous processing is based on the pre-existing general attitudes and perceptions of the stimulus; while deliberative processing weighs and reconstructs relevant attitudes and estimates the attitudes' potential influences. The most famous model of deliberative attitude-to-behavior process is the Theory of Reasoned Action (Ajzen & Fishbein, 1980) and the Theory of Planned Behavior (Ajzen, 1991). These two theories have been widely applied in research of tourist consumer behavior, which has been reviewed in *Chapter 3.1 Consumer Behavior in Tourism*. As mentioned in Chapter 3.1, these attitude-to-behavior models have been criticized by noting that there is no certain relationship between attitude and the actual behavior which is called the "attitude-behavior gap" (Newholm & Shaw, 2007).

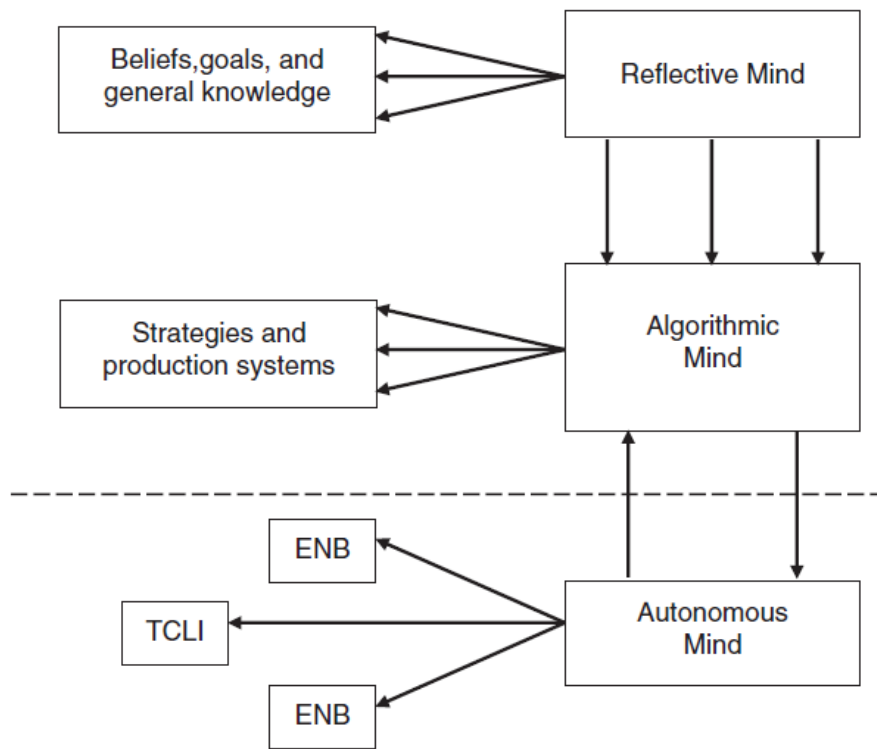
Derived from the broader concept Type 1-Type 2, Stanovich (2009) develops a tripartite model. Similar to other research, Type 1 thinking is represented by the autonomous mind that make responses automatically based on prior knowledge and experience. The contribution of this tripartite model is that it explains one possible mechanism of Type 2 thinking. There are two functions of Type 2 thinking: 1) rationality controlled by the reflective mind and 2) intelligence controlled by the algorithmic mind (Figure 3-7). This tripartite model points out that clever people might not always be rational decision makers and emphasizes the controlled effect of the reflective mind on the algorithmic mind. When Type 2 works, the algorithmic mind will default to serial associative cognition with a focal bias (Stanovich et al., 2014). Serial associative cognition relies on a single focal model that triggers all subsequent thoughts. For example, it focuses on the given evidence that is directly presented and can prove a statement is true, but ignores the indirect evidence that can prove the statement is false. It tries to minimize effort by reasoning directly from a given focal point, ignoring the moderating factors and other possible solutions to a problem (Sperber et al., 1995; Wilson et al., 2000).



Source: Stanovich et al. (2014)

Figure 3-7 A more complete model of the tripartite structure

This leads to a focal bias which is similar to anchoring heuristic. To avoid this bias, the reflective mind will initiate a command for the algorithmic mind to interrupt the serial associative cognition and process cognitive decoupling. Cognitive decoupling disassociates direct reasoning (led by given information) and process alternative simulations in the mind (creates alternative hypotheses). New ideas and creativity are usually generated from cognitive decoupling which is considered a unique function of the algorithmic mind. In further analyzing the Type 2 knowledge structure, Stanovich (2009) points out that the reflective mind uses beliefs, goals and general knowledge to control the algorithmic mind for rational strategies (Figure 3-8). Given the tripartite model's comprehensive analysis of Type 2 processing, the development of a conceptual model for this study will refer to the reflective mind and algorithmic mind for Type 2 processing of ethical decision-making.



ENB = Encapsulated Knowledge Base
 TCLI = Tightly Compiled Learned Information

Source: Stanovich (2009)

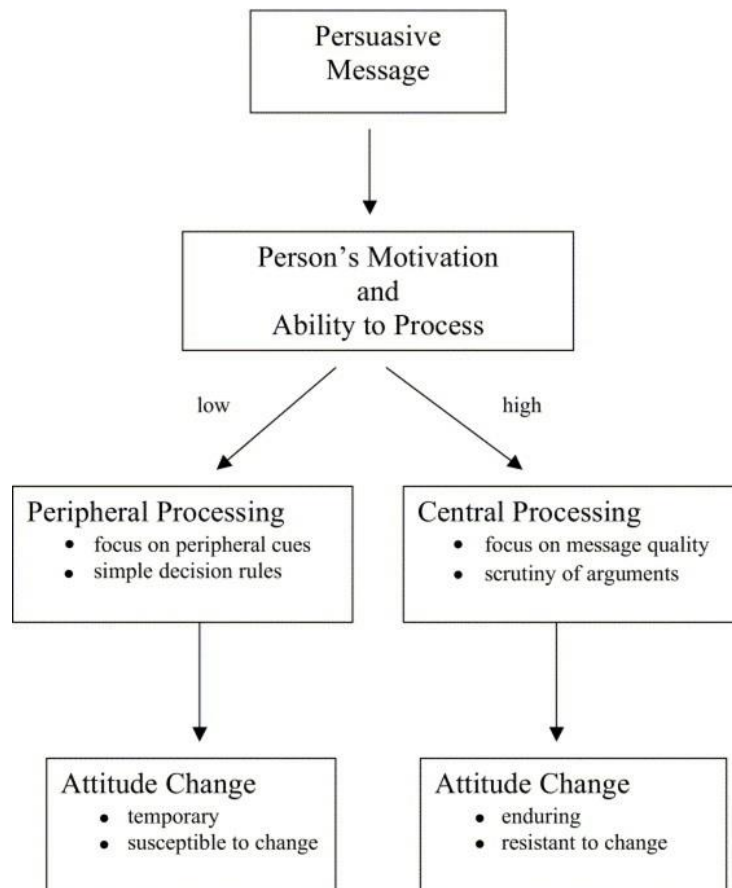
Figure 3-8 Knowledge structures in the tripartite model

3.2.4 Variables of Type 1 and Type 2 processing

Few studies have investigated the variables of Type 1 and Type 2 processes while most of the dual-process models extensively describing features and relations. The Elaboration Likelihood Model (ELM) developed by Richard E. Petty and his colleagues (Petty & Cacioppo, 1986; Petty et al., 2015; Petty & Wegener, 1999) not only explains how Type 1 and Type 2 work together but also identifies possible variables at different stages. According to the ELM model, decision-making is generally influenced by individual and contextual variables. Individual variables include personal relevance, need for cognition, knowledge, expertise, prior experience, emotion, belief and value; contextual variables include available message (framing effect), distraction, and the effects of group on decision-making (Petty et al., 1980; Petty & Wegener, 1999).

As shown in Figure 3-9, the ELM model indicates two routes of thinking: peripheral route and central route. These two routes can co-occur. The personal motivation and ability to

process decide which route is chosen. The central route will process decisions if there is high motivation and high ability to process information critically; otherwise, the peripheral route will process.

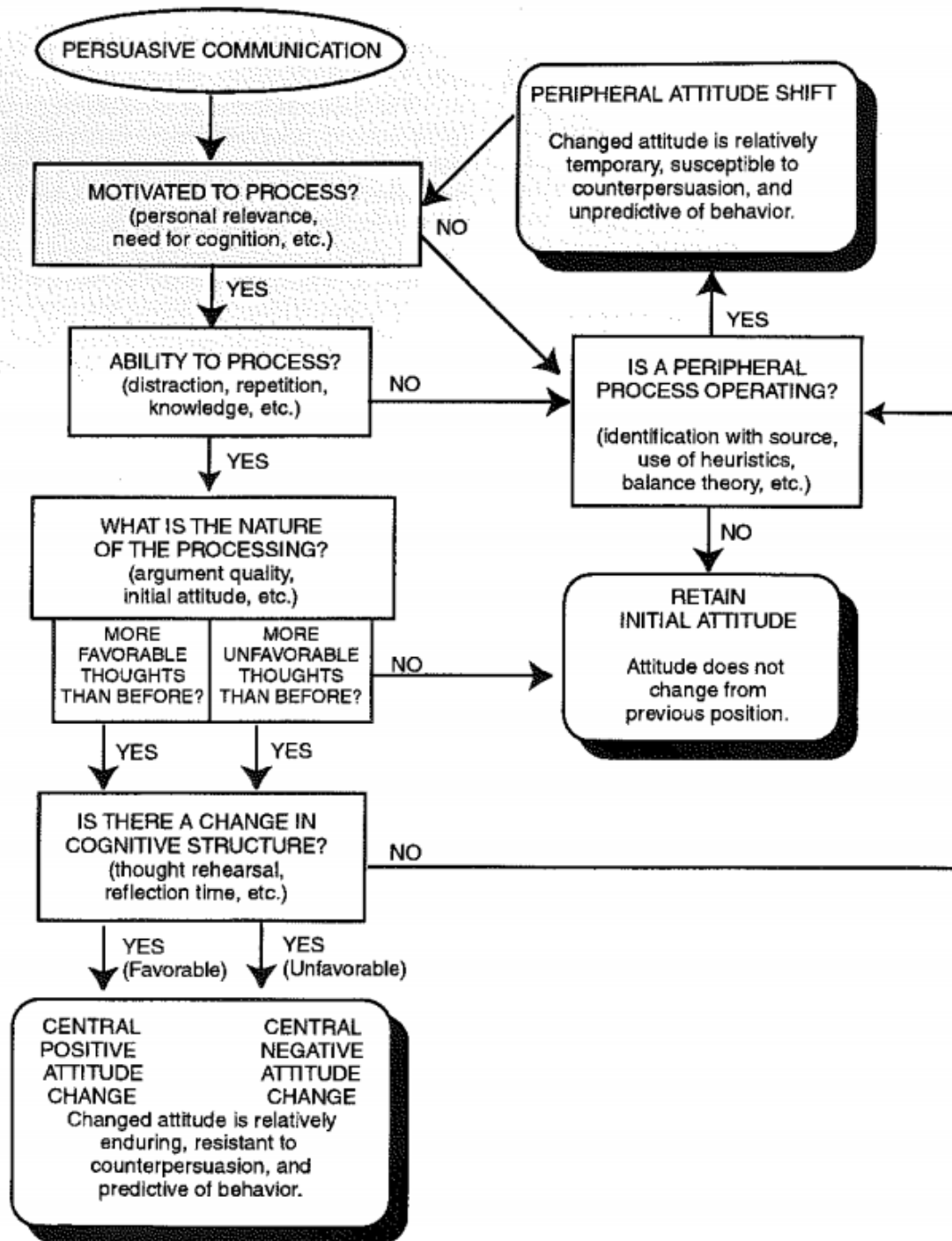


Source: Petty & Wegener (1999)

Figure 3-9 The elaboration likelihood model (brief)

As shown in Figure 3-10, the motivation to process is determined by two variables: personal relevance and need for cognition. Personal relevance means to what extent the person is involved in the issue, or how important and relevant the issue is to the person. High personal relevance and issue-involvement can help to give cognitive responses with high quantity and better quality, which corresponds to Type 2 thinking (Petty & Cacioppo, 1979, 1984; Petty et al., 1992). The need for cognition will also affect the motivation to process aspects of message evaluation, memory recall and persuasion: low cognitive demand for Type 1 process while high cognitive demand for Type 2 process (Cacioppo & Petty, 1982; Cacioppo et al., 1983). The ability to process is determined by variables like knowledge (expertise, experience, belief, value), emotion, message (framing effect), and other contextual variables

like distractions and the effects of group on decision-making.



Source: Petty & Wegener (1999)

Figure 3-10 The elaboration likelihood model (detailed)

The peripheral route relies on available cues and simple decision rules like heuristics and prospect theory; the attitude change resulting from this route is relatively temporary, easy to be persuaded and the behavior is unpredictable. The central route processes information

relatively more extensively and aims at scrutinizing the central merits of the issue (Petty & Wegener, 1999); the attitude change resulting from this route is enduring, resistant to persuasion and the behavior is predictable. However, the arguments of attitude change is criticized by some researchers (e.g. Epstein & Pacini, 1999) that the attitude change resulting from peripheral route should be more enduring and resistant to persuasion because it is based on intuition and long-time experience (e.g. expertise) which are difficult to change; and attitude change resulting from the central route should be temporary and easy to be persuaded because it depends on reasoning of different information and contexts which can change over time.

3.2.5 Effects of time, emotion and group on decision-making

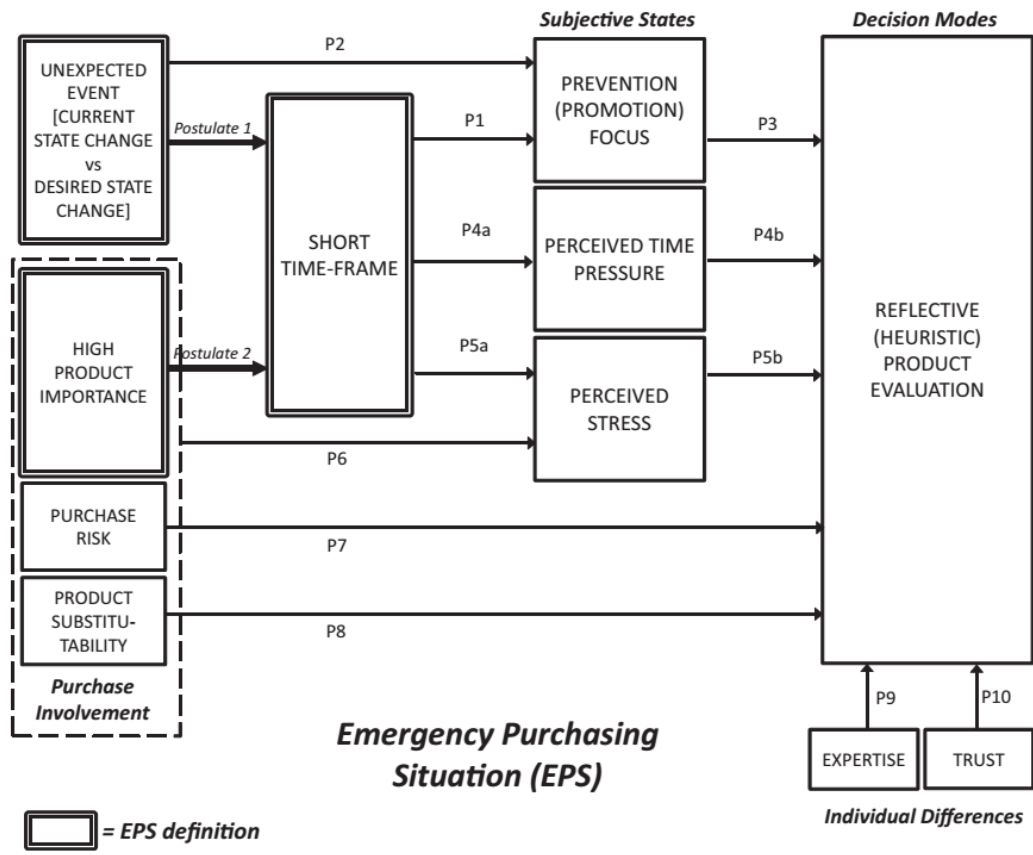
The hedonic nature of tourism, the travel schedule and trip composition are major characteristics that distinguish tourists from normal consumers who shop at home (McKercher, 2015; Meng & Choi, 2016; Wang et al., 2004). Thus, the effects of time, emotion and group dynamics on decision-making are discussed specifically since they are considered highly related to tourist decision making.

The effect of time

The time available to make decisions is one of the essential conditions to process Type 2 reasoning which is slow thinking. The effects of time on judgement and decision-making have been emphasized in many studies (e.g. Fazio & Towles-Schwen, 1999; Petty & Wegener, 1999; Samson & Voyer, 2014). The ELM model points out that Type 2 central route needs time for reflection (Petty & Wegener, 1999). Fazio and Towles-Schwen (1999) develop the MODE model to use motivation (similar to the ELM model) and opportunity as the determinants for decision-making. Opportunity means the opportunity to consider the available information carefully; in other words, whether there is sufficient time to process Type 2 thinking.

Samson and Voyer (2014) investigate the effects of time by studying consumer decision-making under emergency purchasing situations (Figure 3-11). This research has identified similar variables like purchase involvement (product importance, purchase risk, and product substitutability), individual differences (expertise and trust) and consumption context for dual process thinking. In general, under unexpected and emergency situations, consumers'

perception of time pressure and stress might subjectively counter reflective thinking (Type 2) and make decisions heuristically (Type 1). Specifically, heuristic thinking (Type 1) will dominate decision-making when the perceived level of time pressure is high, the product is cheap and less important, low risk and high substitutable to meet the basic functional needs (Samson & Voyer, 2014).



Source: Samson & Voyer (2014)

Figure 3-11 Consumer decision-making under emergency purchasing situation

The effect of Emotion

Emotion can affect judgements and decision-making. Petty et al. (1993) study the effect of emotion on attitude change. The result of their study is that positive moods will generally produce more positive attitudes and positive thoughts towards the stimulus in both types of thinking. Specifically, positive moods have a direct effect on attitudes in Type 1 fast thinking;

and has an indirect effect on attitudes by modifying the positive thoughts in Type 2 slow thinking. Petty et al. (2015) further investigate the role of affect in Type 1 process of the ELM model and Kahneman (2011) comments that the effect of emotion on the psychology of decision-making is the direction of future research because of the neuroscience behind decision making. The latest findings in neuroscience find that decision making is emotional not logical. People who have damaged part of their brain which generates emotions cannot make decisions, even simple decisions like what to eat. They can describe what they are doing logically but just cannot make a decision. Neuroscientists argue that logical decisions are made based on emotion; people make logical decisions because they feel motivated to do so (Camp, 2015). Lerner et al. (2015) further specify that emotions shape decisions via affecting the goal activation, content and depth of thinking.

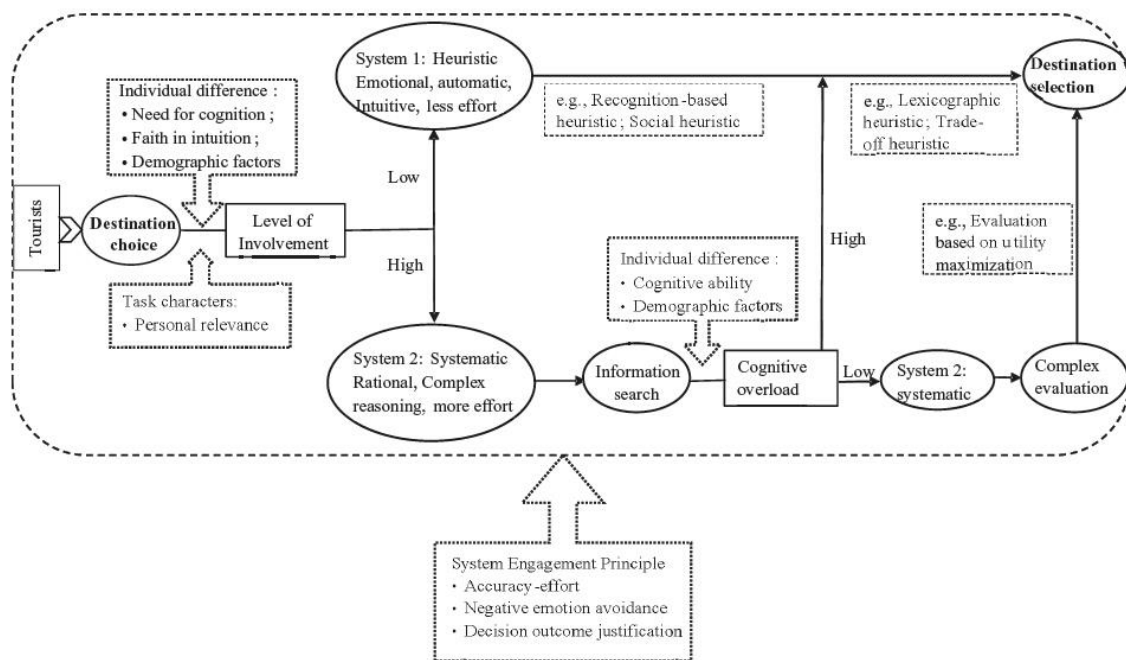
The effect of group

In addition to time and emotion, the effect of group on decision-making is also emphasized in the ELM model (Petty & Wegener, 1999). In support of this, the research of Petty et al. (1980) shows that individual responsibility for a cognitive task will be diffused in a group: the bigger the group size, the less individual thinking, which will either enhance or reduce the quality of judgements. Thus, it is necessary to take into consideration the effect of group dynamics on decision-making. In tourism research, the effect of group is often studied in the context of family decision-making with special focus on the spouse relationship between husband and wife, and the parental relationship between parents and children. Results show that women and children have increasing influence on group decision making on vacation (Barlés-Arizón et al., 2013; Khoo-Lattimore, 2015; Wang et al., 2004). In addition, the role distribution in families determines the decision-making strategies for holiday choice but can vary across different tourism contexts (Therkelsen, 2010).

3.2.6 Dual-process theory in tourism research

The necessity to investigate irrational decision making by tourists has begun to gain the attention of tourism researchers. McCabe et al. (2016) assert that it is time to radically reappraise the conventional models of tourist decision making which are often based on the assumption that tourists are rational decision makers and utility maximizers. They apply the dual-process theory and propose a new conceptual model for destination choice. As shown in Figure 3-12, the conceptual model acknowledges that there are two systems of decision

making for destination choice: Heuristic System 1 is emotional, automatic, and intuitive with less effort, which will process when the level of involvement is low; Systematic System 2 is rational and complex reasoning with more effort, which will process when there is high involvement. The model points out that destination choice can be affected by recognition-based heuristic, social heuristic, lexicographic heuristic and trade-off heuristic. The principles that determine which system to engage are: accuracy-effort, negative emotion avoidance and decision outcome justification. However, this conceptual model has not been operationalized and tested in an empirical study but acknowledges the new theoretical trend for tourist decision-making research. The authors point out that future research is needed to: identify influential factors of the two systems in different decision contexts; how the two systems operate together; how the decision outcomes differ between the two systems; and cultural differences on the dual-process decision making. This PhD research can address most of these research gaps.



Source: McCabe et al. (2016)

Figure 3-12 New general model of tourism decision making

3.2.7 Conclusion

In conclusion, this section has reviewed the psychology literature of decision-making as the psychological basis for conceptual framework development of this study. Dual-process

theory has been reviewed first to give a general understanding of human mind. There are two types of thinking: Type 1 and Type 2 processing. The different terminologies of these dual processes and their characteristics have been summarized, followed by the review of their relationship and working mechanisms. Type 1 and Type 2 processing can occur simultaneously. Type 1 process mainly rely on associative memory and influenced by heuristics, framing effects and rules of prospect theory. Type 2 process is based on intelligence (the algorithmic mind) and controlled by rationality (the reflective mind). In general, there are two kinds of variables of dual-process thinking: individual variables (e.g. motivation, reasoning ability, experience, belief and value) and context variables (e.g. framing information). The effects of time, emotion and group on decision-making have also been discussed since these three factors are highly related to tourist decision making. A new trend of applying dual-process theory on tourist decision making research has also been reviewed to support the significance of this PhD study. The next section critically reviews ethical decision-making models. This thesis will synthesis models of dual-process thinking and ethical decision-making to develop a conceptual model for tourist decision-making in the context of counterfeit consumption.

3.3 Ethical decision-making

Since counterfeits are illegal, buying counterfeits is considered a controversial issue and thus the consumption behavior closely relates to ethical decision-making. Ethical decision-making is defined as “the process of recognizing an ethical dilemma, generating alternatives, and choosing among them so that the selected alternatives can maximize the most important ethical values while achieving the intended goal” (Guy, 1990, p.157). Moral reasoning and moral judgement are the two important aspects involved in ethical decision-making. Moral reasoning is a conscious, intentional, effortful and controlled mental activity that process available information to make moral judgement. Moral judgement evaluates whether an action or character of a person accords with a set of virtues that are obligatory by a culture (Fennell, 2006b). Thus, ethical decision-making is generally considered a purposeful action based on cultural norms, which is Type 2 processing in decision-making psychology.

Ethical theories are often employed for ethical decision-making. There are two general

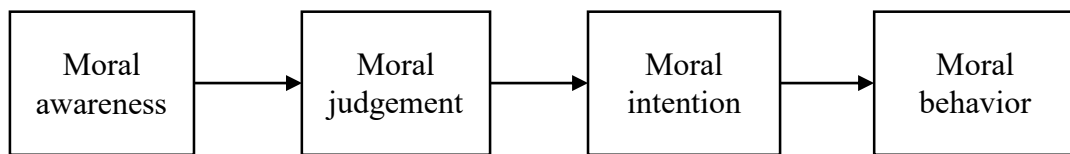
branches of ethical theories: meta-ethics and normative ethics. Meta-ethics consider whether the nature of ethics is relative or universal. Relativism believes that there is no universal criteria about what is right or wrong; ethical judgements can differ across cultures (Gensler, 2011; Velazquez, 2002). This cultural relativism is considered highly relevant to tourism because different ethical perspectives often clash within a destination. Normative ethics provide guidelines and principles when facing ethical dilemmas. There are four streams of normative ethics: teleology, deontology, ethics of justice and virtue ethics (Fennell, 2006b; Schumann, 2001). Teleology focuses on the consequence of the action in question for ethical judgement: utilitarianism calculates the gain and loss to achieve greatest happiness for the greatest number of people; while egoism only concerns personal benefits and losses (Clark & Dawson, 1996). Thus, an action can be judged as ethical if it has positive consequences regardless of what means were used. Conversely, deontology focuses on the action itself rather than its consequence. It emphasizes the responsibility to others that individuals should do the right thing although it may cause negative outcomes to the actor (Hunt & Vitell, 1986). Contractualism is the deontological ethic that individuals should comply with social contracts with others (Scanlon, 1982). Ethics of justice ensures fairness through legislation (Hansen, 1992; Schumann, 2001). Virtue of ethics judges an action as ethical if it can demonstrate good character traits or virtues of the actor (Fennell, 2006a; Gensler, 2011).

Various models of ethical decision-making have been developed. However, most are developed from several classical models of ethical decision-making (Craft, 2013; Lehnert et al., 2015). In this chapter, several classical models are reviewed since they are considered appropriate for the current PhD research, and they will lay the theoretical basis for the development of the conceptual model in *Chapter 4*.

3.3.1 Moral action: Rest's model

The most widely cited model of ethical decision-making is Rest's (1986) "Model of Moral Action" (Chan et al., 2011; Craft, 2013; Lehnert et al., 2015). Rest (1986) develops a four-step model (Figure 3-13) to describe the psychological process of moral action: moral awareness, moral judgements, moral intent, and moral behavior. Moral awareness is the first step to recognize an action or a situation has ethical concerns that might affect others' interests or expectation (McMahon & Harvey, 2006). Moral judgement evaluates various courses of action to decide which is morally right or wrong based on moral values. One

action is then chosen by the decision-maker to form the moral intention. In the last step, the decision-maker engages in ethical behavior (Chan et al., 2011). Rest's (1986) model provides a basis for subsequent research on ethical decision-making. However, this model only describes the general process of moral action, but does not address the question of how moral judgement is made, in other words, the process of moral reasoning (Vigil, 2008).



Source: Rest (1986)

Figure 3-13 Model of moral action

3.3.2 Level of moral reasoning: Kohlberg's model

The level of moral reasoning is determined by the moral development which is a hierarchical process of six stages in three levels (Kohlberg, 1969, 1984) (Figure 3-14). The first level is pre conventional level. Based highly on an egocentric rationale, moral reasoning at this level is to avoid punishment by complying with norms and laws (stage 1) or to get benefits like personal pleasure and revenues (stage 2). A decision maker might disregard social norms and laws when oriented by hedonism or utilitarianism. The second level is conventional level. Moral reasoning at this level will not only consider personal benefits but also opinions of other people to gain social approval. In stage 3, individuals will more likely to do what is expected by peers, colleagues, family or friends; while in stage 4, individuals will fulfill responsibilities of organizations and society. Thus, moral reasoning of the conventional level is oriented by deontology rather than teleology. It should be noted that the first two levels are both driven by external situations so the moral judgements can be easily changed.

<p>Pre conventional level</p> <p>Stage 1: Punishment and Obedience Orientation (Will I be caught?; sticking to rules to avoid physical punishment)</p> <p>Stage 2: Instrumental Relativist Orientation (What will I get out of it?; little consideration given to social norms and ecological principles; right is an equal exchange, a fair deal)</p> <p>Conventional level</p> <p>Stage 3: 'Good Boy/Nice Girl' Orientation (Living up to what is expected by peers and people close to you; people act to gain approval in society by adhering to social sanctions)</p> <p>Stage 4: Law and Order Orientation (Laws promote societal welfare; fulfilling duties and obligations of social system)</p> <p>Post conventional level</p> <p>Stage 5: Social Contract Legalistic Orientation (Societal standards through consensus apply; being aware that people hold a variety of values)</p> <p>Stage 6: Universal Ethical Principle Orientation (Ethical principles chosen regardless of society; when laws violate principles, acting in accordance with principles.)</p>

Source: Fenell (2006b)

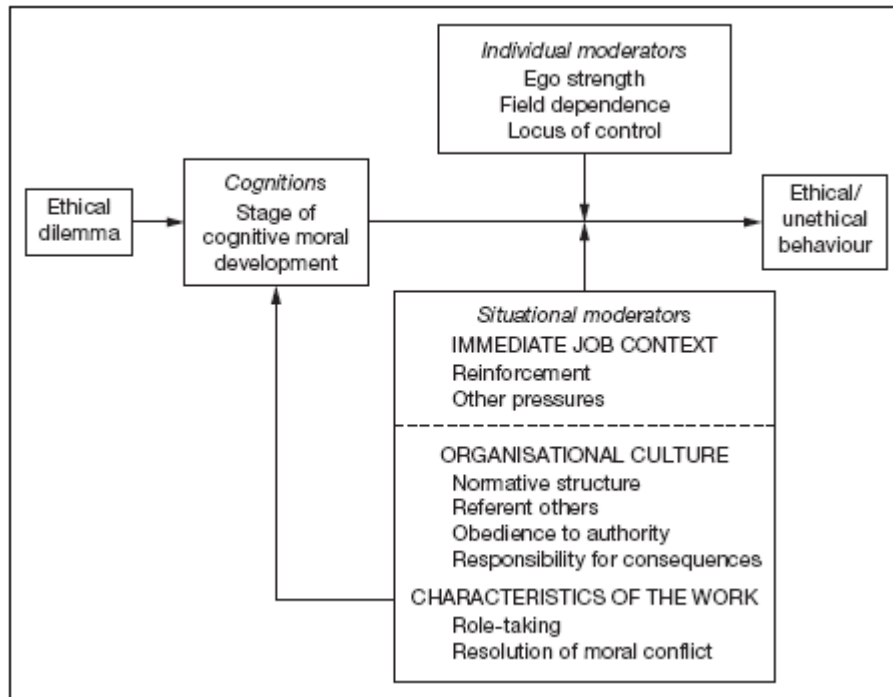
Figure 3-14 Kohlberg's stages of moral development

The third level, called the post conventional level, is the most advanced type of moral reasoning. It is internally driven and self-regulating that progresses beyond external influences. In stage 5, individuals will perform moral reasoning from the perspective of a community (e.g. social contract). For example, an individual will judge whether to obey a certain law by considering its impacts on the community; the law will be disobeyed if it impairs the rights of the community. In stage 6, the perspective of moral reasoning moves beyond community to the universe. All ethical principles from all cultures and societies will be considered and what is just is just for all humanity and ecology. In this stage, the moral sense of the decision maker goes beyond the personal needs and the expectation of peers, families and organizations. Moral reasoning at this stage is cosmopolitan in nature and is featured by a deep sense of personal commitment (Fennell, 2006b).

Generally, an individual's moral development will move from the pre conventional level to conventional level when he or she is growing up. Ethical learning and training can help to accelerate the developmental process (Kohlberg, 1984; Penn & Collier, 1985) and Kohlberg's model of moral development can be applied universally since there is no difference between cultures (Nisan & Kohlberg, 1982). The Kohlberg's model makes the first attempt to measure individual ethical decision-making and has provided the basic framework for later research on measurements of ethical judgements. However, it has been criticized that this moral development model does not consider the individual and situational factors that affect moral decision-making (Fennell, 2006b).

3.3.3 Individual and situational effects: Trevino's interactionist model

Developed from Kohlberg's model of moral development, Trevino (1986) proposes a model of ethical decision-making in organizations considering the interaction of cognitions, individual moderators and situational moderators (Figure 3-15). After recognizing an ethical dilemma in an organization, the decision-maker will start moral reasoning based on personal stage of cognitive moral development (Kohlberg, 1984). This determines the ethical perspective (teleology or deontology, relativism or universalism) of moral reasoning. In general, individuals of higher moral development can analyze an ethical dilemma more comprehensively and provide more sophisticated reasons to justify an ethical decision (Kohlberg, 1984).



Source: Trevino (1986)

Figure 3-15 Interactions model of ethical decision-making in organizations

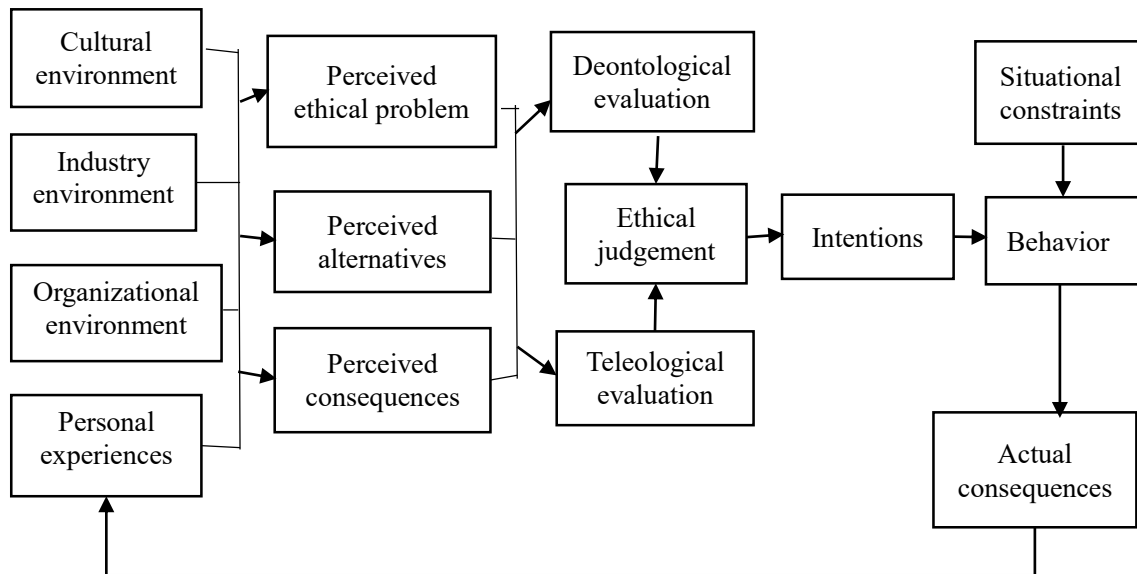
Individual moderators including ego strength, field dependence and locus of control will influence how individuals act on the cognition stage of moral development (Trevino, 1986). Ego strength is the capacity to resist impulses and distractions from others, and insist on self judgements about what is right or wrong. Individuals are considered to be field dependent when they refer to guidance of others for moral judgement. Locus of control measures whether the source of control for ethical decision-making is external or internal. When the locus of control is external, individuals will rely on other sources to guide ethical decision-making and be less likely to take responsibility for their behaviors; when the locus of control is internal, individuals will be responsible for their ethical choices. Therefore, individuals who have high ego strength, are field independent and are internally controlled will have a higher ability to make moral judgements of their own and resist different opinions of others; and the moral behaviors of these individuals will be more consistent with their moral judgements than their counterparts.

Situational moderators have three categories: immediate job context, organizational culture and characteristics of the work (Trevino, 1986). Immediate job context refers to the pressure and interactions (e.g. time pressure, and reinforcement of reward or punishment) occurred at the work place which will impact individual moral behavior. Organizational culture will

also influence ethical behavior through the company's normative structure (norms or code of ethics that guide employee behavior), referent others (important and influential people in the company), obedience to authority, and responsibility for consequences. Characteristics of the performed work means role-taking and its responsibility for the resolution of moral conflict. This encourages individuals to rethink their roles and corresponding responsibilities in the company, and thus help to improve their moral awareness and advance their moral development. However, Trevino's (1986) model has been criticized that it overlooks important individual moderators such as personal experience and the effect of actual consequences (Craft, 2013). Actual consequence is the post-purchase satisfaction. In the situation of counterfeit purchase, the actual consequence is positive when it matches the ethical judgement that buying counterfeits is acceptable without negative ethical influences on the decision maker; otherwise, the actual consequence is negative.

3.3.4 Learning from the feedback: Hunt and Vitell's general theory model

Hunt and Vitell (1986) develop a comprehensive model of ethical decision-making (Figure 3-16). Their general theory of marketing ethics not only emphasizes personal experience as an individual factor, but also include cultural and industrial environment as situational factors. They also assert that moral judgement is the result of weighing teleological evaluation (personal gains) and deontological evaluation (responsibility to others). The highlight of this model is a feedback flow from the actual consequences of the ethical behaviors to personal experience. Individuals can learn from the actual consequences of the previous selected ethical choices, which enriches the personal experiences that affect future ethical decision-making for similar dilemmas. This learning process can help to advance the stage of moral development as mentioned by Kohlberg (1984).



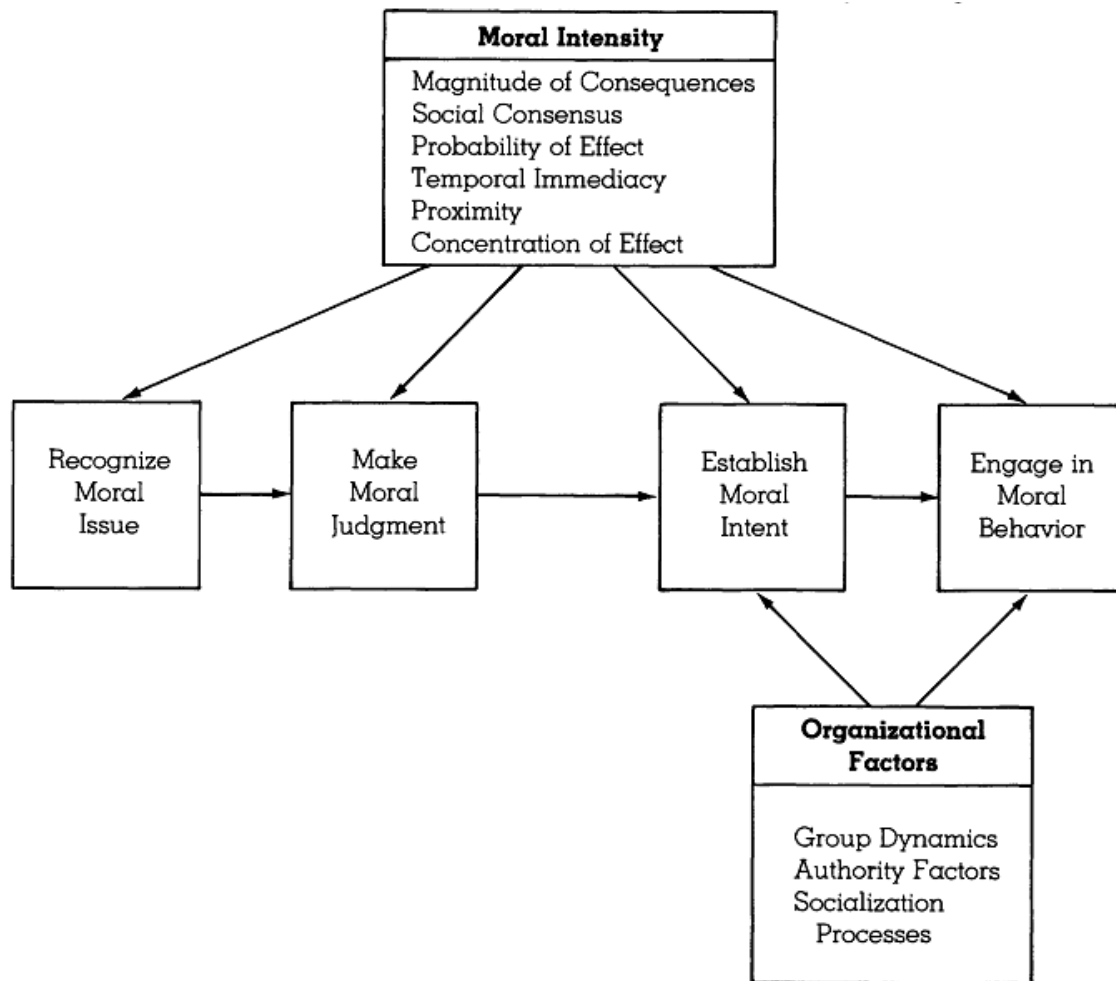
Source: Hunt & Vitell (1986)

Figure 3-16 General theory of marketing ethics

However, most of the ethical decision models have been criticized that they only focus on the decision-making process but pay little attention to the ethical issue itself (Lehnert et al., 2015).

3.3.5 Characteristics of the moral issue: Jones's issue-contingent model

Jones (1991) develops an issue-contingent model emphasizing the characteristics of moral issue based on the models of Rest (1986), Trevino (1986) and Hunt and Vitell (1986). The model includes a new notion of moral intensity to represent the moral issue's characteristics, proposes variables for moral intensity, and shows that moral intensity effects all four processes of ethical decision-making. There are six aspects of moral intensity (Figure 3-17): magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect (Jones, 1991).



Source: Jones (1991)

Figure 3-17 An issue-contingent model of ethical decision making in organizations

Magnitude of consequences is the total benefits or harm done to the beneficiaries or victims of the behavior in question. The evaluation of magnitude of consequences is based on empirical evidence, observation, or common-sense understanding. Social consensus measures to what extent a moral judgement or behavior is agreed by others, e.g. families, friends and co-workers. Probability of effect calculates the likelihood that an action in question will actually happen and cause the predicted consequences (benefits or harm). If the probability is low, individuals will marginally compromise their moral standards and be more likely to engage in unethical behavior.

Temporal immediacy is the length of time between the present action and the onset of its consequences. High immediacy means the consequence of a moral behavior influences the beneficiaries or victims shortly after doing the behavior. Proximity is the feeling of nearness (social, cultural, physical or psychological) between a behavior in question and the

beneficiaries or victims. For example, unethical behavior of family members will have greater moral proximity (social, psychological or physical) than unethical behaviors of others who are distant. This concept is similar to “self-relevance” or “issue-involvement” in the psychological studies of decision-making (e.g. Petty & Wegener, 1999). Concentration of effect refers to the number of beneficiaries or victims. The effect of cheating an individual is much more concentrated than that of cheating a group of people. Singhapakdi et al. (1996) made the first attempt to develop six items to measure each of the six scales of moral intensity (Table 3-3). Based on four marketing ethics scenarios, they found out that the ethical perception and intentions of marketers in United States are positively affected by moral intensity.

Table 3-3 Moral intensity items

Moral intensity scale	Item
Magnitude of consequences	The overall harm (if any) done as a result of the [marketer]’s action would be very small.
Social consensus	Most people would agree that the [marketer]’s action is wrong.
Probability of effect	There is a very small likelihood that the [marketer]’s action will actually cause any harm.
Temporal immediacy	The [marketer]’s action will not cause any harm in an immediate future.
Proximity	If the [marketer] is a personal friend of the [victim], the action is wrong.
Concentration of effect	The [marketer]’s action will harm very few people (if any).

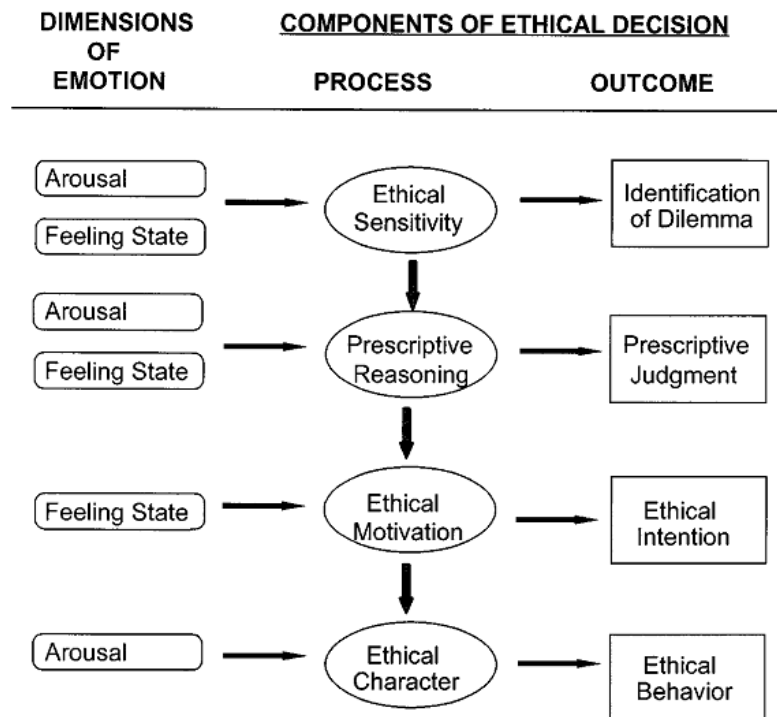
Source: Singhapakdi et al. (1996)

In conclusion, the issue-contingent model focuses on the moral issue itself by considering its consequence, predicting the probability to happen actually, whether it will be accepted by other people, how fast the consequence will come into effect, how close and how strong its effects are to the decision makers. However, the Jones’ (1991) model together with most other ethical decision-making models are based upon the assumption that decision makers are always rational and overlooks the effect of emotion and intuition on ethical decision-making.

3.3.6 The role of emotion: Gaudine and Thorne’s cognitive-affective model

While the effect of emotion on ethical decision-making has been well identified (e.g. Etzioni, 1988; Gibbard, 1990), it is not clear how emotions influence individual ethical decision-

making in organizations. To address this gap, Gaudine and Thorne (2001) develop a cognitive-affective model to explain the role of emotion in the process of ethical decision-making (Figure 3-18).



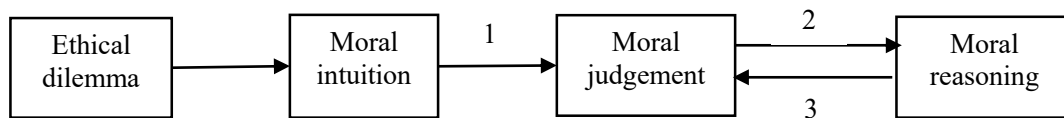
Source: Gaudine & Thorne (2001)

Figure 3-18 The role of emotion in ethical decision-making

There are two dimensions of emotion: feeling state and arousal. Feeling state is the individuals' emotions which can be positive (e.g. happy, optimistic) or negative (e.g. sad, depressed). Arousal is the level of intensity of the feeling state, ranging from quiet to aroused. For example, an individual is elated when he is happy and aroused; calmed when happy and quiet; distressed when unhappy and aroused; and bored when unhappy and quiet. The research result shows that emotion is intrinsic and can influence all stages of moral decision-making from identifying ethical dilemmas, moral reasoning to ethical behavior. Specifically, the result shows that individuals are more likely to do sophisticated moral reasoning (Type 2 process) when their emotions are positive and aroused. Therefore, they argue that emotions should not be ignored or avoided, and should not be considered as antithetical to rational ethical decision-making (Gaudine & Thorne, 2001).

3.3.7 Moral intuition: Haidt’s social intuitionist model

Haidt (2001) argues that people make moral judgements more by moral intuition, and moral reasoning is a post hoc process after a moral decision made, which is in line with the Type 1 intuition thinking. Moral intuition is the “sudden appearance in consciousness of a moral judgement, including an affective valence (good–bad, like–dislike), without any conscious awareness of having gone through steps of searching, weighing evidence or inferring a conclusion” (Haidt, 2001, pp.817–818).



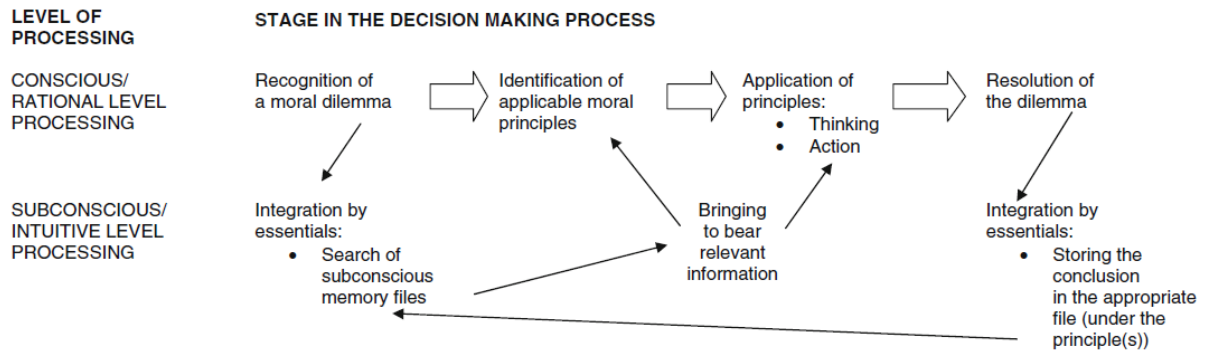
Source: adapted from Haidt (2001)

Figure 3-19 Ethical decision-making based on moral intuition

As shown in Figure 3-19, the social intuitionist model explains the relationship of moral intuition and moral reasoning: (1) judgements are made automatically based on moral intuition; (2) moral reasoning takes places post hoc, and tries to rationalize the moral judgements made before; (3) or moral reasoning comes up with different judgements and overrides the moral intuition judgements (Haidt, 2001). Haidt’s (2001) model is supported by later research (e.g. Sonenshein, 2007) that since the context of ethical dilemmas is often under time pressure, Type 1 intuitive thinking should be an important means for ethical decision making. However, Haidt’s model does not consider the situation that moral intuition and moral reasoning can work together at the same time (Woiceshyn, 2011).

3.3.8 Dual-process decision making: Woiceshyn’s integrative model

Adopting dual-process theory, Woiceshyn (2011) proposes a model for ethical decision making in business based on interview results of 16 chief executive officers (Figure 3-20). The model shows how moral reasoning (conscious processing) and moral intuition (subconscious processing) interact through forming, recalling, and applying moral principles that are necessary for long-term business success. The moral principles followed by CEOs are found to be self-interest, rationality, honesty or justice.



Source: Woiceshyn (2011)

Figure 3-20 An integrative model for ethical decision making

The stages of rational processing are developed from Rest's (1986) Model of Moral Action from moral awareness, moral judgement, and moral intention to moral behavior. In the stage of moral awareness, related memories are searched subconsciously. The relevant information retrieved from memory will be used for identification of applicable moral principles (moral judgement) and application of principles (moral intention). In the last stage, the decision of moral reasoning (moral behavior) will be stored in memory as personal experience, which is similar to the feedback flow of the Hunt and Vitell's (1986) model. However, this model is derived from qualitative interviews of business leaders for long-term decision making, and it is not clear what factors affect the two processes. Further study is needed to investigate ethical decision-making of general individuals under time pressure.

3.3.9 Factors of ethical decision-making

In a recent review paper of ethical decision-making models, Lehnert et al. (2015) have reviewed empirical literature of ethical decision-making published in the past three decades and summarized factors that affect ethical decision-making into three types: individual factors, organizational factors and moral intensity. Dependent variables are awareness, judgement, intent and behavior which form the general process of ethical decision-making (Rest, 1986). As shown in Figure 3-21, individual factors include demographic variables (e.g. age, nationality, education, employment, and gender), cognitive moral development / ethical judgement, locus of control, philosophy / value orientation and other individual factors. Organizational factors include code of ethics, ethical climate / culture, rewards / sanctions and other organizational factors. Moral intensity factors are magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and

concentration of effect (Jones, 1991). Among the four steps of ethical decision-making, judgement is the focus of the most research; and the top ten explanatory variables that have been used are philosophy / value orientation, gender, education & employment & experience, moral intensity, nationality / culture value, cognitive moral development, age, and personality (Craft, 2013; Lehnert et al., 2015; O'Fallon & Butterfield, 2005).

IV (broad)	IV (specific)	Awareness	Judgment	Intent	Behavior	Total
Individual factors	Age	5	1	5	1	12
	Awareness		1	2	3	6
	Biases	1				1
	Cognitive moral development/ ethical judgment	4	7	7	12	30
	Conflict	1		1		2
	Education, employment, job satisfaction and work experience	10	5	11	1	27
	Gender	9	4	12	4	29
	Intent		3			3
	Locus of control	3	1	2	2	8
	Machiavellianism			2	1	3
	Nationality	6	2	4	5	17
	Need for cognition			1	1	2
	Organizational commitment	1	1		2	4
	Philosophy/value orientation	11	11	8	14	44
	Professional affiliation				3	3
	Religion	4	1	3	2	10
Significant others	3	1		3	7	
New factors	8	8	13	11	40	
Individual factors total		66	46	71	65	248
Moral intensity	Moral intensity	7	2	12	8	29
Organizational factors	Bias				1	1
	Codes of ethics		1	3	2	6
	Ethical climate/culture	1	4	1	5	11
	External environment		1	1		2
	Industry type			1		1
	Intent		1			1
	Organizational climate/culture	4	2	2	2	10
	Organizational size		2	1		3
	Professional affiliation				2	2
	Rewards and sanctions	2	3	1	3	9
	Significant others				2	2
	Subjective norms	1			1	2
	Training				1	1
New			1	8	9	
Organizational factors total		8	8	15	20	18
Total		81	63	102	91	337

Source: Lehnert et al. (2015)

Figure 3-21 Empirical studies examining effects by dependent variable

Since this PhD study investigates the ethical behavior of individual tourists, moral intensity

and key individual factors (demography, philosophy / value orientation, cognitive moral development) will be selected from the business ethics literature and situational factors will be identified in the tourism context rather than business organization for the measurement of ethical decision-making. The measurement that best integrates ethical judgement and ethical philosophy is the multidimensional ethics scale (MES) developed by Reidenbach and Robin (1988, 1990). Below is the literature review on various measurements of ethical decision-making.

3.3.10 Measurement of ethical decision-making

Most of the current literature mainly uses three approaches to measure ethical decision-making (Casali, 2011). The first approach is to measure levels of moral development based on Kohlberg (1984)'s model of moral development. The measurement tools for this approach are the defining issues test (DIT) (Rest, 1979; 1986) and the managerial judgement test (MJT) (Lind, 1978; 1995). The DIT identifies an individual's stage of moral development by measuring which level of principles will be considered or preferred in ethical decision-making. On the other hand, the MJT determines the stage of moral development by measuring how consistently a particular principle is followed in ethical decision-making. However, this approach has been criticized because individuals may not necessarily fit into any one stage of moral development, and moral development is not the only factor that determines ethical decision-making, since other external factors, such as situational factors, can also have significant influences (Casali, 2011).

The second approach is to measure ethical ideologies with respect to relativism and idealism using the tool of ethics position questionnaire (EPQ) (Forsyth, 1980; 1981; 1985; 1992). The EPQ asserts that ethical decision-making is determined by personal moral philosophies. Relativism and idealism are the two fundamental dimensions of moral philosophies. However, it is over simplistic to categorize individuals into these two ethical positions.

The third approach is to investigate individual ethical decision making based on ethical principles: egoism, utilitarianism, justice, deontology, etc. The measurement tools for this approach are the managerial value profile (MVP) (Sashkin et al., 1997), and the multidimensional ethics scale (MES) (Reidenbach & Robin, 1988; 1990). The MVP investigates three ethical principles that guide an individual for decision-making: utilitarianism, individual rights (deontology) and social justice. However, the MVP does not

include other possible ethical principles such as egoism.

The MES is a more holistic tool that measures ethical decision making according to various ethical principles. Reidenbach and Robin (1988) developed the first version of MES in five ethical principles: justice, relativism, egoism, utilitarianism and deontology (Cohen et al., 2001). Later they developed the second version of MES (Reidenbach & Robin, 1990) that was condensed to three dimensions: broad-based moral equity, relativism, and contractualism (Table 3-4). A seven-point Likert scale is used to measure the respondents' values towards eight items.

Table 3-4 The multidimensional ethics scale (MES)

Broad-based moral equity	Just-unjust Fair-unfair Morally right-not morally right Acceptable to my family-not acceptable to my family
Relativism	Culturally acceptable-culturally unacceptable Traditionally acceptable-traditionally unacceptable
Contractualism	Violates an unspoken promise-does not violate an unspoken promise Violates an unwritten contract-does not violate an unwritten contract

Source: Reidenbach & Robin (1990)

The MES is the most well-known measure in business ethics studies and has been built on and extended by later studies (Mudrack & Mason, 2013). The refined MES developed by Cohen et al. (2001) will be adopted to measure ethical judgements for this study. There are five ethical philosophies: moral equity, contractualism, utilitarianism, relativism and egoism (Cohen et al., 2001). In addition, the refined MES also measures the probability of taking the action in question and the overall ethical judgement. Table 3-5 shows the detailed items of the refined MES by Cohen et al. (2001).

Table 3-5 The refined multidimensional ethics scale (MES)

Ethical judgement		
<i>Moral equity</i>		
Just	7 6 5 4 3 2 1	Unjust
Fair	7 6 5 4 3 2 1	Unfair
Morally right	7 6 5 4 3 2 1	Not morally right
Acceptable to my family	7 6 5 4 3 2 1	Not acceptable to my family
<i>Relativism</i>		
Culturally acceptable	7 6 5 4 3 2 1	Culturally unacceptable
Traditionally acceptable	7 6 5 4 3 2 1	Traditionally unacceptable

<i>Egoism</i>		
Self-promoting for the actor	7 6 5 4 3 2 1	Not self-promoting for the actor
Personally satisfying for the actor	7 6 5 4 3 2 1	Not personally satisfying for the actor
<i>Utilitarianism</i>		
Produces the greatest utility	7 6 5 4 3 2 1	Produces the least utility
Maximizes benefits while minimizing harm	7 6 5 4 3 2 1	Minimizes benefits while maximizing harm
<i>Contractualism</i>		
Does not violate an unwritten contract	7 6 5 4 3 2 1	Violates an unwritten contract
Does not violate an unspoken promise	7 6 5 4 3 2 1	Violate an unspoken promise
Probability of taking action:		
The probability that my peers would undertake the same action is:		
High	7 6 5 4 3 2 1	Low
The probability that I would undertake the same action is:		
High	7 6 5 4 3 2 1	Low
The overall measurement of ethical judgements:		
I believe the described action is:		
Ethical	7 6 5 4 3 2 1	Unethical

Source: Cohen et al. (2001)

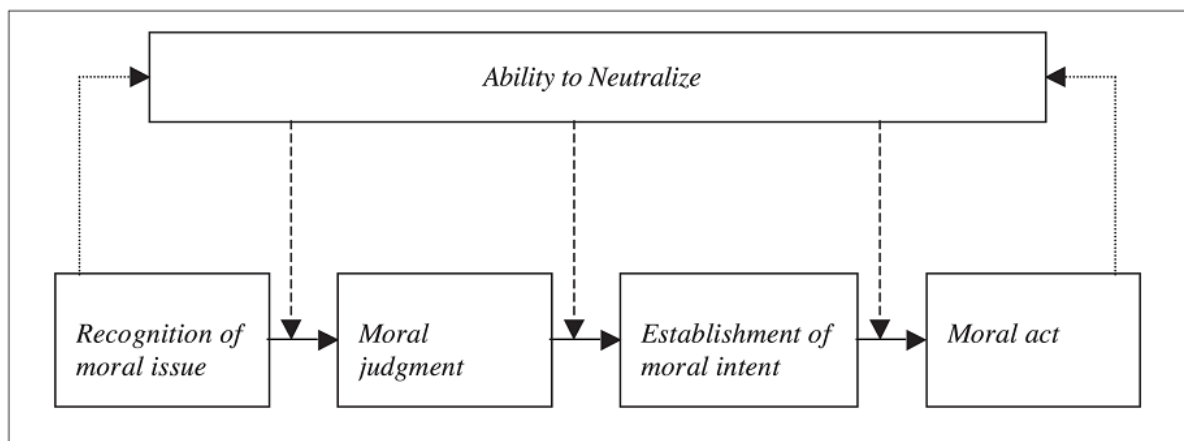
3.3.11 Conclusion

In conclusion, rational models of ethical decision-making in an organizational context dominate this area of research. The general process involves recognizing an ethical dilemma (moral intensity), identifying cognitive stages of moral development, and taking into account individual and situational factors to make moral judgements. Ethical intentions will then be established and lead to the final ethical or unethical behavior. The actual consequences will contribute to personal experiences. The measurement of ethical decision-making is also reviewed. Few researchers argue that ethical decision-making can also be intuitive without reasoning, and emotion has an important impact on ethical decision-making. In the next chapter, neutralization will be reviewed to understand how people rationalize their unethical behavior.

3.4 Neutralization

Unlike individuals in organizations, consumers are not constrained by organizations (e.g. company code of ethics or regulations). They will use their own resources (e.g. money and

time) to buy and leave shops after purchase. Hence consumers have relatively more freedom and less constraints of rules. Consumers might behave contradictorily to their ethical concerns (Carrigan & Attalla, 2001) and justify their deviant behaviors. Neutralization is a process through which individuals rationalize their deviant behaviors by excusing themselves or blaming other people. Neutralization helps individuals cope with decision conflict and psychological tensions such as guilt and blame (Chatzidakis et al., 2006). As shown in Figure 3-22, the ability to neutralize influences the process of ethical decision-making according to the research of Chatzidakis et al. (2006).



Source: Chatzidakis et al. (2006)

Figure 3-22 The influence of ability to neutralize on ethical decision-making

Sykes and Matza (1957) outline five neutralization techniques and their pioneering work has been built on by others (Chatzidakis et al., 2006; Strutton et al., 1994). These techniques include:

Denial of responsibility – consumers argue that they are not personally accountable for the unethical behavior because of factors beyond their control, e.g. “It’s not my fault to throw rubbish because the government does not make recycling easier.” In the context of knowingly purchasing counterfeit goods, this would be: “it’s not my fault I purchase counterfeit goods, the Hong Kong government should ban / close down the counterfeit sellers, so that I can’t buy these types of goods.”

Denial of injury – this is where the unethical behavior does not cause any serious injury and no one is directly affected. In the context of knowingly purchasing counterfeit goods, this would be: “There’s no harm done – purchasing one or two fake Rolex watches or Louis Vuitton bags, the designer brands are rich anyway.”

Denial of victim – this occurs when unethical behaviors are justified by arguing that the violated party deserves whatever happened. In the context of knowingly purchasing counterfeit goods, this could be “It’s the designer brand’s fault, the designer brands should make it more difficult to copy their designs.”

Condemning the condemners – this occurs where the unethical behaviors are justified by pointing out those who condemn engage in similarly disapproving activities. In the context of knowingly purchasing counterfeit goods, this could be “It’s a joke they should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.”

Appeal to high loyalties – this occurs when consumers argue that the unethical behaviors are the result of the failed attempts to actualize some higher order ideal or values. Counterfeit-purchasing tourists might argue “I tried to buy the original brand named goods but I couldn’t find any at these markets” or “I wanted to buy the original brand name goods but the queues were too long.”

Other scholars have built upon Sykes and Matza’s work. Coleman (1994 cited in Cromwell and Thurman, 2003) noted several more neutralization techniques: The Defense of Necessity (“I Had No Other Choice”) and Everybody Does It. Cromwell and Thurman (2003a), in the context of shoplifting, add a further two techniques: Justification by Comparison (“If I Wasn’t Shoplifting I Would Be Doing Something More Serious”) and Postponement (“I Just Don’t Think About It”).

As stressed by McKercher et al. (2008), neutralization provides a useful framework for examining minor and infrequent forms of deviant behavior. Neutralization has been used predominantly in sociology, but has rarely been used to explain tourist behavior. McKercher et al. (2008) examine how tourists justify their climbs of Uluru, Australia, a contested cultural heritage site. Many people participate in the climb although this behavior is considered by the indigenous peoples of Australia as being socially inappropriate and culturally insensitive. The justification by most tourists is that “I am just a tourist; I can do what I want”. They claim they are entitled to do such behavior. Neutralization will be used for conceptual framework development of this research.

3.5 Conclusion

In conclusion, although psychological studies of decision-making have long proven that decisions can be made by intuition (Type 1 process) or reasoning (Type 2 process), most current studies on ethical decision-making and tourism consumer behavior have taken the perspective from Type 2 slow thinking and developed rational models, resulting to a research gap of Type 1 fast thinking. While the attitude-behavior gap has been recognized, there are few studies investigating the attitude-behavior gap for ethical decision-making. While research of tourism consumer misbehavior is seldom explored, the application of neutralization in this kind of research is even rarer.

It is also worth noting that the concepts between ethical/unethical behavior and rational/irrational behavior are not clear. Existing literature appears to use these terms interchangeably, thus implying that ethical/unethical behavior is equal to rational/irrational behavior. However, it is possible that ethical behavior can be irrational while unethical behavior can be rational (Stanovich, 1999; Haidt, 2001; McKercher, et al., 2008).

To address these gaps, the next chapter will synthesize models from dual-process theory, ethical decision-making, consumer demand for counterfeits and neutralization to develop a conceptual model which explores the correlation between types of thinking and the ethical/unethical behavior, and considers the effects of emotion and time pressure to address the hedonic nature and tight schedule of tourist consumers.

4 Conceptual framework and hypotheses

To address the research gaps outlined in Chapter 3.5, a dual-process model of ethical decision-making for counterfeit consumption by tourists (Figure 4-1) is developed to explore how tourists make ethical decisions when they purchase counterfeit products. As discussed above, most ethical decision-making models assumes individuals are rational and perform systematic reasoning when dealing with ethical issues. However, Haidt (2001) argues that ethical decisions are often made by moral intuition, and moral reasoning is a post-hoc process to rationalize or correct the judgements of moral intuition. Building on Haidt's model, Woiceshyn (2011) proposes an integrative model to explore how moral intuition and moral reasoning interact for ethical decision-making in business. Applying dual-process theory to destination choice has also appeared as a new theoretical development in tourism research (e.g. McCabe et al., 2016). However, empirical research about how tourist consumers make ethical decisions based on dual-process thinking is still rare, which is the research gap that this PhD study will address.

The conceptual model of this study is different from most previous ethical decision-making models because it adds dual-process models from psychology to holistically investigate two thinking processes and its factors: Type 1 fast thinking based on intuition and Type 2 slow thinking based on reasoning. The two types of thinking can process simultaneously as discussed in Chapter 3.2.1. Most of the current dual process models in psychology, even those that assert the two types of thinking can co-occur, show the process in flow charts that use sequential arrows to describe the working process such as the Elaboration Likelihood Model (ELM model) (Petty & Wegener, 1999). This is confusing for researchers since sequential arrows in flow charts indicate the two types of thinking operate alternatively or in sequence. Thus, the conceptual model in this research uses parallel structure (e.g. parallel arrows) to show the co-occurrence of Type 1 and Type 2 thinking (Figure 4-1 and Figure 4-2).

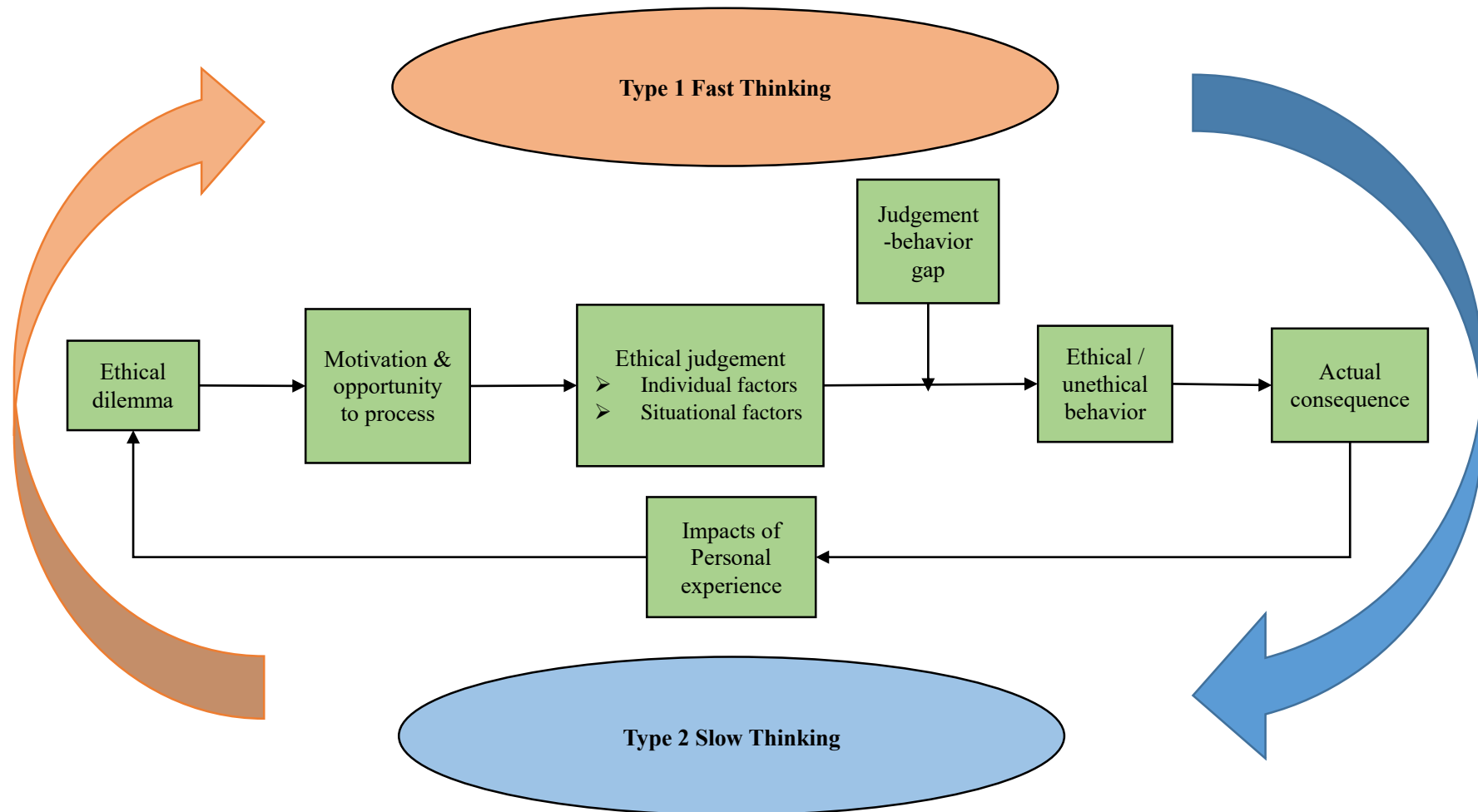
The central process of ethical decision-making is mainly adapted from Rest's (1986) Model of Moral Action and Trevino's (1986) Interactionist Model which describe the main stages of ethical decision-making as being from recognition of ethical dilemma, ethical judgement (cognitive moral development) to ethical behavior (Figure 3-13). However, this conceptual model distinguishes itself by synthesizing models from ethical decision-making, dual

process theory, consumer demand for counterfeits, and neutralization. The following passage provides a detailed explanation of the conceptual model developed by the author.

There are six stages of ethical decision-making as shown in Figure 4-1: ethical dilemma, motivation & opportunity to process, ethical judgement, ethical / unethical behavior (buying counterfeits is unethical while not-buying is ethical), actual consequence and personal experience that will affect the next ethical decision-making. Personal experience can also affect destination image in the context of tourism. Between the two stages of ethical judgement and ethical behavior, the moderating effect of judgement-behavior gap will be considered. Each stage of ethical decision-making can be Type 1 fast thinking or Type 2 slow thinking.

As mentioned in *Chapter 3.2.1*, this PhD study will adopt the assumption that Type 1 and Type 2 thinking can process simultaneously to investigate the ethical decision-making of counterfeit consumption. Hypothesis 1 proposes that an individual will use one type of thinking consistently from the beginning to the end for all stages of ethical decision-making. For example, if Type 1 fast thinking is chosen at the first stage when facing ethical dilemmas, all the subsequent stages will adopt Type 1 fast thinking, or in other words, consistent with the hypotheses related to Type 1 thinking from previous literature. If H1 is rejected, the assumption of simultaneous-processing is supported.

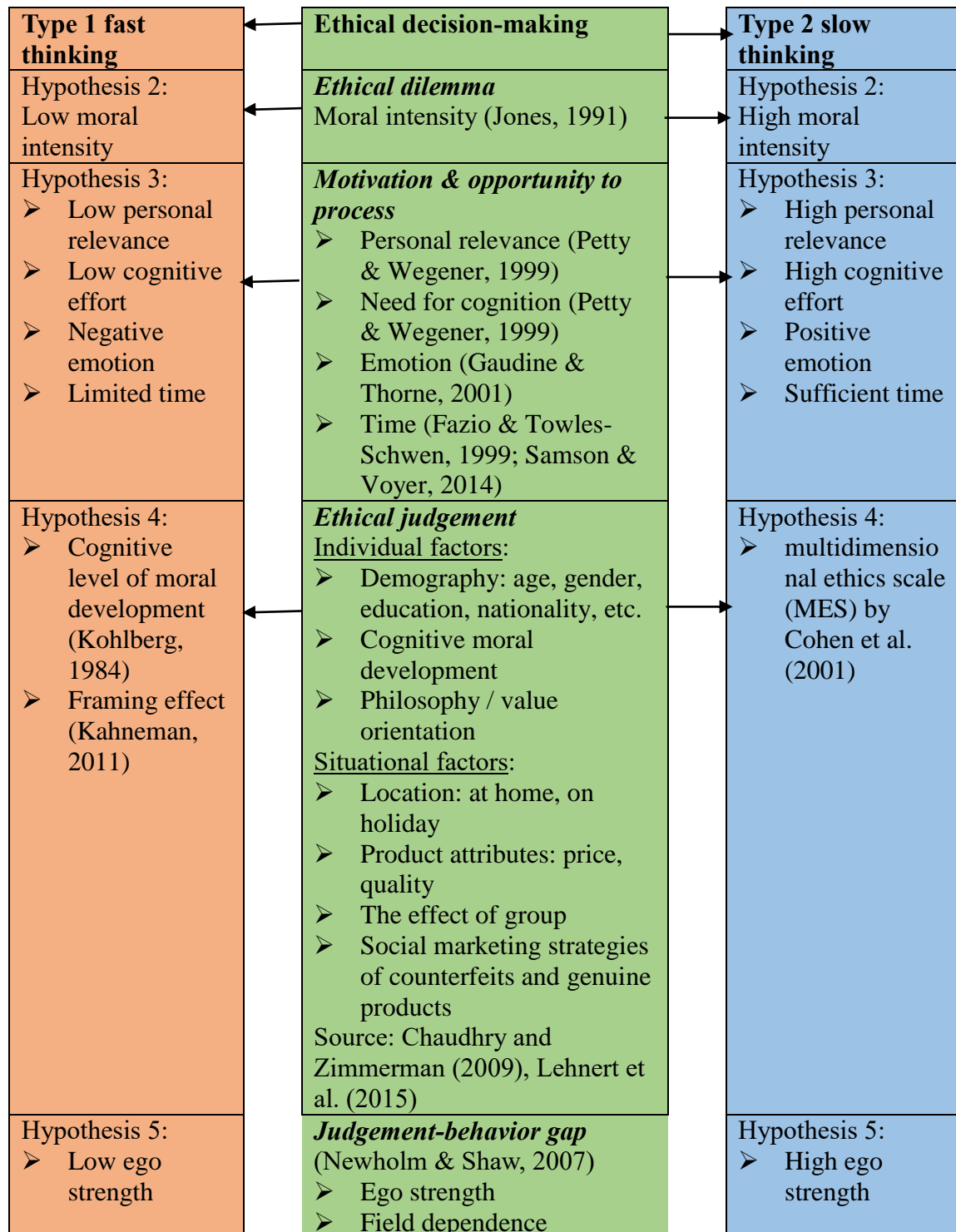
Hypothesis 1: A tourist only uses one type of thinking when making ethical decision of buying counterfeits.



Source: adapted from Rest (1986), Trevino (1986), Jones (1991), Petty and Wegener (1999), Gaudine and Thorne (2001), Fazio and Towles-Schwen (1999), Kohlberg (1984), Kahneman (2011), Stanovich et al. (2014), Chaudhry and Zimmerman (2009), Newholm and Shaw (2007), Hunt and Vitell (1986)

Figure 4-1 A dual-process model of ethical decision-making for counterfeit consumption by tourists

Figure 4-2 shows the detailed scales and hypotheses of ethical decision-making. The hypotheses are developed based on findings of previous research on dual-process theory, ethical decision-making and tourist destination choice. However, most of the hypotheses have only been tested in the context of business organization or destination choice, but need to be tested in the context of tourist ethical consumption, in this study, purchasing counterfeits:



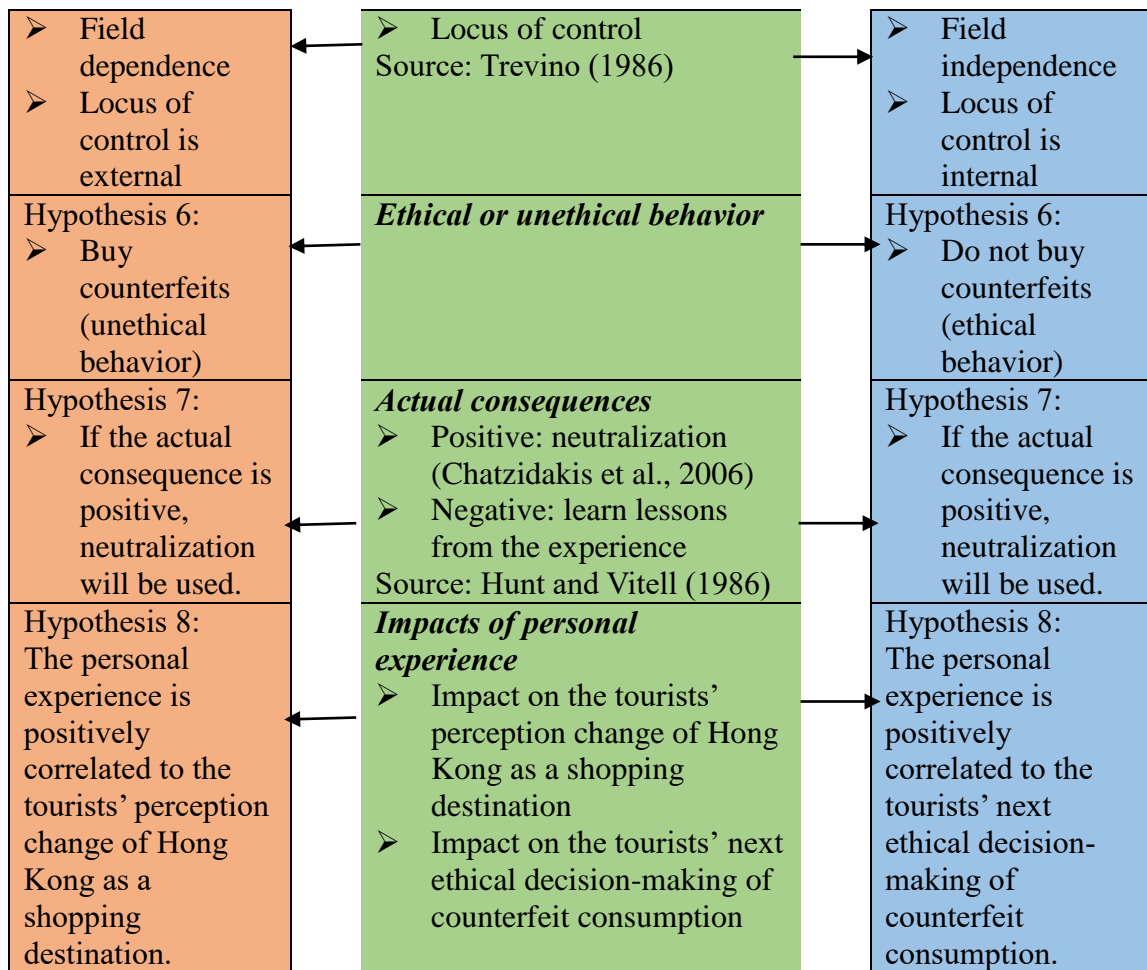


Figure 4-2 A dual-process model of ethical decision-making for counterfeit consumption by tourists: variables and hypotheses tests

The detail explanation of Figure 4-2 is as follows:

Ethical dilemma

Most ethical decision-making models (e.g. Haidt, 2001; Hunt & Vitell, 1986; Trevino, 1986) have been criticized by only focusing on the decision-making process but neglect the ethical dilemma itself. Jones (1991) develops the concept of “moral intensity” to investigate the effect of the characteristics of ethical issues on ethical decision-making. However, Jones’ model was developed in the business organization context and mainly focuses on the ethical issue itself. Therefore, it is necessary to develop a holistic model to consider both the ethical issues and decision-making process under non-organizational contexts such as tourism. To address this gap, this conceptual model will add Jones’ concept of moral intensity to the study of ethical dilemmas. The measurement of moral intensity is adapted from the work of Singhapakdi et al. (1996) which developed six items to measure each of the six scales of moral intensity (Table 4-1). In this study, a five-point Likert scale will be used to investigate the degree of agreement of respondents.

Table 4-1 Measurement of moral intensity

Moral intensity scale	Item
Magnitude of consequences	The overall harm (if any) done as a result of the purchase behavior would be very small.
Social consensus	Most people would agree that the purchase behavior is wrong.
Probability of effect	There is a very small likelihood that the purchase behavior will actually cause any harm.
Temporal immediacy	The purchase behavior will not cause any harm in an immediate future.
Proximity	If the one who buy counterfeits is a personal friend of the brand owner (victim), the purchase behavior is wrong.
Concentration of effect	The purchase behavior will harm very few people (if any).

Source: adapted from Singhapakdi et al. (1996)

Individuals will marginally compromise their moral standards and be more likely to engage in unethical behaviors when the moral intensity is low (Jones, 1991). The cognitive effort required for ethical judgment is also lower when the moral intensity is perceived to be low. Thus, Hypothesis 2 is developed to test the relationship between moral intensity and types of thinking. H2 assumes that if the moral intensity of counterfeit consumption is perceived to be low by tourists, Type 1 fast thinking will be used; otherwise Type 2 slow thinking will

be used:

Hypothesis 2a: Type 1 fast thinking will be used if moral intensity is perceived to be low;

Hypothesis 2b: Type 2 slow thinking will be used if moral intensity is perceived to be high.

Motivation & opportunity to process

This second stage of the dual-process model of ethical decision-making is adapted from psychological models, specifically the ELM model (Petty & Wegener, 1999) and the MODE model (Fazio & Towles-Schwen, 1999), which is a newly added stage to general ethical decision-making models. Personal relevance, need for cognition (Petty & Wegener, 1999), emotion (Gaudine & Thorne, 2001; Gnoth, 1997; Petty et al., 1993) and the time available influence the motivation and opportunity to process Type 1 or Type 2 thinking. The measurement of personal relevance is adapted from Huang et al. (2014); the measurement of cognitive effort is adapted from Decrop and Kozak (2014) and Huang et al. (2014); and the measurement of emotion is adapted from Gaudine and Thorne (2001).

Previous psychological research found that high personal relevance and high cognitive effort can help to give cognitive responses with high quantity and better quality, which corresponds to Type 2 slow thinking (Petty & Cacioppo, 1979, 1984; Petty et al., 1992). In addition, Gaudine and Thorne (2001) found out that Type 2 slow thinking is more likely to be used when individual emotions are positive and emotions aroused. Thus, the hypothesis for this stage is:

Hypothesis 3a: Type 1 fast thinking will be used if personal relevance is low, cognitive effort is low, emotion is negative, and time is limited;

Hypothesis 3b: Type 2 slow thinking will be used if personal relevance is high, cognitive effort is high, emotion is positive and time is sufficient.

Ethical judgement

The most prominent individual factors that affect ethical judgement are demographic factors, cognitive moral development / ethical judgement and philosophy / value orientation according to Lehnert et al. (2015) (Figure 3-21). Situational factors include location (at home or on holiday) (McKercher, et al., 2008), product attributes (price and quality)

(Chaudhry & Zimmerman, 2009) and the effect of group dynamics (e.g. Petty et al., 1980). Social marketing strategies are also considered a situational factor that influences ethical decision making: the effect of marketing strategies by counterfeit sellers on convincing counterfeits consumption; and the effect of anti-counterfeit marketing strategies on compacting counterfeits consumption.

Type 1 fast thinkers mainly follow heuristic rules to make ethical judgement (Kahneman, 2011). Heuristic rules highly rely on available knowledge and previous experience which have been stored in memory. In the situation of ethical decision making, the heuristic rules here are the cognitive level of moral development (Kohlberg, 1984; Trevino, 1986) that has formed as a result of previous education and experience. Thus, Type 1 fast thinkers will automatically refer to his / her cognitive level of moral development as the main guideline for ethical decision making. Previous studies found ethical decisions of low moral intensity issue is often guided by teleology than deontology (Sparks & Siemens, 2014). This means the cognitive level of moral development is low. Since Hypothesis 2 assumes that Type 1 fast thinking is used when moral intensity is low, to keep consistent, Hypothesis 4 assumes that Type 1 fast thinkers will follow lower cognitive level of moral reasoning. In addition, Type 1 fast thinkers are easily affected by the framing effect according to the ELM model (Petty & Wegener, 1999). In this study, the effectiveness of marketing strategies of counterfeit sellers is used to measure the framing effect. The hypothesis for ethical judgement of Type 1 fast thinking is:

Hypothesis 4a1: Type 1 fast thinkers will follow lower cognitive level of moral reasoning.

Hypothesis 4a2: Type 1 fast thinkers are more easily affected by the marketing strategies of counterfeit sellers.

Unlike Type 1 fast thinkers, Type 2 slow thinkers will analyze available information and consider moral reasoning. Before deciding an action is ethical or not, they will consider and balance all ethical principles. The Reidenbach and Robin (1990)'s Multidimensional Ethics Scale (MES) refined by Cohen et al. (2001) (Table 3-2) is adopted to measure ethical judgement of Type 2 slow thinkers. Different from Type 1 fast thinkers, Type 2 slow thinkers will also consider anti-counterfeit marketing strategies when making ethical decisions. Thus, Type 2 slow thinkers' cognitive level of moral reasoning should be higher than Type 1 fast thinkers. It means Type 2 slow thinkers should be more deontological and less teleological when making ethical judgements concerning counterfeit purchases. The hypothesis for

moral judgement of Type 2 slow thinking is:

Hypothesis 4b: Type 2 slow thinkers will be more deontological / follow higher cognitive level of moral reasoning.

The contribution of this conceptual model addresses the knowledge gap regarding how ethical decisions are made by consumers based on two different types of thinking. In addition, since research about counterfeit sellers' marketing strategies is rare, this study helps to address this gap from the perspective of consumers, through which branded companies can get recommendations on how to improve the effectiveness of their anti-counterfeit marketing strategies.

Judgement-behavior gap

The ethical judgements of both types of thinking can be either ethical or unethical. However, ethical judgements are not necessarily consistent with the actual ethical behaviors especially for tourists. For example, even if a tourist agrees that buying counterfeits is unethical, he or she may still buy counterfeits to seek an adventurous experience. The concept of judgement-behavior gap is adapted from the "attitude-behavior gap" (Newholm & Shaw, 2007). This concept is new to all previous ethical decision-making models since few of them examine the moderating effect of judgement-behavior gap. The scale of judgement-behavior gap is adapted from the individual moderators of moral judgement of Trevino's interactions model (Trevino, 1986). According to Trevino (1986), the three individual moderators namely ego strength, field dependence, and locus of control have significant influence on the consistency between moral judgment and moral behavior. Tourists who have high ego strength, are field independent and are internally controlled will have a higher ability to make moral reasoning of their own and resist different opinions of others; and the moral behaviors of these tourists will be more consistent with their ethical judgements than their counterparts. Thus, the hypothesis for this stage is:

Hypothesis 5a1: Type 1 fast thinking will be used if tourists have low ego strength, are field dependent and the locus of control is external.

Hypothesis 5a2: Type 2 slow thinking will be used if tourists have high ego strength, are field independent and the locus of control is internal.

Hypothesis 5b: Type 2 slow thinkers' moral behaviors will be more consistent with their

ethical judgements.

Ethical / unethical behavior

Most of the previous literature insist that only moral reasoning (Type 2 slow thinking) drives ethical behaviors. In this study, ethical behavior refers to non-buying counterfeits, and unethical behavior refers to buying counterfeits. Hypothesis 6 is developed based on this assumption. However, this study explores the possibility that Type 1 fast thinking can also generate ethical behaviors while Type 2 slow thinking might sometimes result in unethical behavior. The research will first identify buyers and non-buyers of counterfeits and asks their ethical decision making process to explore which type of thinking was adopted. If H6 is rejected, the idea that both types of thinking can result in ethical or unethical behavior is supported. It is also possible to identify which type of thinking is more likely to drive unethical behavior. The hypothesis is:

Hypothesis 6a: Type 1 thinkers will buy counterfeits (unethical behavior).

Hypothesis 6b: Type 2 thinkers will not buy counterfeits (ethical behavior).

Actual consequences

Adapted from Hunt and Vitell (1986)'s general theory model of marketing ethics, the conceptual model adds the stage of actual consequences that forms the personal experience to the process of ethical decision-making. Personal experience is considered to be an important reference source for both types of thinking when making ethical decisions.

If the actual consequence is positive, the actual consequence matches the ethical judgement that buying counterfeits is acceptable without negative ethical influences on the decision maker. The tourists will use the techniques of neutralization (Chatzidakis et al., 2006) to rationalize their behavior. In this case, Type 2 slow thinking will be used post-hoc to support the ethical decision. The scales of neutralization are denial of responsibility, denial of injury, denial of victim, condemning the condemners, appeal to high loyalties, etc. (Chatzidakis et al., 2006). The detailed items for each scale need to be identified through an empirical study (interview and questionnaire) in the context of tourist counterfeit consumption since there are few studies applying neutralization to study tourist unethical behaviors.

Hypothesis 7: If the actual consequence of counterfeit consumption is positive, techniques of neutralization will be used to rationalize the purchase behavior.

If the actual consequence does not match the ethical judgment, Type 2 slow thinking will be used to reflect and learn from the experience.

Impacts of personal experience

The actual consequence of counterfeit consumption will form the personal experience of tourists. Personal experiences can have two impacts. The first impact is on the perception of Hong Kong as a shopping destination. If the personal experience of counterfeit consumption is satisfactory, tourists' perceptions of Hong Kong will be improved; otherwise, the perception will be decreased. The second impact concerns the next ethical decision-making of counterfeit purchasing. If the personal experience is satisfactory, the tourists will continue to make the same ethical decision in the future. The hypothesis for this stage is:

Hypothesis 8a: The personal experience of counterfeit consumption is positively correlated to the tourists' perception change of Hong Kong as a shopping destination.

Hypothesis 8b: The personal experience of counterfeit consumption is positively correlated to the tourists' next ethical decision-making of counterfeit consumption.

5 Methodology

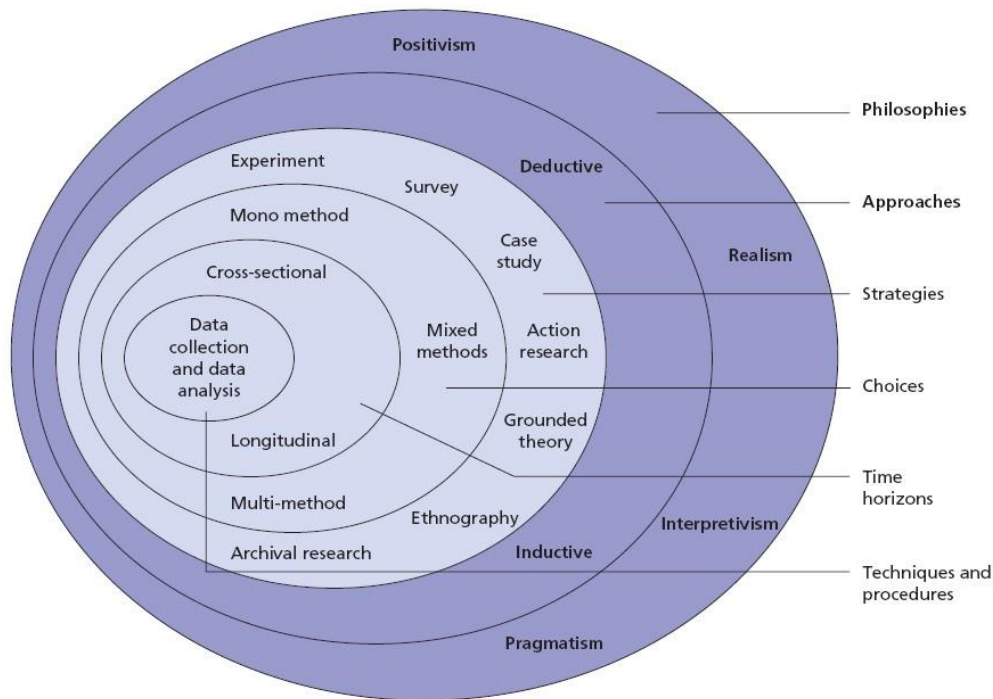
This chapter will explain the research design, the design of the questionnaire, data collection and data analysis methods. The design of the questionnaire involved an initial draft based on current literature. This was tested and refined through a face-to-face pre-test (conducted at the same time as the qualitative interviews). Using this revised questionnaire, a pilot study was undertaken to further refine the instruments and check data validity, before the main study was undertaken.

5.1 Key research question

The key research question for this PhD study is how tourists make ethical decisions regarding counterfeit consumption. In Chapter 4, a conceptual framework is developed and eight hypotheses are formulated for testing via a quantitative survey. Since the research question of this study seeks to explore the psychological process of ethical decision-making of tourists, qualitative research methods are also utilized to understand why tourists buy counterfeit products. Further, an ethical decision-making model is developed, which can be used to explain unethical behavior of tourism consumers.

5.2 Research design

The research “onion” diagram (Figure 5-1) proposed by Saunders et al. (2009) is adopted to explain the research design step by step from research philosophy, approach, strategy, choices, time horizon, to techniques and procedures (Saunders et al., 2009).



Source: Saunders et al. (2009)

Figure 5-1 The Research “Onion”

The research philosophy that best suits this study’s research question is pragmatism. For pragmatism, the research question is the most important determinant of the epistemology, ontology and axiology adopted (Saunders et al., 2009). Different research perspectives and methods can be used together in order to answer research questions. The ontology of pragmatism considers the nature of reality or being is external and multiple so that different views can be chosen to best answer the research question. The epistemology of pragmatism deems either or both observable phenomena and subjective meanings can provide acceptable knowledge based on the research question. Practical applied research is the focus of pragmatism and different perspectives can be integrated to help better interpret the data. The axiology of pragmatism deems that the researchers can adopt both objective and subjective points of view to interpret results, so the values of researchers play an important role in research (Saunders et al., 2009).

Guided by the philosophy of pragmatism, deduction and induction are both adopted as the research approaches for this study. A conceptual framework with hypotheses is developed and deduced from theories of dual-process psychology, ethical decision-making, consumer complicity of counterfeits and neutralization. Meanwhile, induction from in-depth interviews enables the author to better understand the psychology of tourism consumers.

Mixed methods are used in this research. Since the current study is exploratory and explanatory in nature, and based on a conceptual model synthesized from previous literature, both qualitative and quantitative research methods are applied to investigate the research objectives. Specifically, sequential mixed method approach is applied. A questionnaire is designed first based on literature review, and then interviews and observation are conducted to revise the measurement of the questionnaire before the main survey. The reasons to choose this approach are as follows:

- 1) there are theories and models developed in previous literature that can serve as the theoretical basis for conceptual model development, thus a questionnaire can be designed first based on literature review;
- 2) the research topic has been rarely studied , thus the results of a qualitative study assist in developing the questionnaire ;
- 3) the research topic is related to ethical issues and psychological processes, thus it is relatively difficult to get detailed answers from respondents with open questions and guided questions based on a questionnaire are necessary.

Based on the feedback from interviews and observation, the author deleted leading words, added new items and revised some questions to make the questionnaire clearer and easier for respondents to answer (for detailed amendments please refer to Section 5.4). The time horizon for this research is cross-sectional since it aims to investigate ethical decision-making about counterfeit consumption by tourists from different countries at the same time period.

The questionnaire design adopts the comprehensive process suggested by Churchill (1979) as a guide to develop appropriate measurements for the newly developed model of this study. Churchill (1979)'s procedure for measurement development provides a good framework of how to choose appropriate information and unify the scattered measurements, and how to assess and improve the quality of the derived measurements adequately. This process framework has proved to be effective for questionnaire design that previous studies in different research settings including tourism studies have applied this process, such as Echtner and Ritchie (1993) and Hung and Petrick (2010). There are seven steps recommended for measurement development according to Churchill (1979). First, the domain of a construct should be specified by searching literature thoroughly. Second,

Sample of items should be generated by searching literature, doing experience survey, or in-depth interviews. Third, a pre-test should be conducted to collect preliminary data. Fourth, data of the pre-test should be analyzed to purify the measurements. Fifth, a pilot study should be conducted to collect a second round of data. Sixth, the data of the pilot study should be analyzed to assess reliability and validity. Seventh, the measurement of the questionnaire can be finalized.

Guided by the procedure recommended by Churchill (1979), the specific research stages of the current study are as follows: first, the first version of questionnaire is designed based on a literature review and observations. Since the conceptual model is newly developed by the author, no available measurements can be directly adopted for the whole model. Therefore, according to different parts of the ethical decision-making conceptual model, the author searched related literature and identified suitable measurements items for each part of the questionnaire. The specific variables and their sources have been explained in *Chapter 4*, Figure 4-2. However, since no previous research investigates the marketing strategies of counterfeit sellers, observations are needed to develop suitable measurements for this construct. Observations are also used for checking the validity of the measurement developed from the previous literature.

Second, interviews are conducted to explore tourist demand and ethical decision-making of counterfeit consumption. Respondents are also asked to fill in a questionnaire as a pre-test to screen the measurements. The expression of some measurements have been revised; unnecessary questions were deleted; and the questionnaire has been re-organized to make it clearer and easier for respondents to understand. The second version of questionnaire was translated into simplified Chinese for mainland Chinese tourists, and traditional Chinese for Hong Kong local residents. Back-to-back translation is used. Academics who are professional in both Chinese (simplified and traditional) and English were invited to check the accuracy of translations to minimize misunderstanding.

Sample size and sampling quotas for pilot study and main survey were set in terms of age, gender, tourist type (Hong Kong residents, mainland Chinese tourists and international tourists). Quotas for country of residence was also decided based on the tourist statistics from Hong Kong Tourism Board 2016.

A pilot study (N=90) was conducted to revise the questionnaire. The sampling method was

also adjusted based on the pilot study results. After finalizing the questionnaire and sampling method, the main survey was conducted to collect data from three cohorts: Hong Kong local residents, mainland Chinese tourists, and international tourists (N=1,500). The data collected from the main survey is analyzed by the software of Statistical Package for the Social Science (SPSS). Figure 5-2 summarizes the research procedure. The following sections explain details of each procedure.

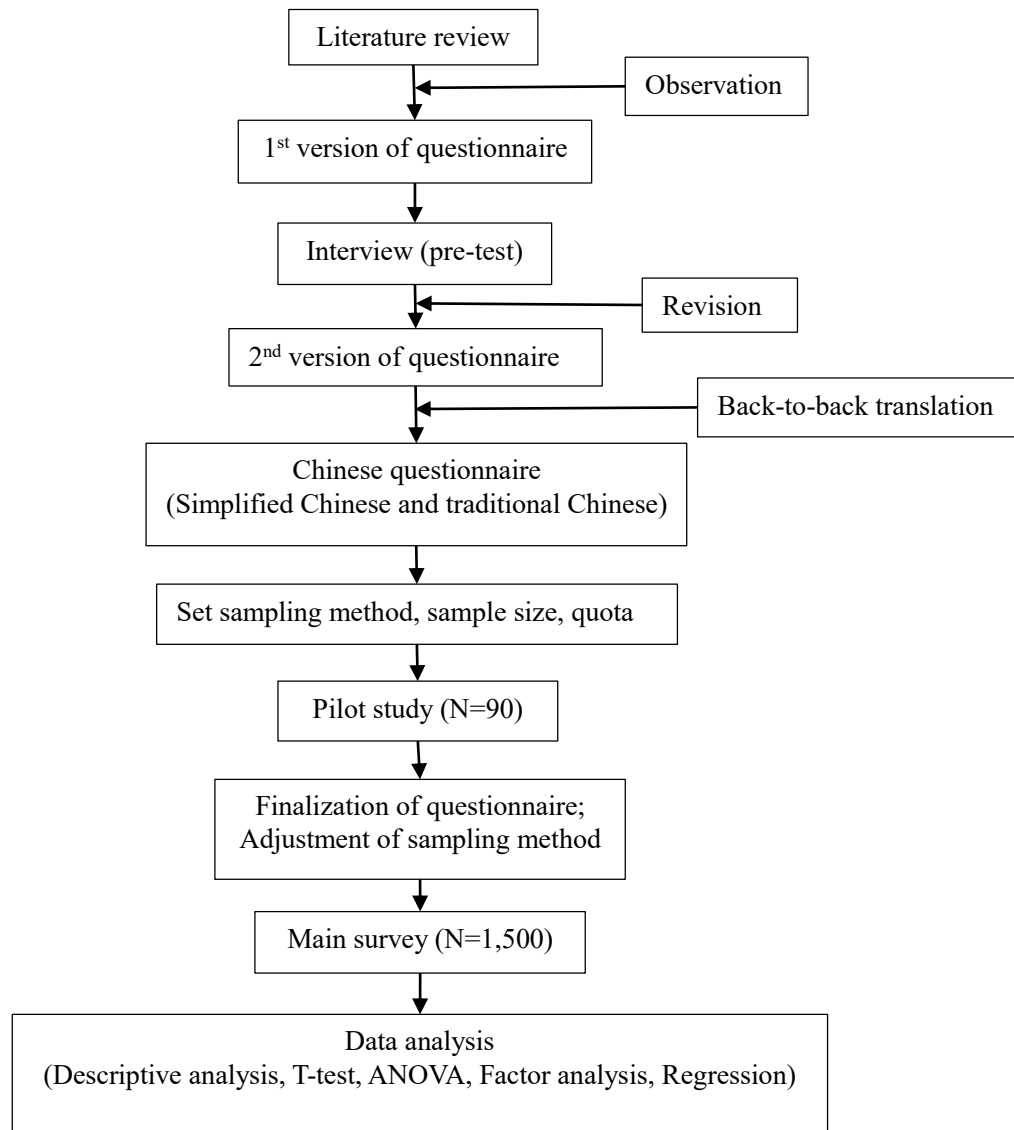


Figure 5-2 Research procedure

5.3 Questionnaire design based on literature review & observations

The basic concept for questionnaire design is to investigate both behavior (what did they do?) and the ethical decision-making process (what did they think?). This can help to see whether tourists' ethical judgment is consistent with their ethical behavior. No studies have done similar research before. Most of the previous literature on moral judgement or ethical decision-making only investigate consumers' attitudes without knowing their actual behaviors. Since what people think might not match with what people do, especially in ethical issues, the author considers it important to look at attitude and behavior at the same time.

The first version of questionnaire (Appendix 2) consists of five parts.

Part 1-Cover letter

The questionnaire starts with a cover letter to explain the topic, background, objectives, roughly necessary time, confidentiality, and contact details of the author to let respondents know about basic information of the questionnaire.

Part 2-Screen question

The definition of counterfeit products first provided to let respondents to understand the meaning of the key word. Counterfeit products are either 100% copy or imitation of names, logos, images and designs of genuine products that are protected by intellectual property. This definition is developed based on previous literature and paraphrased by the author to make it easier for laypeople to understand.

There is only one screen question in the first version of questionnaire: Have you bought any counterfeited products during your stay in Hong Kong? This question captures tourists' actual purchase behavior. Both buyers and non-buyers are the target samples of the study, because this study aims to investigate tourists demand for counterfeits and their ethical decision making about counterfeit purchase (why they bought? why they did not buy?).

Part 3-Shopping experience

This section includes questions about shopping experience for both counterfeit buyers and non-buyers. Questions only for counterfeit buyers include whether they knowingly purchase

or not, purchase location, product details (product category, unit price and quantity), utility evaluation and marketing strategies of counterfeit sellers. Both counterfeit buyers and non-buyers are asked to evaluate the effectiveness of anti-counterfeit marketing strategies and the overall shopping experience.

Buyers who have bought counterfeits before are first asked whether they know if the product is counterfeited. This question can identify the percentage of non-deceptive counterfeit consumption. Then the buyers are asked about the details of the counterfeit products they bought, including the purchase location, product category, price and quantity. These questions aim to address the research objective 2 - to estimate the economic value of counterfeit purchases in Hong Kong. The product category of counterfeits is developed based on the 2014 annual report of intellectual property rights seizure statistics by U.S. Customs and Border Protection (USCBP, 2014).

The buyers also need to evaluate the price and utility of the counterfeit products they bought. Price and utility are the most important product attributes that can affect consumer decisions. In this study, price and utility are considered situational factors that could influence ethical judgement. Correia and Kozak (2016) conducted similar research about tourist shopping experience of counterfeits; their six measures of price and utility are adopted for this study: costs much less than the original version; worth the money I paid; value for money and for the status; provides similar functions to the original version; have similar quality to the original version; is as reliable as the original version. A five-point Likert scale is used to investigate respondents' agreement on these statements where 1=strongly disagree and 5=strongly agree.

Another situational factor is marketing strategies of counterfeit sellers. How counterfeit sellers approach tourists and present the counterfeited products can have a framing effect on tourist decision making. It is assumed that Type 1 fast thinkers are more easily affected by the marketing strategies of counterfeit sellers as proposed in Hypothesis 4. However, no research has studied this before. Therefore, the measurement for this aspect is developed based on the author's knowledge of marketing and on site observation in locations selling counterfeits, such as Ladies Market. The Marketing Mix is a classical theory for developing marketing strategy (van Waterschoot & van den Bulte, 1992). The Marketing Mix proposes a 4P concept that marketing should focus on price, product, promotion and place. Various marketing strategies can be developed for each 'P' (MaRS, 2014).

- Price: discounts, list price, allowance, credit terms, payment period
- Product: quality, features, packaging, design, variety, brand name, services
- Promotion: personal selling, sales promotion, advertising, public relations
- Place: assortments, inventory, locations, channels, transportation, coverage, logistics

To develop appropriate measurements, the author also observed shopping behavior in various street markets in Hong Kong (Ladies Market, Mong Kok; Temple Street, Jordan). The observation method mainly followed Savin-Baden and Major (2013).

The author first conduct observations from the perspective of an outsider to observe the tourists and record (e.g. take pictures, videos, and notes) what they buy, why they buy and other factors related to the counterfeit consumption. The sample of observations were selected by identifying the languages the tourists used: international tourists speak English; mainland Chinese tourists speak Mandarin or Cantonese (but with different accent from Hong Kong Cantonese); and Hong Kong residents speak Hong Kong Cantonese. The sample size of each cohort is ten people (five males and five females). The author then conducted participant observation by shopping for counterfeits to further explore the psychological process of ethical decision making and the factors that affect this process.

Through the observations, it was noted that tourists enjoy bargaining with the counterfeit sellers to get the lowest price for the product they want. This finding is similar with previous literature, such as Correia and Kozak (2016). The manner of the seller also strongly influences those who want to buy counterfeits. Since fake products can be a sensitive topic, if a tourist does not buy the product after asking the price, many of the sellers express disappointment and displeasure. Their negative reactions discourage tourists from buying products from them. The packaging and presentation of products also have an effect on purchase intentions. Attractive packaging can make customers feel good and give the impression that products with good packaging are good quality. This is why some luxury brands emphasize their package design. Attractive displays of products can also induce customers to buy the products. For example, Victoria's Secret, a lingerie brand for women, display its products with feather wings to create the idea that a woman can become an angel if she wears underwear from Victoria's Secret. Victoria's Secret also hire models for a fashion show each year to deepen this brand image. However, it remains to be seen whether marketing strategies on packaging and displays have an effects on counterfeit consumption.

This study will include packaging and product display to explore these effects. In addition, previous studies found that people buy counterfeits because they want to experience an exciting and adventurous shopping environment (Rajagopal & Castano, 2015).

Six measurements are developed for marketing strategies of counterfeit sellers based on the marketing mix theory, previous literature and the author’s observations: 1) large room for bargain (price); 2) good packaging (product); 3) good and clear displays (place); 4) many choices of products (product); 5) exciting and adventurous shopping environment (place); 6) good manner of the sellers (promotion).

The author also examined TripAdvisor reviews in January 2017 to check the validity of these measurements. Since TripAdvisor post reviews on location not products, the author searched reviews for “Ladies Market” in Hong Kong. There were 2,585 reviews in total. 733 reviews mentioned the key word “bargain” and reviewers shared tips on how to bargain with the vender sellers. This indicates that the ability to bargain is the aspect that tourists are most concerned. However, when searching reviews with “package” (and derivatives of the word) and “display” as keywords, few reviews show up, indicating these two aspects are not of major concern to tourists. Thirteen reviews mentioned “choice”, and some (five reviews) commented that reviewers were disappointed because of the lack of product choice. Sixty-three reviews mentioned that the shopping experience is fun and exciting. The sellers’ manner formed another complaint from tourists. Tourists wrote on TripAdvisor that vender sellers are often very aggressive (26 reviews), rude (25 reviews) and not friendly (19 reviews) if the tourists did not accept the offered price. The specific number of reviews for each key word is shown in Table 5-1.

Table 5-1 TripAdvisor reviews about counterfeit shopping

Measures for marketing strategies of counterfeit sellers	Number of related reviews on TripAdvisor
Large room for bargain	Bargain: 733 Haggle: 60
Good package	Package: 1
Good and clear display	Display: 8
Many choices of products	Choice: 13
Exciting and adventurous shopping environment	Fun: 59 Excited: 4 Adventurous: 0
Good manner of the sellers	Rude: 25 Aggressive: 26

Not friendly: 19
Forceful: 1
Pushy: 11

Therefore, except package and display, other measurements are considered valid, based on observations and TripAdvisor reviews. However, since package and display are essential aspects on marketing mix theory, these two measurements are kept to explore whether they have an effect on tourist decision-making. A five-point Likert scale is used to investigate the effectiveness of different marketing strategies of sellers convincing tourists to buy counterfeit products, where 1=very ineffective and 5=very effective.

The last question for buyers is to evaluate their shopping experience of counterfeit products. This addresses research objective 5, which accesses the impact of counterfeits on the perception of Hong Kong as a shopping destination. This question also matches the last step “Impact of personal experience” of the conceptual model to investigate tourists’ perception change and the impact of shopping experience on their future ethical decision about counterfeit consumption. There are three questions asking tourists satisfaction, future shopping intention, and their perception change. A five-point Likert scale is used to investigate their agreement where 1=strongly disagree and 5=strongly agree.

For non-buyers of counterfeits, they are asked to evaluate the effectiveness of six anti-counterfeit marketing strategies summarized by Herstein et al. (2015). This addresses the research objective 6 which tests the efficiency of different anti-counterfeiting strategies in combating counterfeit consumption. A five-point Likert scale is used to evaluate the effectiveness where 1=very ineffective and 5=very effective. Non-buyers are also asked to evaluate their shopping experience on satisfaction, future purchase intention, and their perception change.

Part 4-Ethical decision-making

The second section assesses the ethical decision making process and techniques of neutralization towards purchasing counterfeit products to address research objective 3 and objective 4. To be consistent with the first part of shopping experience, a five-point Likert scale is used to indicate agreement where 1=strongly disagree and 5=strongly agree.

The measurements are developed based on the conceptual model. Since there is no previous literature on this specific topic, no measurements can be directly adopted for dual type

ethical decision making (Type 1 fast thinking and Type 2 slow thinking). However, the author found measurements from different literature for moral intensity (Singhapakdi et al., 1996), personal relevance (Huang et al., 2014), emotion (Sharma & Chan, 2016), cognitive effort & time (Decrop & Kozak, 2014; Huang et al., 2014), ethical judgement of Type 1 fast thinkers-Kohlberg (1984)'s cognitive level of moral development, ethical judgement of Type 2 slow thinkers-MES scale developed by Cohen et al. (2001), the effect of others (judgement-behavior gap) (Trevino, 1986) and neutralization (Chatzidakis et al., 2006). Since there are no similar previous studies, the question of actual consequence is developed by the author to see whether the actual consequence of buying / not buying counterfeits matches the tourists' previous judgement that buying / not buying counterfeits is acceptable / not acceptable. Since location is an important situational factor that can influence ethical decisions, the respondents are also asked how likely they are to buy counterfeits when they are at home and on vacation. This can help test whether tourists are more likely to undertake deviant behavior while on vacation because of relatively less social constraints.

One challenge of this data collection is identifying which type of thinker the respondent is. Initially, four measures of Type 1 fast thinking and three measures of Type 2 slow thinking were developed. A five-point Likert scale was used for these seven questions so respondents can rate their degree of agreement. However, categorizing respondents based on these seven questions was too complicated for respondents to understand and difficult to answer. The measurement is revised based on results from interview and the pre-test. This will be discussed in detail in the next chapter.

Another challenge was how to evaluate the ethical judgement of Type 1 fast thinkers. Six ethical principles were listed in the pre-test based on Kohlberg (1984)'s cognitive level of moral development. It is uncertain whether a single item or multiple item five-point Likert scale is more appropriate. Again, both are kept in the initial version of questionnaire. Amendments are made based on the result of interview and the pre-test.

Part 6-Demographic questions

The sixth part of the questionnaire contains demographic and travel-related questions. Demographic questions ask gender, education, age, marital status, and employment status. Tourists also need to answer questions including usual place of residence, travel companionship, number of times visited Hong Kong, number of nights stay, main reason

for traveling, and travel arrangement (self-organized or travel agency). These questions uncover the demographic background and travel information about respondents, which can help determine differences in counterfeit consumption and attitudes among different segments. For example, these questions can help explore cultural differences and how ethical behavior and decision-making is different when respondents are traveling alone or with others.

5.4. Interviews and Pre-test

The relevance and validity of the first version of questionnaire which was designed based on literature and personal observation needs to be evaluated by interviewing tourists. This approach achieves research objective three of this study which is to explore the ethical decision-making among different tourist types. Due to the exploratory nature of this research objective, it is important to talk with tourists face-to-face to understand how they perceive the behavior of buying counterfeits and how they make decisions whether to buy counterfeits or not. The interview process involved, first, following a discussion guide of ten open-ended questions (see Appendix 1), as well as pre-testing the first version of the quantitative survey.

Sampling (Data collection)

Because the aim of this study is to explore tourists' demand for counterfeits and the ethical decision-making process among different tourist types, both mainland Chinese tourists and international tourists are interviewed to understand their behaviors and opinions of counterfeit purchases. Hong Kong residents are also interviewed as a comparison with tourists to see whether there is any differences in ethical decision-making and ethical behavior. Previous literature reveals that there are gender differences concerning ethical behavior: females tend to be more ethical than males (e.g. Betz et al., 1989; Glover et al., 2002; Lane, 1995; Whipple & Swords, 1992). Therefore, an equal proportion of females and males are interviewed.

In order to interview tourists, the author visited the Ladies Market to intercept tourists. The author made observations by walking along the street and observing those who are interested in buying counterfeit products. After the tourists made their purchase, the author approached them and invited them to do an interview. To convince tourists to accept the invitation, the

author treated them to a drink at a nearby restaurant, so that they could rest while doing the interview. Tourists who just browsed but did not buy any fake products were also interviewed to see why they did not buy these types of goods. Interviewees who were Hong Kong residents were collected through convenience sampling. For Hong Kong residents who had previously bought counterfeits, they should have made this purchase in the last 12 months to ensure a relatively recent experience. The interview length depended upon the available time of the respondents. The author attempted to get as much information as possible. To make interviewees feel comfortable, the author conversed in English, Cantonese or Mandarin, depending on the interviewees' preference. The author ensured confidentiality to the interviewees, promising that no personal information will be revealed and the interview content is for research purposes only. Interviewees had the right to end the conversation at any stage of the interview. Six mainland Chinese tourists (three male, three female), six international tourists (three male, three female) and six Hong Kong residents (three male, three female) were interviewed. The interview length varied between 10 and 50 minutes.

Interview structure

A semi-structured interview method is adopted. The author first briefly introduced the research topic. The interview started with explaining the definition of counterfeit products and non-deceptive counterfeiting so the interviewees were clear about the meaning of the key words. The definition of counterfeit products was consistent with the definition used in the beginning of questionnaire. The definition of non-deceptive counterfeiting was provided as 'knowingly purchase counterfeit products that customers are aware of the counterfeiting through cues such as price, purchase location, packaging, country of origin, selling style or the material used'. After learning about the topic, interviewees who did not buy counterfeits often said "I did not and I will never buy counterfeits, am I still your target sample?" The author then explained to the interviewees that both buyers and non-buyers are the target samples of the study and their opinions are important. The author also encouraged the interviewees to relax by saying that the interviewees just need to share their shopping experience and their opinions about counterfeits. However, interviewees who bought counterfeits were happy to share their shopping experience.

The detailed interview discussion guide is shown in Appendix 1. First, to put the interviewees at ease, the author asked general background information of the interviewees,

such as, ‘Are you a tourist or a Hong Kong resident?’ ‘Where are you from?’ ‘How long is your stay in Hong Kong?’ ‘Have you been to Hong Kong before?’ Second, interviewees were asked about their shopping experience in Hong Kong to gauge their general shopping behavior. For example, they were asked questions like ‘Have you gone shopping during your stay?’ ‘Where did you go and what did you buy?’ These questions help interviewees remember their shopping experience and, at the same time, help the author introduce the topic of counterfeits. If the interviewees said they bought counterfeits in Hong Kong, it was easier to discuss their opinions about counterfeits. However, if the interviewees did not previously buy counterfeits, the author would comment that in Hong Kong, knock-off products such as handbags, wallets and shoes are sold in the Ladies Market, Mong Kok and Temple Street. These are popular tourists attractions in Hong Kong that openly sell counterfeits and attract tourists to visit these places. It’s very common that some tourists deliberately go to buy counterfeits. After hearing the introduction, the non-buyer interviewees feel more comfortable to share their opinions about counterfeits.

Both buyers and non-buyers are asked what do you think of buying counterfeit products? Is it acceptable or not? Why? These questions investigate the perceived moral intensity, ethical judgement, and neutralization of the purchase behavior. The author also asked buyers to share their shopping experience in details such as the purchase location, travel companions, product categories, price and quantity of counterfeits purchased to explore individual and situation factors of counterfeit purchases. Specifically, to investigate the framing effect, counterfeit buyers are asked what promotion strategies were most attractive: the price, the product, or the bargaining experience. Both buyers and non-buyers are asked whether they know any anti-counterfeit marketing strategies and then asked to evaluate their effectiveness in persuading them from buying counterfeits.

After discussing the shopping experience of counterfeits, the author asked the interviewees how they made such decisions, to explore the Type 1 fast and Type 2 slow thinking. The interviewees are asked if they made the decision (buy or not buy) quickly or needed time to consider their decision and the reasons behind this decision. Interviewees were also asked whether they made such decisions based on their own or if their decisions were affected by others, such as families and friends. Did they act consistently? These questions explore the judgement-behavior gap. Interviewees were also asked to evaluate the quality of the counterfeit products they bought. Whether the products function well? This question

explores the actual consequence of buying counterfeits. If the product functions well and the respondents are satisfied, it means the actual consequence matches the respondents' judgement. Otherwise, the respondents might regret their decision, change their judgement and not buy counterfeits anymore.

The last part of the interview questions assesses how this shopping experience affects their perception of Hong Kong and their future ethical decision towards buying counterfeits. The two questions are: 1) Does this shopping experience change your perceptions of Hong Kong as a shopping destination? Why? 2) Will you buy counterfeit products again in the future? (for buyers); Will you continue to not buy counterfeits in the future? (for non-buyers).

Trialing the questionnaire

During the interview, the author found that it is easy for interviewees to talk about shopping experience but difficult for them to talk about ethical judgement and their types of thinking. Also, not many interviewees know about anti-counterfeit marketing strategies. In this situation, the interview is conducted based on the questionnaire to see whether the respondents understand the statement of the questions and how they answer the questions and seek their opinions and suggestions on how to improve the face validity of the questionnaire.

Data analysis

Each interview was recorded and transcribed in their original languages. To ensure accuracy, interview transcriptions are analyzed in the original languages and then translated into English when presented in the thesis. Two academic colleagues who are proficient in Cantonese, Mandarin and English were invited to proofread the translation. The interview data analysis follows the process suggested by Hampton (1999) and Braun and Clarke (2006). The process categorizes and groups the data according to different themes (Braun & Clarke, 2006). According to Hampton (1999) and Braun and Clarke (2006), there are mainly four steps in qualitative data analysis. The first step is to get familiar with the data. The researcher should transcribe the recordings, read the transcriptions again and again to get familiar with the data, and try to identify initial codes. The second step involves the researcher searching for themes and coding the text. The researcher should sort and group codes to develop appropriate themes. The third step is where the researcher reviews the themes and define the themes. The author should adjust the themes by double checking the

extracted codes; decide main themes and sub-themes to create order and try to make sense of each theme; understand the connection and interrelationships among themes to develop a coherent net or pattern; refine and define the terms for themes. The final step is to interpret and present the result. The researcher should cross-check all the information; review the coding; explain the results; try to generalize the findings and develop possible hypotheses for future studies.

Revise questionnaire based on interview and pre-test results

Based on the feedback from the interviews, the author made revisions to the first version of questionnaire (Appendix 2). Below are some examples.

- (1) In the cover letter, the title of the study changed from “Tourist demand for counterfeits and the ethical decision-making process” to “Demand for counterfeits and the decision-making process of local residents and tourists in Hong Kong”. Since the target samples cover both tourists and Hong Kong residents, the title should include local residents, not only tourists. The word “ethical” is deleted to avoid leading the respondents. According to the interviews, few people consider ethical issues. Most try to avoid talking about ethical issues. Therefore, if the title refers to ethics, respondents might hide their true thoughts that buying counterfeits is acceptable and provide socially acceptable answers that buying counterfeits is unethical to avoid being judged by the author.
- (2) The questions capturing the price and utility of the counterfeit products (Section 1.1, Q4) have adjusted by deleting “is worth the money I paid” and separates “Is value for money” and “is value for status”. “Worth the money I paid” is similar to “value for money”, and “value for money” and “value for status” assess two different measurements which should not be joined.
- (3) The marketing strategies of counterfeit sellers (Section 1.1, Q5) was revised based on the results of the interviews. First, “Large room for bargain” was changed to “Possibility to negotiate prices”, because it is difficult to define “large room”, 10% off, 50% off or 70% off? Second, “Good and clear display” was changed to “Attractive display” to make the meaning clearer and more direct. Third, “Good manner of the sellers” was changed to “the seller’s persuasiveness”. “Persuasiveness” is a word to describe the overall ability of the sellers including his manner of

speaking, tone, and the exact words they use. “Word-of-mouth / friends’ recommendations” is added to this question because some interviewees mentioned that they buy the counterfeit products from specific vendors because their friends recommend these vendors. “Word-of-mouth” is an important marketing strategy nowadays in addition to the traditional marketing mix.

After making the revisions, the second version of questionnaire was developed (Appendix 3).

5.5 Back-to-back translation into Chinese questionnaire

The second version of questionnaire was created in English and then translated into both traditional and simplified Chinese. Back to back translation is used to ensure meaning equivalence (Brislin, 1980). The author is originally from Guangdong Province, People’s Republic of China, educated in the United Kingdom and has lived in Hong Kong for nearly seven years so she is fluent in Cantonese, Mandarin and English. The author first translated the questionnaire from English to traditional and simplified Chinese. Two tourism researchers who are also proficient in Mandarin, Cantonese and English translated both versions of Chinese questionnaires back into English. Three versions of questionnaire are modified after back to back translations to ensure accuracy in meaning.

5.6 Sampling

Three cohorts represent the target population in the current study: international tourists, mainland Chinese tourists, and Hong Kong local residents.

The first cohort are international tourists. These tourists include native English speaking visitors to Hong Kong from the USA, Canada, Latin America, Australia, New Zealand and Europe as well as visitors from Korea, Japan, South-East Asia, South Asia, Middle East and Africa who speak English as a means of communicating while travelling in Hong Kong. For this cohort, the questionnaire was administered in English. International visitors from Taiwan and Macau are also eligible to complete the questionnaire for this cohort because they have different Chinese culture with mainland Chinese tourists. The questionnaire for tourists from Taiwan and Macau is in traditional Chinese.

The second cohort under investigation was mainland Chinese tourists. This cohort represents the largest segment of international tourists to Hong Kong. The questionnaire was written in simplified Chinese.

As a reference group, Hong Kong residents are surveyed to assess the extent to which they purchase, knowingly or otherwise, counterfeit products. By capturing the local Hong Kong market, the research enables the author to obtain a complete assessment of both the resident and tourist demand for counterfeit goods in Hong Kong and complete the economic impact assessment. Further, researching into the Hong Kong resident market will enable meaningful comparisons of ethical decision-making between Hong Kong residents and their mainland Chinese neighbors as well as their international counterparts. This research provides a holistic analysis of the extent of counterfeit demand in Hong Kong and the ethical decision-making process among different tourist types.

Purposive sampling, convenience sampling and quota sampling are used to select respondents. Purposive sampling requires respondents to have certain knowledge of counterfeits and to be willing to share ethical perceptions of buying counterfeits. Convenience sampling intercepts tourists for the in-depth interview and questionnaire survey.

Questionnaire survey, including pilot study and main survey, follows quota sampling on cohorts, gender and age. The pilot study interviews 30 respondents per cohort, which is 90 in total. The main survey interview 500 respondents per cohort; that is 1,500 surveys altogether. The relatively large sample size was used to enable the author to segment these three cohorts and undertake multivariate analysis. For each cohort, data was collected based on specific quota on age and gender as shown in Table 5-2 (pilot study) and Table 5-3 (main survey). The sampling quota of Hong Kong residents is based on 2011 Hong Kong Population Census. The Hong Kong Census and Statistics Department publishes the statistics every seven years. So this is the most updated available statistics when the data was collected in 2017. The sampling quota of tourists was based on Hong Kong Tourism Board Statistical Review 2014, the latest statistics that were available prior to the start of data collection.

Table 5-2 Sampling quota for pilot study

Hong Kong Residents	M	F	Total
18-24	2	2	4
25-34	2	3	5
35-44	2	3	5
45-54	3	3	6
55+	5	5	10
Total	14	16	30
Mainland China	M	F	Total
18-24	2	3	5
25-34	4	6	10
35-44	3	4	7
45-54	2	3	5
55+	1	2	3
Total	12	18	30
International	M	F	Total
18-24	2	1	3
25-34	5	3	8
35-44	4	2	6
45-54	4	2	6
55+	4	3	7
Total	19	11	30

Table 5-3 Sampling quota of main survey

Hong Kong Residents	M	F	Total
18-24	25	26	50
25-34	37	52	89
35-44	38	54	93
45-54	48	55	103
55+	79	86	165
Total	227	273	500
Mainland China	M	F	Total
18-24	32	46	78
25-34	68	98	166
35-44	52	72	124
45-54	30	43	73
55+	22	37	58
Total	203	297	500
International	M	F	Total
18-24	33	20	54

25-34	72	46	118
35-44	68	40	108
45-54	67	41	108
55+	70	43	113
Total	310	190	500

In addition, the percentage quota based on country of origin among international tourists is also set to get a range of nationalities but this is a soft quota. Table 5-4 shows the quota percentage of international tourists.

Table 5-4 Visitor arrivals by Country/Territory of Residence by major market areas

Country/Territory of Residence	Visitors arrivals %	Adjusted % for quota sampling
Mainland China	77.3%	/
The Americas	2.9%	12.78%
Europe, Africa & the Middle East	3.7%	16.30%
Australia, NZ & South Pacific	1.1%	4.85%
North Asia	3.9%	17.18%
South & Southeast Asia	6.0%	26.43%
Taiwan	3.4%	14.98%
Macau SAR/Not identified	1.7%	7.49%
Total	100%	100%

Source: HKTB (2016)

The author hired a professional marketing research company in Hong Kong to collect data for the pilot study and the main survey because they are considered more professional and efficient than student helpers. The questionnaire was programmed as an online questionnaire so respondents could complete the survey using electronic devices such as tablets and mobile phones. Hong Kong local residents were invited to participate in the online survey through email. International tourists and mainland Chinese tourists are intercepted in popular shopping destinations such the Ladies Market and Temple Street Market where counterfeits are usually sold. According to the Hong Kong Tourist Board in 2014, 17% and 11% of tourists visited these markets in Hong Kong at least once during their stay. To avoid sampling bias, tourists were also intercepted in other popular destinations such as Avenue of Stars, Victoria Peak, Hong Kong Disneyland, Ocean Park, Hong Kong Convention & Exhibition Centre, Clock Tower at Tsim Sha Tsui, Tsim Sha Tsui Waterfront Promenade, Lan Kwai Fong and the Big Buddha (HKTB, 2014). Given tourists more frequently appear in the above locations, it is easier to get qualified respondents in these locations.

For offline sampling of tourists, the interviewers collected data from 10am to 10pm on a daily basis on both weekdays and weekends. The sampling approach followed the Central Location Test (CLT) with interviewers in one central location intercepting respondents randomly. Once fieldwork for the day began, interviewers started recruiting the first potential respondent that came in sight. When that interview was completed, the next potential respondent in sight was recruited.

For online sampling of Hong Kong residents, the sampling approach is random sampling with quota controls. The quota control approach applied here makes sure that as soon as the target quota is met, no more respondents in that quota are allowed to complete the survey. This helps control the sampling process. The survey company uses a double opt-in approach in recruiting respondents to the proprietary panel. The respondents who joined panel have to pass an extensive range of identification checks during the registration process. Potential respondents also complete several validity checks. The panel list is actively managed and maintained. An email invitation is sent to potential respondents inviting them to complete the survey. An email reminder is sent to non-respondents after two days encouraging them to complete the survey. Online sampling continues seven days a week, 24 hours per day.

5.7 Pilot study

The pilot study is another opportunity to refine the main survey. The pilot study tests the questionnaire and identifies potential problems such as biases, ambiguities, coding problems and missing attributes (Lewis, 1984). A pilot study of five to ten percent of the total sample size of the main survey is sufficient. The sample size of pilot study for this current research is 6% of the sample size of the main survey. Since there are three cohorts of the target population, the pilot study collects 30 questionnaires for each cohort, that is, mainland Chinese tourists, international tourists, and Hong Kong local residents. The pilot study was conducted from 21 February 2017 to 27 February 2017. Three interviewers collect tourist samples in Tsim Sha Tui Ferry Pier from 11am to 3pm. They interviewed 30 mainland Chinese tourists and 30 international tourists in one day. The online survey for Hong Kong residents is also completed in one day. The results of the pilot study provides useful information for the author to adjust the data collection method, wording, questionnaire

design, and measurements. In this way, the reliability and validity of the questionnaire are improved. Based on the results of the pilot study, further revisions on wording were made and the questionnaire was finalized for main survey.

5.8 Main survey

The questionnaire was finalized based on the first round literature review, second round interview / pre-test and the pilot study. Appendix 4 has the final version of the English questionnaire. Appendix 5 and Appendix 6 contain the simplified Chinese version and the traditional Chinese version. The main survey was conducted from 2 March 2017 to 22 March 2017. Ten interviewers collected data from tourists at the Ladies Market and Stanley from 10am to 10pm everyday on both weekdays and weekends. The online survey for Hong Kong residents was monitored by the author via a web page to ensure the progress of data collection.

The order of items are rotated for each respondent in the main survey to reduce bias that might be introduced by the order of questions. The order of questions might have primacy effect and recency effect for the first few items and the last few items are more frequently and easily recalled than the middle items (Murdock Jr, 1962). Item rotation is helpful to avoid these effects on respondents' choices.

The following questions adopt the rotation technique: Q4 the price and utility of the counterfeit products. Q5 the marketing strategies of counterfeit sellers. Q7 the anti-counterfeit marketing strategy; Q9 ethical decision making (moral intensity, personal relevance, emotion); Q11 the main ethical principle followed by Type 1 fast thinkers; Q12 the MES scale for Type 2 slow thinkers' ethical judgement; Q13 the effect of others; and Q16 neutralization questions.

5.9 Data analysis

Qualitative data from interviews were transcribed and analyzed by NVivo software package. If the interview was conducted in Chinese, the data analysis used Chinese transcriptions to avoid misunderstandings induced from translation. The results of Chinese transcriptions analysis were then translated into English for interpretation and discussion. Content analysis was conducted to identify different themes.

For the quantitative questionnaire data, three types of data analysis were conducted: preliminary analysis, relationship analysis and difference comparison analysis. Preliminary analysis, mainly descriptive analysis, was conducted to explore the data. Normality and reliability of data were checked. The 1st, 2nd, 5th and 6th research objectives as follows were achieved through preliminary analysis:

- 1) To determine the incidence of counterfeit purchases among different tourist types;
- 2) To estimate the economic value of counterfeit purchase among different tourist types;
- 3) To explore the ethical decision-making among different tourist types;
- 4) To assess the degree of neutralization among different tourist types;
- 5) To assess the impact counterfeit goods have the perception of Hong Kong as a shopping destination among tourists;
- 6) To test the efficiency of different anti-counterfeiting strategies in combating counterfeit consumption.

The 3rd and 4th research objectives, which are the most important to answer the research question, were achieved by relationship analysis and difference comparison analysis.

There are three stages for relationship analysis. First, linear correlation was conducted to test the hypotheses of each stage of ethical decision-making listed in Chapter 4. Second, to investigate the relationship among variables, factor analysis was conducted to group closely related variables, and canonical correlation was be conducted to investigate the relations among different groups of variables. These two analyses helped refine the measurements of each stage of ethical decision-making. Third, to explore the predictive ability of the conceptual model on tourist ethical behavior, a binary logistic regression was conducted since the dependent variable is categorical. The dependent variable in this study is the ethical or unethical behavior, specifically, buy counterfeits or do not buy counterfeits. This is considered as a binary variable. The three-stage relationship analysis can help to identify a general psychological process of ethical decision-making and thus confirm the conceptual model.

Difference comparison analysis was conducted to explore the difference of counterfeit demand and ethical decision-making among different tourist types: international tourists, mainland Chinese tourists, and Hong Kong residents. ANOVA (one-way and two-way) and multivariate analysis of variance (MANOVA) were conducted for comparison among the

three cohorts. T-tests are also conducted to compare differences between genders. Comparisons among other demographic variables such as age and education are also investigated, if necessary.

6 Interview results

6.1 Demographic profile of interviewees

The demographic information of the interviewees is shown in Table 6-1. In total, 18 people participated in the interviews: six Hong Kong residents, six mainland Chinese tourists and six international tourists. The number of females and males is equal. The majority of the interviewees are between 25 to 34 years old (frequency = 11) and well educated as all hold bachelor degrees or above.

Table 6-1 Demographic profile of interviewees

No.	Code Name	Gender	Age	Education	Industry	Cohort
1	A	Female	40	PhD	Education	Hong Kong residents
2	B	Female	29	Master	Beauty	
3	C	Female	32	PhD	Finance	
4	D	Male	50	Bachelor	Medicine	
5	E	Male	35	Master	Marketing	
6	F	Male	30	Bachelor	Construction	
7	G	Female	31	Master	Telecom	Mainland Chinese tourists
8	H	Female	28	Bachelor	Government	
9	I	Female	29	Master	Beauty	
10	J	Male	47	Bachelor	Banking	
11	K	Male	33	Master	IT	
12	L	Male	25	Master	Accounting	
13	M	Female	27	Master	Hospitality	International tourists
14	N	Female	53	Bachelor	Full-time housewife	
15	O	Female	36	Bachelor	Sports	
16	P	Male	34	Master	Business	
17	Q	Male	46	Master	Management	
18	R	Male	33	Master	Education	

Among the 18 interviewees, four types of interviewees are identified: four will never buy counterfeits and cannot accept that others buy counterfeits (strict non-buyers); seven interviewees will never buy counterfeits but they can accept others might buy counterfeits (lenient non-buyers); one interviewee is open to buying counterfeits (potential buyers). Last but not least, six interviewees have bought counterfeits before (absolute buyers), among which three are mainland Chinese tourists who bought fake products in mainland China, one is a Hong Kong local resident and two are international tourists (one male, one female)

who bought fake products in Hong Kong. Among these six absolute buyers, four (two mainland Chinese and two international tourists) are liberated buyers (Herstein et al., 2015) who buy fake products often and feel very proud of such behavior and are willing to let others know; one mainland Chinese tourist is a struggle buyer who buys fake products sometimes but does not tell others about the purchase, and one Hong Kong resident is a spurious buyer who buys fake products often but denies the products are fake and avoid telling others about the purchase. Table 6-2 summarizes the interview results. The following section will report the shopping experience and ethical decision making of the four types of interviewees.

Table 6-2 Summary of interview results

Cohort	(I) Strict non-buyers	(II) Lenient non-buyers	(III) Potential buyers	(IV) Absolute buyers
HK residents	2	3	0	1 (spurious buyer)
Mainland Chinese tourists	1	2	0	3 (2 liberated buyers & 1 struggle buyer)
International tourists	1	2	1	2 (liberated buyers)
Male	2	5	0	2
Female	2	2	1	4
Total	4	7	1	6

6.2 Strict non-buyers

Strict non-buyers have a very clear understanding of what counterfeit products are. This enables them to identify counterfeit products immediately. They think buying counterfeits is not ethical and they will never buy counterfeits. To avoid buying counterfeits unknowingly, they prefer to buy specially designed brand products to ensure uniqueness. For example, *Interviewee 1 (female, 40, Hong Kong resident)* mentioned that “Popular designs are most likely to be copied so I would choose special designs to ensure there is no counterfeit of this product. So uniqueness and quality are the most important factors when I go shopping”.

When they go shopping, strict non-buyers can make decisions (both ethical decisions and purchase decisions) very quickly and all strict non-buyers are Type 1 fast thinkers. They stick with their own judgements and will not be easily affected by others, emotions, location (at home vs. on vacation), or anti-counterfeit marketing strategies. The main reason they can make such quick decisions is that they have a clear understanding of their personal values

and image. “I know my style so I can make decision very quickly” (*Interviewee 1, female, 40, Hong Kong resident*). “I only trust the authentic brands because I think I am an honest man. I never wear fake products because I think that’s a kind of cheating” (*Interviewee 17, male, 46, international tourist*). “I have a very high moral standard for myself and others. I hope to present my personal image as integrity, reliable, well-educated and have a good taste of fashion. If I bought fake products and was discovered by my friends, I would be abandoned by the whole world. I like drawing and I know some designer friends. So I understand how difficult it is to be creative and I always respect others’ intellectual property” (*Interviewee 9, female, 29, mainland Chinese tourist*). The main ethical principle they follow when making quick decisions is the lowest level of cognitive level of moral development (Kohlberg, 1984) “I mainly focused on personal gain and loss/image/status/principles” which is egoist. Only one strict non-buyer follows the highest level of moral development to guide her ethical decision-making by considering the ethical principles of the wider culture and society. “Because I have studied corporate social responsibility, I not only consider myself but also concerned about others and the whole society. If someone knows something is not ethical but continues to do it, just because most people do, the social impact on the value system will be very bad. Trust and honesty are the most important values in social relationships. If we lose trust and honesty, how can we establish relationships between human, business, society, and country” (*Interviewee 1, female, 40, Hong Kong resident*).

Strict non-buyers not only hold themselves to a strict moral code, but also hold their friends and relatives to the same code. If they found out their friends use fake products, they will think negatively of them, keep their distance and not trust those friends anymore. “I will think this man is not trustworthy. His class and his honesty will be downgraded in my mind. I will not trust this man that much” (*Interviewee 17, male, 46, international tourist*). “I will keep my distance from him / her although we might be friends for a long time. Because I think he / she is not honest, who knows which part of his / her words is true or false” (*Interviewee 9, female, 29, mainland Chinese tourist*).

Personal image is so important for some strict non-buyers that it can determine the authenticity of the products they use. For example, *Interviewee 17 (male, 46, international tourist)* pointed out that “I think the person is the key. If a person’s image is honest in the eyes of others, although he wears something fake, people will not think it’s fake. But of

course, if people found out he's using fake products, it will dramatically affect their perceptions of him. However, if a person's image is dishonest or his behavior is very rude, impolite, and ungracious, although all he's wearing luxury products, people might doubt his authenticity. Therefore, the most important thing is a person's education / literacy and personal image. A person defines what he wears, and is not defined by what he wears".

Counterfeits being offered for sale in Hong Kong also have a negative effect on strict non-buyers' perceptions of Hong Kong. "I will not go to the Ladies Market because I think the security there is not guaranteed, and I will not come to Hong Kong if counterfeits are continually sold here in Hong Kong" (*Interviewee 9, female, 29, mainland Chinese tourist*). "It will downgrade the image of Hong Kong. It will make me think that the authentic products that I have bought maybe fake, so it will make me very anxious about buying luxury things in Hong Kong" (*Interviewee 17, male, 46, international tourist*). However, this seems have no effect on strict non-buyers who are Hong Kong local residents. "I don't think selling counterfeits contradicts Hong Kong's image" (*Interviewee 1, female, 40, Hong Kong resident*) because "it's impossible to completely stop counterfeiting here in Hong Kong as a city so close to mainland China" (*Interviewee 4, male, 50, Hong Kong resident*).

6.3 Lenient non-buyers

Lenient non-buyers have lower moral standards than strict non-buyers. They will not buy counterfeits but they accept others might buy counterfeits. "I will not buy fake products because I don't need luxury brands to show off. I will buy cheaper, but authentically-branded products if I cannot afford luxury products" (*Interviewee 3, female, 32, HK resident*). A similar opinion is also expressed by most of the other lenient non-buyers including two male Hong Kong residents, one male mainland Chinese tourist, and one female international tourist and one male international tourist. Lenient non-buyers think it is normal that some people buy counterfeit products. "Buying fake products is an individual choice. It's none of my business" (*Interviewee 11, male, 33, mainland Chinese tourist*). "I think this is a market issue rather than an ethical issue. It is normal there is supply of counterfeits, if there is demand. Counterfeits can meet some people's needs so I do not oppose this" (*Interviewee 3, female, 32, Hong Kong resident*).

Therefore, lenient non-buyers do not think buying counterfeits will have significant negative

impacts on society. They make decisions quickly which suggests lenient non-buyers tend to be Type 1 fast thinkers and they follow the first level of cognitive moral development (Kohlberg, 1984) “I mainly focused on personal gain and loss/image/status/principles” which is egoist. They will not easily be affected by others’ opinions or their emotions and can follow their own judgements.

Price discounts of genuine products are considered more effective, among this segment, than other anti-counterfeit strategies such as promotions or education programs. “In addition to price discounts, I think punishment is also effective in raising social awareness and forming ethical shopping habits” (*Interviewee 12, male, 25, mainland Chinese tourist*).

Counterfeits being available in Hong Kong does not have negative impact for this segment but is considered as a positive for lenient non-buyers. “There are different market segments to meet all kinds of demand for different people” (*Interviewee 5, male, 35, Hong Kong resident*). “It’s a real ‘shopping paradise’ if it sells all kinds of products to meet all kinds of needs” (*Interviewee 18, male, 33, international tourist*). “I’m satisfied with the shopping experience otherwise I will not come to Hong Kong again” (*Interviewee 15, female, 36, international tourist*).

6.4 Potential buyers

Potential buyers express an interest in buying counterfeits but the decision depends on the product category. “I will not buy fake handbags but I might buy fake purses or other smaller items, because no one will notice if I put this fake purse inside my handbag. In this case, I might be convinced by the vendor to buy counterfeit goods” (*Interviewee 13, female, 27, international tourist*). So potential buyers are situated between Type 1 fast and Type 2 slow thinking depending upon the situation, especially the product category. Similar to lenient non-buyers, potential buyers think it’s normal for others to buy counterfeits. This will not cause much harm and counterfeits for sale in the Ladies Market can attract tourists.

6.5 Absolute buyers

Absolute buyers are those who have bought counterfeit products previously. However, there are different types of buyers. They can be classified into liberated buyers, struggle buyers and spurious buyers (Herstein et al., 2015).

6.5.1 Liberated buyers

Most of the absolute buyers are liberated buyers (4 out of 6). They buy counterfeit products often, feel very proud of such behavior and are willing to let others know.

Liberated buyers are utilitarians who enjoy the price and quality of the goods purchased. Most liberated buyers buy counterfeit products if the price is reasonable, the quality is good, and the function of the product meets their needs. They don't really care about the brands. For example, "I bought one handbag before. I don't know about the brand that it copies and I don't think the brand means a lot to me. I just think this handbag is useful for me" (*Interviewee 8, female, 28, mainland Chinese tourist*). "I buy counterfeit watches mainly because of the design and function, not because of the brand. I will buy it if the function is good, design is good, cheap and quality is not bad" (*Interviewee 10, male, 47, mainland Chinese tourist*). "The brand seems nothing to me. I buy just because I need it or it looks interesting" (*Interviewee 16, male, 34, international tourist*). However, the importance of brand might increase if the buyer's status or personal image changes. For example, *Interviewee 10 (male, 47, mainland Chinese tourist)* point out that "Unlike before, I'm now care about brands when buying counterfeit watches because I have higher status now and I want to wear a luxury watch to improve my personal image".

Liberated buyers are usually satisfied with the quality of the counterfeit products they purchase because they do not expect high quality goods to be associated with low prices. "The quality of the bag I bought is beyond my expectation. It's so durable. I do not have high expectations because I know it's fake" (*Interviewee 8, female, 28, mainland Chinese tourist*). "The quality of the watch I bought is good, at least the time is correct. The basic function is very similar to the genuine one, maybe just 30 seconds difference. The fake watch is also water-proof but, of course, cannot reach 200 meter deep under the sea like the genuine one. So some high-tech functions cannot be copied but the appearance is very similar. I am already satisfied with the quality at such a cheap price" (*Interviewee 10, male, 47, mainland Chinese tourist*).

They care about their personal status and image, and care about the opinions of others. They will buy counterfeit products carefully and try to minimize any downside of the counterfeit products. "I will not buy counterfeit products of very luxury brands, such as LV and Hermes, because it does not match my income. It's impossible for me, as a government officer, to

afford such luxury bags. So it will have a negative impact on me if I buy luxury products. But I will buy counterfeit handbags that do not look luxurious. For example, I bought one fake Longchamp shopping bag. The design is so common and the material is common fabric. I can afford to buy the genuine one which is about 1,000 RMB, but I don't think it's necessary to buy the genuine one because I don't think the quality deserves that price. I will also buy counterfeit products with small logos or those that are difficult to recognize. For example, I bought counterfeit shoes because they are less easily recognized than handbags. Usually a handbag shows a person's status, but shoes are often covered by trousers so it's ok to buy them, if they're comfortable" (*Interviewee 8, female, 28, mainland Chinese tourist*).

Liberated buyers consider themselves honest by acknowledging the product is fake when their friends and family doubt the product's authenticity. They also perceive themselves to be smart consumers, willing to share the details of the price or origin of the fake products. "Some friends say 'your shoes look so nice but similar to Salvatore Ferragamo', I would say 'yes, they were only 300 RMB but very comfortable'. I'm very honest. I can't accept those who use fake products pretending they are genuine, in order to show off" (*Interviewee 8, female, 28, mainland Chinese tourist*). "I'm happy with what I bought. I think I get a good deal. I told my friends the shoes are not real and its price and show them the quality. They cannot believe this kind of product is so cheap but looks elegant and nice. They will ask me to recommend the vendor and I am happy to buy this kind of product, if they want" (*Interviewee 14, female, 53, international tourist*).

Liberated buyers acknowledge that counterfeiting is not ethical but this will not prevent them from buying counterfeit products and they have various reasons to justify their purchase behavior:

- 1) Fake products are good substitutes for the genuine ones. "We sometimes will buy a genuine watch and a fake watch with high quality. The real one is worn for important social occasions; and the fake one is worn for daily use. I will feel very upset if the real one gets scratch marks" (*Interviewee 10, male, 47, mainland Chinese tourist*).
- 2) The price is too high of luxury brands, especially products with low technology requirements such as clothes, handbag and shoes. There are many counterfeits of clothes, handbags and shoes because they are easy to copy. "I think it's necessary to

protect products that need a lot of research and design investment. But most of the western luxury brands do not require sophisticated technology. For example, it might be difficult to design a dress, but its price is much higher than its cost. They earn money just because of the brand name. But it's not value for money and it's not fair" (*Interviewee 10, male, 47, mainland Chinese tourist*).

- 3) The material used in the genuine luxury products is similar to the counterfeit products. "Those really luxury handbags are not for sale but for promotion. They claim the leather is from Italy but actually they produce the handbag in Chinese factories and use leather from China" (*Interviewee 10, male, 47, mainland Chinese tourist*).
- 4) The quality of non-luxury counterfeit products is perceived to be better than the luxury products. "I bought a genuine watch of a Swiss brand, and I also bought a fake watch which is made in China. If I don't wear it, the fake watch can work for three days but the genuine one may stop after just one day. So I think the quality of luxury products is not necessarily good. They just use a high price to create an illusion of nobility attached to the brand" (*Interviewee 10, male, 47, mainland Chinese tourist*).
- 5) It is the suppliers' fault that counterfeit goods are produced and it's the initial buyer's fault that others are influenced. Many people buy fake products and it's very common now. "I never think about the ethical issues. Because nowadays, you can buy fake products everywhere. In my opinion, the one who makes fake products and the one who first purchases fake products should be blamed" (*Interviewee 14, female, 53, international tourist*).
- 6) Buying counterfeits is not against the law. "I never see or notice any kind of punishment" (*Interviewee 16, male, 34, international tourist*). "In my country, it's natural to buy counterfeits and Customs will not check the authenticity of my purchases when I go back to my home country. Although a product is counterfeited, it is still consider an imported good from Hong Kong where it was purchased. So people in my country like it. In addition, it's not against the law to buy fake products here in Hong Kong. I can buy as many as I like. If I can, if I'm doing business, I will buy more than half a dozen products and bring them back to my country to re-sell,

because the price and quality is really really good in Hong Kong” (*Interviewee 14, female, 53, international tourist*).

- 7) Buying counterfeits is just normal business that will not cause harm to society. “I give the seller money, and he gives me the product. This is a very simple and straightforward transaction. There are always some kind of bullshit that when the butterfly moves their wings, they will create or link to some hurricane, but that does not seem right to me” (*Interviewee 16, male, 34, international tourist*).

The decision making style varies from person to person. Two liberated buyers are Type 1 fast thinkers and two liberated buyers are Type 2 slow thinkers. *Interviewee 8 (female, 28, mainland Chinese tourist)* can make the decision of whether to purchase counterfeits very quickly because she is concerned with her personal status and image. *Interviewee 16 (male, 34, international tourist)* thinks buying fake products is just a minor decision with little cost. He will buy counterfeit goods if he needs it or if the products are interesting. He thinks such small decisions do not warrant much thought. Type 1 liberated buyers are not easily affected by others but can be affected by emotions. “I will not buy fake products if I am happy” (*Interviewee 8, female, 28, mainland Chinese tourist*) but “I will go shopping and may probably buy fake products if I feel lonely” (*Interviewee 16, male, 34, international tourist*). Type 2 liberated buyers need time to compare products before making purchasing decisions. They are easily affected by friends and others. “I buy counterfeit watches because my friend recommended the shop to me. He said the quality is really good. However, I will not make this decision quickly. I will compare the same product from different shops. Then I will buy the cheaper one with higher quality” (*Interviewee 10, male, 47, mainland Chinese tourist*). “If I have a lot of money, I can buy easily and quickly. But I have a limited budget so I need time to compare and choose the product with relatively higher quality and more reasonable price. I don’t have clear idea about what I want to buy, so sometimes I will be affected by the vender and buy unnecessary things; I’ll also change my purchase decision if my daughter says the product is not good” (*Interviewee 14, female, 53, international tourist*).

Liberated buyers from mainland China (*Interviewee 8, female, 28; Interviewee 10, male, 47*) prefer to buy counterfeit products in mainland China because the quality there is better. They think counterfeits for sale in Hong Kong will negatively affect the image of Hong Kong because they think Hong Kong should only sell genuine luxury products. Liberated buyers from other countries prefer to buy counterfeit products in Hong Kong because the price is

cheaper, the quality is better and it's easier to buy than in their home countries. They think counterfeits for sale in Hong Kong is a positive thing because they have more choice. "As someone who can afford luxury products, I appreciate it. Hong Kong is the center of Asia and is a popular shopping destination where we can buy everything. Even if it's counterfeited, the products still have very good quality and the price is so nice. I bought many 'I love HK' T-shirts. I really like Hong Kong" (*Interviewee 14, female, 53, international tourist*). *Interviewee 16 (male, 34, international tourist)* also expresses a similar opinion.

6.5.2 Struggle buyers

Among the six absolute buyers, one is a struggle buyer (*Interviewee 7, female, 31, mainland Chinese tourist*). She buys counterfeit products sometimes but is afraid others will recognize these products are fake. She can make purchasing decisions very quickly as long as the counterfeit product cannot be recognized. "I bought one counterfeit doll because the genuine one was too expensive. The quality of the fake one is good and the price is cheap. So I think it's unnecessary to buy the genuine one. I will buy small designer counterfeit products but I will not buy fake handbags because I'm so afraid my friends will recognize it as fake" (*Interviewee 7, female, 31, mainland Chinese tourist*).

6.5.3 Spurious buyers

Spurious buyers buy fake products often but deny the products are fake and avoid telling others. They think unauthorized products produced by authorized factories of brand companies are not counterfeits, because the material is the same as the genuine products. *Interviewee 2 (female, 29, Hong Kong resident)* often buys such products and helps these factories to sell to her friends. But she insists that these products are genuine and said she will never buy fake products. This is due to the wrong perception of "counterfeits".

The above analysis is based on the four types of interviewees on counterfeit purchase. The interview results are also briefly analyzed based on cohorts, gender, age and education. However, the difference is not so obvious and interesting because the main purpose of interview is to explore the psychological process of ethical decision-making. According to Table 6-2, there is only one absolute buyer (out of six respondents) in the Hong Kong

resident cohort, but two absolute buyers (out of six respondents) in international tourist cohort. No mainland Chinese tourists buy counterfeits in Hong Kong because all the three mainland Chinese buyers purchase counterfeits in mainland China. In the interview, Hong Kong residents are stricter when talking about counterfeit purchase; while international tourists and mainland Chinese tourists are more opened to share their shopping experience. Almost all mainland Chinese tourists agree that they prefer buying counterfeits in mainland China rather than in Hong Kong while some international tourists enjoy shopping counterfeits in Hong Kong than in their home countries. International tourists provide more expressions related to emotions and their friends and families indicating that they are more likely to be emotional and be affected by others. Most respondents are Type 1 fast thinkers among the three cohorts. The difference of ethical judgement is not obvious among gender, age and education.

6.6 Effect of anti-counterfeit marketing strategies

Price discounts are considered the most effective marketing strategy by three out of six absolute buyers to prevent shoppers from buying counterfeits (*Interviewee 8, female, 28, mainland Chinese tourist; Interviewee 7, female, 31, mainland Chinese tourist; Interviewee 2, female, 29, Hong Kong resident*). The other absolute buyers are indifferent to anti-counterfeit marketing strategies. Apart from price discounts, using sophisticated technology to avoid imitation (*Interviewee 8, female, 28, mainland Chinese tourist*), educational programs that emphasize the negative impacts on the buyer's personal image (*Interviewee 7, female, 31, mainland Chinese tourist*) and explaining why genuine products deserve a high price (*Interviewee 2, female, 29, Hong Kong resident*) are also considered effective anti-counterfeit marketing strategies.

In conclusion, strict non-buyers and lenient non-buyers are Type 1 fast thinkers. Potential buyers are between Type 1 fast thinking and Type 2 slow thinking depending on the product category. For absolute buyers, liberated buyers can be either Type 1 fast thinkers or Type 2 slow thinkers. Struggle buyers are usually Type 1 fast thinkers as long as the counterfeit products cannot be recognized by others. Spurious buyers are also Type 1 fast thinkers because they believe they are buying genuine products.

Type 1 fast thinkers usually have a clear understanding of their personal status, personal

image and are clear about what they want and what they should do. So they can make purchase decisions very quickly and not easy to be affected by emotions, location, and other people. Type 2 slow thinkers usually are not sure about what they want, can be easily affected by others (friends, families, and vendors) and probably make wrong decisions. These findings are opposite to the previous literature that Type 1 fast thinkers are irrational, easily make wrong decisions and are affected by others and emotions, while Type 2 slow thinkers are rational and not easily affected by others (e.g. Petty & Wegener, 1999). Previous literature also shows that Type 1 fast thinking is more likely to be associated with unethical behaviors and Type 2 slow thinking is more likely to be associated with ethical behavior (e.g. Harsanyi, 1977). However, the finding of these interviews show that non-buyers are more often Type 1 fast thinkers and Type 2 slow thinkers can also be buyers of counterfeits.

The purpose of the qualitative interviews is to explore tourists' demand and the ethical decision-making process, and, along with the literature review, help design the quantitative questionnaire.

7 Survey results

7.1 Data check and Normality

A total of 1,500 questionnaires were collected. The data set was checked for validity and Normality. There is no missing data and no outliers (scores exceed three times the standard deviation away from the mean) were identified. The skewness and kurtosis values of all scale variables meet the standard set by Kline (2011), which suggests approximately Normal distributions. The results are show in Table 7-1.

Table 7-1 Results of Descriptive Statistics and normality of ethical scales

Moral intensity	Mean (out of 5) (Std. Error)	Standard Deviation	Skewness (Std. Error)	Kurtosis (Std. Error)
Q9a: The overall harm (if any) done as a result of purchasing counterfeits is very small.	2.91 (0.024)	0.939	0.101 (0.063)	-0.385 (0.126)
Q9b: Most people would agree that purchasing counterfeits is alright.	3.36 (0.024)	0.911	-0.542 (0.063)	-0.195 (0.126)
Q9c: Purchasing counterfeits is not likely to actually cause any harm.	2.92 (0.024)	0.949	0.068 (0.063)	-0.484 (0.126)
Q9d: Purchasing counterfeits will not cause any harm in the immediate future.	3.10 (0.024)	0.948	-0.145 (0.063)	-0.644 (0.126)
Q9e: Purchasing counterfeits is alright if no friends or families are negatively affected.	3.00 (0.024)	0.945	-0.060 (0.063)	-0.524 (0.126)
Q9f: Purchasing counterfeits will harm very few people, if any.	2.91 (0.025)	0.959	0.085 (0.063)	-0.513 (0.126)
Personal relevance	Mean (Std. Error)	Standard Deviation	Skewness (Std. Error)	Kurtosis (Std. Error)
Q9g: The decision to purchase counterfeits is not important to me.	3.05 (0.024)	0.918	-0.176 (0.063)	-0.467 (0.126)
Q9h: The decision to purchase counterfeits will not affect my image held by families or friends.	3.07 (0.025)	0.960	-0.175 (0.063)	-0.444 (0.126)
Q9i: The decision to purchase counterfeits would not cause me any risks.	3.05 (0.024)	0.933	-0.039 (0.063)	-0.452 (0.126)
Emotion	Mean (Std. Error)	Standard Deviation	Skewness (Std. Error)	Kurtosis (Std. Error)
Q9j: When making the decision of whether to buy counterfeit products or not, I was in a good mood.	2.94 (0.023)	0.903	0.096 (0.063)	-0.176 (0.126)
Q9k: Emotions highly affected my decision of whether or not to buy counterfeit products.	2.86 (0.025)	0.951	0.192 (0.063)	-0.496 (0.126)
Multidimensional Ethics Scale (MES)	Mean (Std. Error)	Standard Deviation	Skewness (Std. Error)	Kurtosis (Std. Error)
Q12. Knowingly purchasing counterfeit products is				

Q12a: Fair	2.81 (0.046)	1.067	0.130 (0.106)	-0.765 (0.211)
Q12b: Morally right	2.58 (0.044)	1.007	0.354 (0.106)	-0.324 (0.211)
Q12c: Acceptable to my family and friends	2.93 (0.041)	0.952	-0.028 (0.106)	-0.470 (0.211)
Q12d: Acceptable in my culture	2.92 (0.043)	0.996	-0.071 (0.106)	-0.802 (0.211)
Q12e: Personally satisfying and pleasurable	2.72 (0.042)	0.968	0.234 (0.106)	-0.376 (0.211)
Q12f: Based on sound judgement	2.98 (0.041)	0.946	-0.165 (0.106)	-0.426 (0.211)
Q12g: Acceptable for me if there is no punishment	2.85 (0.042)	0.960	-0.007 (0.106)	-0.649 (0.211)
Q12h: OK if it can be justified by positive consequences	3.05 (0.041)	0.944	-0.218 (0.106)	-0.558 (0.211)
Q12i: Does not violate established social norms	2.80 (0.041)	0.939	0.218 (0.106)	-0.441 (0.211)
Q12j: Does not compromise important principles by which I live	2.86 (0.041)	0.956	0.042 (0.106)	-0.497 (0.211)
Q12k: Ethical, in general	2.71 (0.044)	1.028	0.180 (0.106)	-0.466 (0.211)
The effect of others	Mean (Std. Error)	Standard Deviation	Skewness (Std. Error)	Kurtosis (Std. Error)
Q13a: I cannot resist impulses.	2.68 (0.025)	0.953	0.302 (0.063)	-0.486 (0.126)
Q13b: I cannot resist distractions from others.	2.74 (0.025)	0.951	0.236 (0.063)	-0.602 (0.126)
Q13c: I rely on the guidance of others to make judgements.	2.65 (0.024)	0.930	0.183 (0.063)	-0.528 (0.126)
Q13d: I find it difficult to exercise self-control.	2.55 (0.024)	0.921	0.485 (0.063)	-0.134 (0.126)
Q13e: When I travel in a group, my judgement will be different from when I am alone.	3.06 (0.026)	0.992	-0.178 (0.063)	-0.684 (0.126)
Neutralization	Mean (Std. Error)	Standard Deviation	Skewness (Std. Error)	Kurtosis (Std. Error)
Q16a: Purchasing counterfeits is not a big deal. Everyone does it.	3.44 (0.042)	0.788	-0.401 (0.129)	0.170 (0.258)
Q16b: There's no harm done in purchasing counterfeits. The designer brands are still rich anyway.	3.49 (0.045)	0.845	-0.402 (0.129)	0.073 (0.258)
Q16c: It's the designer brand's fault, the designer brands should make it more difficult to copy their designs.	3.16 (0.050)	0.949	0.008 (0.129)	-0.473 (0.258)
Q16d: It's a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.	3.41 (0.044)	0.824	-0.318 (0.129)	0.066 (0.258)
Q16e: I wanted to buy the genuine products but the queues were too long.	2.73 (0.049)	0.915	0.279 (0.129)	-0.394 (0.258)
Q16f: I don't think buying counterfeit products is unethical.	3.22 (0.043)	0.815	-0.116 (0.129)	-0.155 (0.258)
* 5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly disagree				

7.2 Profile of the respondents

Table 7-2 shows the profile of respondents of the main survey. As per the stratified sampling procedure, to match the sample proportions with the target populations, over 50% of Hong Kong residents and mainland Chinese tourists are female but 62% of international tourists are male. The majority of the respondents are in the age range 18 to 54 years old, but mainland Chinese tourists are relatively young in that 48.8% are 18 to 34 years old and Hong Kong residents are relatively old, in that 33% are over 55 years old. International tourists have higher educational levels than the other two cohorts with 58.2% obtaining bachelor's degrees or above. Over 55% of the respondents are married and employed. The international tourists come from different countries but the most frequent are from United Kingdom (16.8%), elsewhere in Europe (16.4%), Australia (14.2%) and USA (12.4%). The tourists come to Hong Kong with others (e.g. friends and family), mainly for recreation, and organized their trips independently. 73.6% of mainland Chinese tourists are repeat visitors but 50.4% of international tourists are first time visitors. 94% of international tourists stay overnight but only 56% of mainland Chinese tourists are overnight visitors.

Table 7-2 Profile of the main survey respondents (n=1500)

Demographics	Hong Kong Residents (%) N=500	Mainland Chinese Tourists (%) N=500	International Tourists (%) N=500
Gender			
Male	45.4	40.8	62.0
Female	54.6	59.2	38.0
Age (in years)			
18-24	10.2	15.6	10.6
25-34	17.8	33.2	23.6
35-44	18.4	24.8	21.6
45-54	20.6	14.6	21.6
55-64	29.0	11.6	16.6
65-74	3.8	0.2	5.4
75 or above	0.2	0	0.6
Highest Education Level			
Primary school	1.2	1.0	0.2
Some high school	5.4	8.6	1.6
High school graduate	30.8	22.6	14.2
Some college credit, no degree	18.8	32.4	15.4
Trade/technical/vocational training	3.2	2.0	10.4

Bachelor's degree	33.4	28.6	46.6
Post Graduate degree	7.2	4.8	11.6
Marital status			
Single, never married	37.6	38.4	34.6
Married or domestic partnership	58.6	60.6	59.2
Widowed	1.6	0.6	1.2
Divorced	2.0	0.4	4.4
Separated	0.2	0.0	0.6
Employment status			
Student	6.2	9.6	8.2
Self employed	4.4	13.0	13.8
Employed full-time	71.4	64.4	53.0
Employed part-time	6.4	1.6	7.8
Unemployed	2.8	5.6	7.0
Retired	8.8	5.8	10.2
Place of residence			
UK			16.8
Elsewhere in Europe			16.4
USA			12.4
Canada			5.8
Australia			14.2
New Zealand			1.8
Japan			1.6
South Korea			2.4
Taiwan			4.6
Malaysia			4.2
Singapore			5.8
India			2.4
Indonesia			1.0
Other			10.6
Purpose of trip			
Recreation, tourism and relaxation		86.2	72.6
Visiting relatives and friends		5.4	10.8
Business reasons		3.0	11.6
Attending a conference, exhibition, or seminar		1.2	2.2
Education		0.0	1.6
Health		1.4	0
Others		2.8	1.2
Travel arrangement			
My trip to Hong Kong was organized by a travel agency / tour operator		6.0	27.0

I organized my travel independently	94.0	73.0
Travel companionship		
Just myself	8.4	19.2
With others	91.6	80.8
First Time or Repeat Visitor		
First time	26.4	50.4
Repeat	73.6	49.6
Overnight or Same-Day Visitor		
Same-Day	44.0	6.0
Overnight	56.0	94.0

7.3 Exploratory factor analysis

Exploratory factor analysis (EFA) was conducted on moral intensity (5 items), motivation (5 items), MES (11 items), the effect of others (5 items) and neutralization (6 items) to explore these constructs' dimensionality. Principal axis factoring is selected as the extraction method. Table 7-3 shows the results of EFA. The KMO values of all the five constructs are larger than 0.757 and the Bartlett's test of sphericity are all significant ($p < 0.000$), which indicates good factor structure (Hair et al., 2010) and the correlations between items are sufficiently large (Field, 2009). The solution cannot be rotated in SPSS because only one factor was extracted for each of the five constructs. Therefore, the factor loadings, eigenvalues and variance explained show the unrotated solution. The eigenvalues of all five constructs over the Kaiser's criterion of 1 and the variances explained by the extracted factors are all over 36%. The Cronbach's Alpha coefficients are all higher than 0.7 indicating good internal consistency reliability of the five constructs. Almost all the factor loadings are higher than 0.5 except two items: Q9k (Emotions highly affected my decision of whether or not to buy counterfeit products) and Q16e (I wanted to buy the genuine products but the queues were too long). The deletion of these two items can help to slightly increase the Cronbach's Alpha coefficients of the constructs of motivation and neutralization respectively. However, since these two items (especially Q9k) are considered to provide useful information for the research, they are retained for theoretical reasons, but might be omitted in the model testing stage if the model fit can be improved. Since only one factor was extracted for each of the five constructs, validity of these constructs is confirmed from previous literature. Thus, confirmatory factor analysis (CFA) is not necessary. In addition,

since the expected model includes both categorical and continuous independent variables and the dependent variable is categorical, CFA is not appropriate.

Table 7-3 Results of EFA in main survey

Construct and item	Factor loadings	Cronbach's α if deleted
Moral intensity (KMO = 0.88, Bartlett's Test of Sphericity $p < 0.000$, Eigen value = 2.939, variance explained = 48.979%, Cronbach's $\alpha = 0.847$)		
Q9a: The overall harm (if any) done as a result of purchasing counterfeits is very small.	0.648	0.829
Q9b: Most people would agree that purchasing counterfeits is alright.	0.543	0.846
Q9c: Purchasing counterfeits is not likely to actually cause any harm.	0.823	0.801
Q9d: Purchasing counterfeits will not cause any harm in the immediate future.	0.735	0.816
Q9e: Purchasing counterfeits is alright if no friends or families are negatively affected.	0.762	0.810
Q9f: Purchasing counterfeits will harm very few people, if any.	0.652	0.829
Motivation (KMO = 0.757, Bartlett's Test of Sphericity $p < 0.000$, Eigen value = 1.889, variance explained = 37.781%, Cronbach's $\alpha = 0.736$)		
Q9g: The decision to purchase counterfeits is not important to me.	0.567	0.701
Q9h: The decision to purchase counterfeits will not affect my image held by families or friends.	0.719	0.657
Q9i: The decision to purchase counterfeits would not cause me any risks.	0.750	0.650
Q9j: When making the decision of whether to buy counterfeit products or not, I was in a good mood.	0.579	0.687
Q9k: Emotions highly affected my decision of whether or not to buy counterfeit products.	0.391	0.746
MES (KMO = 0.946, Bartlett's Test of Sphericity $p < 0.000$, Eigen value = 5.995, variance explained = 54.501%, Cronbach's $\alpha = 0.929$)		
Q12a: Fair	0.718	0.923
Q12b: Morally right	0.717	0.923
Q12c: Acceptable to my family and friends	0.793	0.920
Q12d: Acceptable in my culture	0.719	0.923
Q12e: Personally satisfying and pleasurable	0.808	0.919
Q12f: Based on sound judgement	0.662	0.925
Q12g: Acceptable for me if there is no punishment	0.789	0.920
Q12h: OK if it can be justified by positive consequences	0.693	0.924
Q12i: Does not violate established social norms	0.707	0.923
Q12j: Does not compromise important principles by which I live	0.782	0.920
Q12k: Ethical, in general	0.718	0.923
The effect of others (KMO = 0.83, Bartlett's Test of Sphericity $p < 0.000$, Eigen value = 2.438, variance explained = 48.759%, Cronbach's $\alpha = 0.822$)		
Q13a: I cannot resist impulses.	0.744	0.775
Q13b: I cannot resist distractions from others.	0.741	0.776
Q13c: I rely on the guidance of others to make judgements.	0.684	0.789
Q13d: I find it difficult to exercise self-control.	0.737	0.776
Q13e: When I travel in a group, my judgement will be different from when I am alone.	0.569	0.817
Neutralization (KMO = 0.789, Bartlett's Test of Sphericity $p < 0.000$, Eigen value = 2.163, variance explained = 36.043%, Cronbach's $\alpha = 0.742$)		
Q16a: Purchasing counterfeits is not a big deal. Everyone does it.	0.744	0.677
Q16b: There's no harm done in purchasing counterfeits. The designer brands are still rich anyway.	0.664	0.692

Q16c: It's the designer brand's fault, the designer brands should make it more difficult to copy their designs.	0.523	0.708
Q16d: It's a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.	0.552	0.706
Q16e: I wanted to buy the genuine products but the queues were too long.	0.277	0.770
Q16f: I don't think buying counterfeit products is unethical.	0.716	0.670

7.4 Incidence of counterfeit purchases

To investigate the incidence of counterfeit purchases, tourists were asked whether they bought counterfeit products during their stay in Hong Kong, and Hong Kong residents were asked whether they bought any counterfeit products in Hong Kong in the past 12 months. Most of the respondents did not buy counterfeits but Hong Kong residents have the highest percentage of counterfeit buyers and mainland Chinese tourists have the lowest. 34.8% of Hong Kong residents bought counterfeits while 15.2% of mainland Chinese tourists and 21.0% of international tourists bought counterfeits while in Hong Kong. According to the Pearson Chi-square test, there is significant difference between the proportion of counterfeit buyers in the three cohorts, $\chi^2(2, n = 1500) = 56.11, p = 0.000$. The proportion of Hong Kong resident counterfeit buyers is significantly higher than mainland Chinese tourists ($p = 0.000$) and international tourists ($p = 0.000$). International tourists are more likely ($p = 0.052$) to buy counterfeits than mainland Chinese tourists during their trip in Hong Kong.

For tourists who did not buy counterfeits during this trip in Hong Kong, they were asked the reasons. This helps identify the difference between strict non-buyers and potential buyers identified in the qualitative study. Of the 84.8% of mainland Chinese tourists who did not buy counterfeits in Hong Kong, 75.0% will never buy counterfeits while 20.5% buy counterfeits in mainland China. The main reasons of buying counterfeits in mainland China rather than in Hong Kong are due to cheaper prices and higher value for money for counterfeits in mainland China. Of the 79.0% of international tourists who did not buy counterfeits in Hong Kong, 79.7% will never buy counterfeits while 12.4% buy counterfeits in their home countries and 6.8% will buy counterfeits in mainland China. For those who buy counterfeits in their home countries, they perceive prices to be cheaper with more available choices. For those who buy counterfeits in mainland China, other than cheaper prices, they believe there are more channels to buy (e.g. online) counterfeits in mainland China.

The majority of purchases are non-deceptive counterfeit goods. For those who bought counterfeits in Hong Kong, 97.7% of Hong Kong residents, 89.5% of mainland Chinese tourists and 93.3% of international tourists either knew the products they bought were not genuine or doubted their authenticity through cues of price, location, packaging, etc. The Ladies Market, Mongkok and Temple Street, Jordan are the top two places where they bought counterfeits.

The buying patterns of Hong Kong residents and tourists who purchase counterfeit product are shown in Table 7-4. The types and quantities of counterfeit products purchased vary by cohort. The first section of Table 7-4 shows the incidence of counterfeit purchased by product category based on the total sample size of each cohort. This helps to understand the percentage of Hong Kong residents / mainland Chinese tourists / international tourists who buy counterfeit products in certain categories. The second section shows the same incidence based on the total counterfeit buyers in each cohort. Section three of the table shows the average number of counterfeit products purchased in each category and section four of Table 7-4 shows the average unit price of the counterfeit products in each category. These two sections are based on those who purchased counterfeits in that category. Section five shows the total average expenditure of counterfeit products purchased in that category. In general, counterfeit apparel / accessories and handbags / wallets are the most likely to be purchased. Hong Kong residents are relatively more likely to purchase counterfeit wearing apparel / accessories and electronics. Mainland Chinese are relatively less likely to purchase wearing apparel / accessories but are relatively more likely to purchase counterfeit footwear, watches / jewelry and other goods, such as cosmetics and medicines. International tourists are relatively less likely to purchase counterfeit footwear.

Table 7-4 Counterfeit product buying patterns by cohort

(1) Incidence of Counterfeit Purchase among Total Cohort	Hong Kong Residents (1)	Mainland Chinese Tourists (2)	International Tourists (3)
Wearing apparel / accessories	19.6%	3.4%	9.0%
Electronics	8.6%	1.0%	3.6%
Handbags / wallets	15.4%	7.0%	10.0%
Footwear	7.4%	5.0%	2.0%
Watches / jewelry	5.6%	4.0%	3.4%
Others	1.4%	1.8%	0.6%
(2) Incidence of Counterfeit Purchase among Counterfeit Buyers			

Wearing apparel / accessories	56.32% ^{2 (.000)}	22.37%	42.86% ^{2 (.012)}
Electronics	24.71% ^{2 (.002)}	6.58%	17.14%
Handbags / wallets	44.25%	46.05%	47.62%
Footwear	21.26% ^{3 (.033)}	32.89% ^{3 (.000)}	9.52%
Watches / jewelry	16.09%	26.32%	16.19%
Others	4.02%	11.84% ^{3 (.049)}	2.86%
(3) Average Quantity Purchased			
Wearing apparel / accessories	1.5	2.0	2.1 ^{1(0.005)}
Electronics	1.2	1.8	2.7
Handbags / wallets	2.1	1.7	1.3
Footwear	4.8	1.2	1.6
Watches / jewelry	1.1	1.7	1.5
Other	15.3	7.0	4.3
(4) Average Unit price (HK\$)			
Wearing apparel / accessories	\$245.50	\$514.71 ^{1 (.012), 3 (.021)}	\$242.78
Electronics	\$474.14	\$2,016.00 ^{1 (.017)}	\$774.11
Handbags / wallets	\$300.82	\$2,310.14 ^{1 (.040), 3 (.052)}	\$225.80
Footwear	\$273.24	\$667.28 ^{1 (.000)}	\$722.80 ^{1 (.003)}
Watches / jewelry	\$601.04	\$3,050.35	\$397.53
Other	\$200.00	\$256.33	\$1,771.67
(5) Average Costs (of those who bought counterfeit products) (HK\$)			
Wearing apparel / accessories	\$385.58	\$1,379.41 ^{1 (.001)}	\$732.78
Electronics	\$516.47	\$4,416.00 ^{1 (.008)}	\$1,889.11
Handbags / wallets	\$378.32	\$5,516.71	\$304.40
Footwear	\$288.08	\$1,003.28	\$1,622.80 ^{1 (.015)}
Watches / jewelry	\$679.61	\$3,607.35	\$591.53
Other	\$10,100.43	\$2,007.22	\$8,848.33
Total costs	\$1,089.18	\$4,656.70 ^{1 (.020)}	\$1,285.98

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column. The number in parenthesis represents the specific p-value.

Different consumer groups also show a different willingness to pay for different counterfeit products. In general, mainland Chinese tourists purchase more expensive counterfeit goods compared with international tourists and Hong Kong residents. Mainland Chinese tourists are more likely to purchase high valued counterfeit wearing apparel / accessories than Hong Kong residents ($p = 0.012$) and international tourists ($p = 0.021$). These tourists also

purchase more expensive counterfeit electronics ($p = 0.017$), handbags / wallets ($p = 0.040$) and footwear ($p = 0.000$) than Hong Kong residents. However, international tourists are more likely to purchase high valued cosmetics (other product category) than the other two cohorts.

Of those who purchase counterfeit products, Hong Kong residents spend an average of HK\$ 1,089.18 (US\$ 139.64) per year on counterfeit products. Mainland Chinese tourists spend an average of HK\$ 4,656.70 (US\$ 597.01) while international tourists spend an average of HK\$ 1,285.98 (US\$ 164.87) during their stay in Hong Kong on counterfeit products. Mainland Chinese tourists spend relatively more, on average, than Hong Kong residents on counterfeit wearing apparel / accessories (HK\$ 1,379.41 vs HK\$ 385.58; $p = 0.001$), electronics (HK\$ 4,416.00 vs HK\$ 516.47; $p = 0.008$) while international tourists spend relatively more, on average, on counterfeit footwear than Hong Kong residents (HK\$ 1,622.80 vs HK\$ 288.08; $p = 0.015$).

7.5 Economic value of counterfeit purchases

To estimate the total value of the non-deceptive counterfeit goods market in Hong Kong, the incidence of purchasing a counterfeit product in each product category [Table 7-4 (1)] is multiplied by the median expenditure in each category (the median of the total expenditure value is used by product as, like most expenditure data, the data is right-skewed, hence the mean values will be inflated). Summing across product categories, gives the average per person expenditure per cohort (Table 7-5, Row 2). The total number of adult persons is obtained from the Hong Kong census data for Hong Kong Residents (HKCSD, 2016) and “A Statistical Review of Hong Kong Tourism 2016” (HKTb, 2017), the survey screened out anyone under 18 years of age. In Table 7-5, “All Tourists” (Column C) is the aggregation of Mainland Chinese tourists (Column A) and International Tourists (Column B).

The median value of expenditure for each Hong Kong resident is HK\$ 122.84 (US\$ 15.75), for each mainland Chinese tourist is HK\$ 136.00 (US\$ 17.44) and for each international tourist is HK\$ 77.09 (US\$ 9.88). Extrapolating this data to the respective populations, Hong Kong residents spend HK\$ 781.69 million (US\$ 100.22 million) on non-deceptive counterfeits, mainland Chinese spend HK\$ 5,340.77 million (US\$ 684.71 million) and

international tourists spend HK\$ 978.83 million (US\$ 125.49 million) per year. This means, together the total tourist market spends HK\$ 6,319.60 million (US\$ 810.21 million) on non-deceptive counterfeit products. The tourist market then constitutes 89% of counterfeit purchases in Hong Kong. Table 7-5 also shows total tourist expenditures in Hong Kong (Row 4) and total tourist expenditures on shopping in Hong Kong (Row 5). Taken as a percentage of total expenditures on shopping, non-deceptive counterfeit purchases represent 4.2% of all tourist shopping expenditure, including up to 6.5% of international tourists' shopping expenditure.

Table 7-5 Total non-deceptive counterfeit expenditure in Hong Kong

	Hong Kong Residents	Mainland Chinese Tourists (A)	International Tourists (B)	All Tourists (C)
(1) Adult Persons	6,363,280	39,270,337	12,697,234	51,967,571
(2) Median Per Person Expenditure	\$122.84	\$136.00	\$77.09	\$213.09
(3) Total Expenditure on Counterfeits (HK\$ Million) (1) x (2)	\$781.69	\$5,340.77	\$978.83	\$6,319.60
(4) Total Tourist Expenditure		\$186,599	\$52,280	\$238,879
(5) Total Tourist Shopping Expenditure		\$135,839	\$15,049	\$150,889
(6) Shopping % of Total Expenditure (5)/(4)		72.8%	28.8%	63.2%
(7) Counterfeit Expenditure as % of Shopping Expenditure (3)/(5)		3.9%	6.5%	4.2%

Source: Row (1) Hong Kong Census and Statistics Department, 2016; Hong Kong Tourism Board, 2017; Row (4, 5) Hong Kong Tourism Board, 2017; Row (2, 3, 6, 7) Authors' Calculations.

7.6 Perceived benefits & marketing strategies of counterfeit sellers

In terms of perceived benefits of purchasing counterfeit products, counterfeit buyers were asked to rate the benefits of purchasing counterfeit products on a range of attributes on a five-point Likert scale where 1 is Strongly Disagree and 5 is Strongly Agree. Table 7-6 shows the mean scores out of five across these attributes for the three different cohorts. Across the three cohorts, the highest ranking perceived benefit of counterfeits were lower costs with goods of similar functions. However, respondents recognized the trade-offs to lower costs: lower quality goods that tended to be less reliable. International tourists were statistically more likely to perceive greater benefits of counterfeits than the other two cohorts.

Table 7-6 Perceived benefits of purchasing counterfeit products

	Hong Kong Residents (1)	Mainland Chinese Tourists (2)	International Tourists (3)
Costs much less than the genuine version	4.19	4.09	4.22
Is value for money	3.56	3.47	3.80 ^{1,2}
Is value for the status	3.16	3.36	3.67 ^{1,2}
Provides similar functions to the genuine version	3.61	3.66	3.89 ¹
Is of similar quality to the genuine version	3.39	3.59	3.36
Is as reliable as the genuine version	2.92	3.18	3.30 ¹

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column

Counterfeit buyers perceive that the effectiveness of counterfeit sellers' marketing strategies tend to come from the wide range of products as well as the ability to bargain with sellers (Table 7-7). Compared to Hong Kong residents, mainland Chinese tourists who buy counterfeit products perceive the aesthetic displays and packaging are what entices them to buy counterfeits. The international tourists perceive the wide choice of products as being an effective marketing tool while Hong Kong residents are less likely to perceive word-of-mouth recommendations as being an effective marketing tool compared to the other cohorts.

Table 7-7 Perceived effectiveness of counterfeit sellers' marketing strategies

	Hong Kong Residents (1)	Mainland Chinese Tourists (2)	International Tourists (3)
Possibility to negotiate prices	3.60	3.64	3.83
Good packaging	3.31	3.68 ^{1,3}	3.28
Attractive display	3.40	3.72 ¹	3.50
Many choices of products	3.65	3.71	3.92 ¹
Exciting and adventurous shopping environment	3.39	3.42	3.64
The seller's persuasiveness	3.36	3.50	3.47
Word-of-mouth / friends' recommendations	3.21	3.49 ¹	3.52 ¹

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column

7.7 Impact of counterfeits on shopping experience

Both buyers and non-buyers were asked whether they are satisfied with the shopping experience, their counterfeit shopping intention in the future and how the availability of counterfeits affect their perception of Hong Kong.

Among those who purchased counterfeit products, there is relatively high agreement, across the three cohorts that purchasing counterfeit products enhanced the shopping experience (Table 7-8). This finding is more applicable for the international tourists than for the other cohorts. The author also sought to determine if the availability of counterfeit products in

Hong Kong is detrimental to the shopping experience among non-purchasers of counterfeit products. The second panel of Table 7-8 shows the mean scores on a 5-point agreement Likert scale of attributes relating to the Hong Kong shopping experience among non-counterfeit purchasers. The availability of counterfeits does not seem to reduce the shopping experience for those who do not buy counterfeit products. International tourists and mainland Chinese tourists still agree Hong Kong is a shopping paradise despite the existence of counterfeit products. International tourists are less likely to agree that their perceptions of Hong Kong as “shopping paradise” has decreased because there are counterfeit products sold in Hong Kong.

Table 7-8 Impact of counterfeits on shopping experience

	Hong Kong Residents (1)	Mainland Chinese Tourists (2)	International Tourists (3)
(1) Among Counterfeit Buyers			
I am satisfied with the shopping experience	3.61	3.63	3.97 ^{1,2}
I will shop at the same place again in the future	3.31	3.32	3.68 ^{1,2}
My perception of Hong Kong as “shopping paradise” has increased	3.12	3.41 ¹	3.53 ¹
(2) Among Counterfeit Non-Buyers			
I am satisfied with my shopping experience in general	3.80	4.09 ¹	4.03 ¹
I will still not buy counterfeits in the future	3.70	3.92 ^{1,3}	3.78
My perception of Hong Kong as “shopping paradise” has decreased because there are counterfeit products sold in Hong Kong	3.27 ³	3.33 ³	2.83

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column

7.8 Effectiveness of anti-counterfeiting strategies

Both buyers and non-buyers of counterfeits were asked to evaluate the effectiveness of different anti-counterfeiting strategies in combating the purchase of counterfeit goods. Table 7-9 shows that, amongst all respondents, having price discounts of genuine products and campaigns that show potential risks in health or safety from buying counterfeits are the most effective anti-counterfeiting strategies. In terms of differences between cohorts, a variety of strategies would be more effective among the mainland Chinese tourists and less so among Hong Kong residents. These strategies relate to educating mainland Chinese tourists about the risks / negative impacts of purchasing counterfeit products, explaining why genuine products deserve high prices and developing websites that enable online petitions to boycott

counterfeits. International tourists are more open to anti-counterfeiting strategies than Hong Kong residents. Generally, various anti-counterfeiting marketing strategies are perceived more effective by tourists than Hong Kong local residents.

Table 7-9 Perceived effectiveness of anti-counterfeiting strategies

	Hong Kong Residents (1)	Mainland Chinese Tourists (2)	International Tourists (3)
Q7a: Anti-counterfeit advertisements using celebrities or other educational advertisements in the media discourage me from buying counterfeit products	2.99	3.47 ^{1,3}	3.23 ¹
Q7b: Education programs about the negative impact of counterfeits on the economy and society discourage me from buying counterfeit products	3.20	3.53 ¹	3.40 ¹
Q7c: Campaigns that show potential risks in health or safety of buying counterfeits discourage me from buying counterfeit products	3.63	3.70 ³	3.51
Q7d: An explanation or justification of why genuine products deserve a high price discourages me from buying counterfeit products	3.26	3.54 ^{1,3}	3.32
Q7e: Websites that enable consumers to sign online petitions to boycott counterfeits discourage me from buying counterfeit products	3.12	3.45 ^{1,3}	3.27 ¹
Q7f: Price discounts of genuine products discourage me from buying counterfeit products	3.89 ³	4.02 ³	3.69

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column

7.9 Degree of neutralization by cohorts

To test the degree of neutralization, counterfeit buyers were asked to rate the extent to which they justified buying counterfeits. Table 7-10 shows that mainland Chinese tourists are more likely to agree on most of the justifications such as condemning the brand owners' unethical behaviors and considering buying counterfeits is a common behavior done by everyone. Hong Kong residents are generally stricter on those justifications than tourists but more likely to agree on the statement that "there is no harm done in purchasing counterfeits; the designer brands are still rich anyway". International tourists are significantly ($p < 0.05$) more likely to agree to condemn the brand owner's unethical behavior (Q16d) than Hong Kong residents. However, in general, there are little statistically significant differences in the degree of neutralization among different cohorts.

Table 7-10 Degree of neutralization by cohorts

	Hong Kong Residents (1)	Mainland Chinese Tourists (2)	International Tourists (3)
Q16a: Purchasing counterfeits is not a big deal. Everyone does it.	3.40	3.51	3.47
Q16b: There's no harm done in purchasing counterfeits. The designer brands are still rich anyway.	3.57	3.43	3.40
Q16c: It's the designer brand's fault, the designer brands should make it more difficult to copy their designs.	3.09	3.28	3.21
Q16d: It's a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.	3.28	3.54	3.54 ¹
Q16e: I wanted to buy the genuine products but the queues were too long.	2.68	2.64	2.87
Q16f: I don't think buying counterfeit products is unethical.	3.20	3.36	3.17

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column

7.10 Ethical decision-making process - Hypotheses testing

The hypotheses developed in Chapter 4 are tested to explore different stages of the ethical decision-making process. The ethical decision-making of Type 1 fast thinkers and Type 2 slow thinkers is first explored in this chapter, followed by exploring the difference among the three cohorts and the effect of different demographics such as gender and age. Table 7-11 shows the numbers of Type 1 fast and Type 2 slow thinkers by gender and cohorts.

Table 7-11 Numbers of Type 1 and Type 2 thinkers by gender and cohorts

	Type 1 (N=966)	Type 2 (N=534)
<i>By gender</i>		
Male	491	250
Female	475	284
<i>By cohort</i>		
Hong Kong residents	350	150
Mainland Chinese tourists	305	195
International tourists	311	189

As defined in the questionnaire (Question 10), Type 1 fast thinkers are those who make simple decisions which required the least amount of time; want to make a decision which does not require too much thinking; and make choices which are the easiest. Type 2 slow

thinkers are those who make the complicated decisions which require a lot of thinking; spend time thinking about possible consequences for themselves and others; and consider all the facts about whether to buy counterfeit products. The hypotheses developed in Chapter 4 investigate how these two types of thinkers make ethical decisions about purchasing counterfeits. The results are reported below.

7.10.1 Ethical dilemma

Hypothesis 2a: Type 1 fast thinking will be used if moral intensity is perceived to be low;

Hypothesis 2b: Type 2 slow thinking will be used if moral intensity is perceived to be high.

Independent sample t-tests are conducted to see whether there is any difference between Type 1 and Type 2 thinkers on perceiving the moral intensity of counterfeits purchases. It is assumed that the moral intensity perceived by Type 1 fast thinkers is lower than Type 2 slow thinkers in Chapter 4. As shown in Table 7-12, the result of the t-tests show there are significant differences between Type 1 and Type 2 thinkers in all six items of moral intensity. The mean scores of Type 1 fast thinkers are all higher than those of Type 2 slow thinkers with p values all lower than 0.01. To further confirm these results, the grand mean of the six moral intensity statements of both Type 1 and Type 2 thinkers were computed and compared. The p value is lower than 0.001, which confirms that the moral intensity of purchasing counterfeits is significantly lower by Type 1 fast thinkers than by Type 2 slow thinkers. Since a score of '3' is considered as the midpoint in a five-point Likert scale, Type 1 fast thinkers' total mean is above 3 while Type 2 slow thinkers' total mean is below 3. This means that moral intensity perceived by Type 1 fast thinkers is relatively low and moral intensity perceived by Type 2 fast thinkers is high. Therefore, H2 is supported.

Table 7-12 Moral intensity difference by type of thinking

	Type 1 (N=966)	Type 2 (N=534)	p value
Q9a: The overall harm (if any) done as a result of purchasing counterfeits is very small.	2.98	2.79	0.000
Q9b: Most people would agree that purchasing counterfeits is alright.	3.45	3.22	0.000
Q9c: Purchasing counterfeits is not likely to actually cause any harm.	3.02	2.74	0.000
Q9d: Purchasing counterfeits will not cause any harm in the immediate future.	3.21	2.89	0.000
Q9e: Purchasing counterfeits is alright if no friends or families are negatively affected.	3.11	2.81	0.000

Q9f: Purchasing counterfeits will harm very few people, if any.	2.96	2.81	0.006
Total mean of moral intensity	3.12	2.88	0.000

7.10.2 Motivation & opportunity to process

Hypothesis 3a: Type 1 fast thinking will be used if personal relevance is low, cognitive effort is low, emotion is negative, and time is limited;

Hypothesis 3b: Type 2 slow thinking will be used if personal relevance is high, cognitive effort is high, emotion is positive and time is sufficient.

According to the conceptual model proposed in Chapter 4, personal relevance, cognitive effort, emotion and time are the four factors of motivation, which is the second stage of ethical decision-making. In Chapter 4, it is assumed that when personal relevance and cognitive effort are low, emotion is negative and time is limited, Type 1 fast thinking will be used to make decisions; otherwise, Type 2 slow thinking will be used. Because cognitive effort and decision-making time are already used to define the two types of thinking in the questionnaire (Question 10), the following analysis investigates the differences in personal relevance and emotion between Type 1 fast and Type 2 slow thinkers for the scale of motivation. T-tests are conducted to see whether any differences exist between Type 1 fast and Type 2 slow thinkers on personal relevance, emotion and motivation as a whole.

Table 7-13 Motivation difference by type of thinking

	Type 1 (N=966)	Type 2 (N=534)	<i>p</i> value
Q9g: The decision to purchase counterfeits is not important to me.	3.14	2.89	0.000
Q9h: The decision to purchase counterfeits will not affect my image held by families or friends.	3.14	2.94	0.000
Q9i: The decision to purchase counterfeits would not cause me any risks.	3.13	2.91	0.000
Total mean of personal relevance	3.14	2.91	0.000
Q9j: When making the decision of whether to buy counterfeit products or not, I was in a good mood.	3.00	2.84	0.001
Q9k: Emotions highly affected my decision of whether or not to buy counterfeit products.	2.87	2.83	0.456
Total mean of emotion	2.94	2.83	0.018
Total mean of motivation	3.06	2.88	0.000

Table 7-13 shows differences between the two types of thinking on several motivations. First, there are significant differences between Type 1 fast and Type 2 slow thinkers in all

three items and the total mean of personal relevance ($p < 0.000$). The personal relevance of Type 1 fast thinkers is significantly lower than that of Type 2 slow thinkers. Because Type 1 fast thinkers' total mean of personal relevance is above the neutral score of 3 while Type 2 slow thinkers' total mean is below 3, when considering counterfeit purchases, the personal relevance of Type 1 fast thinkers is low while that of Type 2 slow thinkers is high.

Second, concerning emotion, the mood of Type 1 fast thinkers is significantly more positive than Type 2 slow thinkers ($p < 0.001$) when making the purchase decision of counterfeits. However, there is no significant difference ($p > 0.05$) between the two types of thinkers on whether emotions affected their decision making processes. The combined mean of the two emotion items is different between the two types of thinkers at significance level of 0.05 (2.94 vs 2.83; $p = 0.018$). When combining personal relevance and emotion to look at motivation as a whole, the result of independent-samples t-tests show there are significant differences between Type 1 fast and Type 2 slow thinkers (3.06 vs 2.88; $p < 0.000$). Therefore, Hypothesis 3 is mostly supported with one exception that the emotion of Type 1 fast thinking is more positive (not negative) than Type 2 slow thinking, which is different from our hypothesis. In addition, for both types of thinkers, emotions do not significantly affect their purchase decision of counterfeits.

7.10.3 Ethical judgement

Hypothesis 4a1: Type 1 fast thinkers will follow lower cognitive level of moral reasoning.

Hypothesis 4a2: Type 1 fast thinkers are more easily affected by the marketing strategies of counterfeit sellers.

Since Type 1 thinking is fast, this type of thinkers will use their ethical principles to make the purchase decision. The ethical principles of an individual is based on his / her cognitive level of moral reasoning which is the product of education, values, family environment and other individual factors. When cognitive effort is low, it is assumed that Type 1 fast thinkers usually follow lower cognitive levels of moral reasoning which focus mainly on personal needs rather being concerned about others' opinions; and their decision is more easily affected by counterfeit sellers' marketing strategies.

Table 7-14 Ethical principles followed by Type 1 fast thinkers

	Percentage
I mainly focused on personal gain and loss / image / status / principles.	32.4
I mainly judged whether there is any punishment for the decision.	12.4
I mainly considered the expectation / acceptance of families or friends.	10.6
I mainly considered the fairness to those who might be affected by my decision.	11.9
I mainly considered my responsibility to the society.	17.4
I considered all ethical principles of all cultures and societies.	15.3
Total	100.0

Among Type 1 fast thinkers, 32.4% focus on personal gain and loss / image / status / ethical principles (Table 7-14). This is the ethical principle that has the highest percentage. According to Kohlberg (1969), there are six stages that represent three levels of moral reasoning, and each level / stage can be supported by certain ethical theories (Tolkach et al., 2017). The first level is the pre-conventional level (stage 1-2) that is strongly based on an egocentric rationale. It is supported by egoist teleology. The second level is the conventional level (stage 3-4) where the individual considers not only oneself but also others. These ethical judgments support relativism and ethics of justice. The third level is the post-conventional level (stage 5-6) that concerns responsibility for the whole society, which can be supported by deontology. Each of the six principles in the questionnaire represents one stage of moral reasoning as shown in Table 7-15.

Table 7-15 Level of moral reasoning and the ethical theory

Level of moral reasoning	Stage of moral reasoning	Item	Ethical theory
Pre conventional	1	I mainly focused on personal gain and loss / image / status / principles.	Egoist teleology
	2	I mainly judged whether there is any punishment for the decision.	
Conventional	3	I mainly considered the expectation / acceptance of families or friends.	Relativism
	4	I mainly considered the fairness to those who might be affected by my decision.	Ethics of justice
Post conventional	5	I mainly considered my responsibility to the society.	Deontology
	6	I considered all ethical principles of all cultures and societies.	Contractualist deontology

(Adapted from Kohlberg, 1969; Tolkach et al., 2017)

Almost half (44.8%) of the Type 1 fast thinkers are at the pre-conventional level (Stage 1-2), 22.5% (stage 3-4) are at the conventional level, and 32.7% (stage 5-6) are at the post-conventional level of moral reasoning. Comparing the first two levels with the third level,

67.3% of Type 1 fast thinkers consider themselves and related others (e.g. families, friends) when purchasing counterfeits. 55.4% (stage 1-3) of Type 1 fast thinkers are guided by egoist teleology and relativism. Therefore, H4a1 is supported. Type 1 fast thinkers follow lower levels of moral reasoning.

Table 7-16 Effectiveness of counterfeit sellers' marketing strategies by types of thinking

	Type 1	Type 2	<i>p</i> value
Q5a: Possibility to negotiate prices	3.68	3.68	0.965
Q5b: Good packaging	3.37	3.41	0.730
Q5c: Attractive display	3.52	3.44	0.428
Q5d: Many choices of products	3.79	3.59	0.037
Q5e: Exciting and adventurous shopping environment	3.45	3.53	0.402
Q5f: The seller's persuasiveness	3.41	3.44	0.759
Q5g: Word-of-mouth / friends' recommendations	3.38	3.31	0.475
Total mean of the scale	3.51	3.49	0.658

Table 7-16 shows how the effectiveness of counterfeit sellers' marketing strategies differs among counterfeit buyers. There are no significant differences between Type 1 fast and Type 2 slow thinkers for six out of the seven items of counterfeit sellers marketing strategies. Only one item "many choices of products" differs significantly (3.79 vs 3.59; $p = 0.037 < 0.05$) between the two types of thinkers. This strategy is more effective for Type 1 fast thinkers than Type 2 slow thinkers. For counterfeit sellers, marketing strategies of counterfeit sellers are generally considered somewhat effective (all mean scores are higher than 3.31) no matter which types of thinkers. The total mean also shows small difference (0.02) between the two types of thinkers. Therefore, H4a2 is not supported.

Hypothesis 4b: Type 2 slow thinkers will be more deontological / follow higher cognitive level of moral reasoning.

Since Type 2 slow thinking requires more rational reasoning and a longer time to think of the best decisions, Type 2 slow thinkers are more deontological and follow higher cognitive level of moral reasoning than Type 1 fast thinkers. The MES scale is used to measure the ethical judgements of Type 2 slow thinkers. Table 7-17 shows the ethical theory of each MES item.

Table 7-17 MES and the ethical theory

MES	Ethical theory
Q12a: Fair	Ethics of justice
Q12b: Morally right	Deontology
Q12c: Acceptable to my family and friends	Relativism

Q12d: Acceptable in my culture	Relativism
Q12e: Personally satisfying and pleasurable	Egoist teleology
Q12f: Based on sound judgement	Egoist teleology
Q12g: Acceptable for me if there is no punishment	Egoist teleology
Q12h: OK if it can be justified by positive consequences	Utilitarianism
Q12i: Does not violate established social norms	Contractualist deontology
Q12j: Does not compromise important principles by which I live	Deontology
Q12k: Ethical, in general	Overall ethical judgement

(Cohen et al., 2001; Tolkach et al., 2017)

As shown in Table 7-18, Type 2 slow thinkers generally consider knowingly buying counterfeit products is unethical because the total mean is 2.84, below the neutral point of 3. The top four items with the highest mean scores are: “OK if it can be justified by positive consequences” (mean = 3.05), “Based on sound judgement” (2.98), “Acceptable to my family and friends” (2.93), “Acceptable in my culture” (2.92). These four items are supported by utilitarianism, egoism, and relativism as shown in Table 7-17. The item with the lowest mean score is “morally right” (2.58) which is a deontology ethic. The result suggests the ethical judgements of both Type 1 and Type 2 thinkers are quite similar: teleology ethics are more lenient than deontology. Therefore, Hypothesis 4b is not supported.

Table 7-18 Mean score of MES

	Mean
Q12a: Fair	2.81
Q12b: Morally right	2.58
Q12c: Acceptable to my family and friends	2.93
Q12d: Acceptable in my culture	2.92
Q12e: Personally satisfying and pleasurable	2.72
Q12f: Based on sound judgement	2.98
Q12g: Acceptable for me if there is no punishment	2.85
Q12h: OK if it can be justified by positive consequences	3.05
Q12i: Does not violate established social norms	2.80
Q12j: Does not compromise important principles by which I live	2.86
Q12k: Ethical, in general	2.71
Total mean	2.84

7.10.4 Judgement-behavior gap

Hypothesis 5a1: Type 1 fast thinking will be used if tourists have low ego strength, are field dependent and the locus of control is external.

Hypothesis 5a2: Type 2 slow thinking will be used if tourists have high ego strength, are field independent and the locus of control is internal.

An individual’s judgement can be different from his or her actual behavior when he or she does not have the ability to control himself / herself, resist impulses, and can be easily

influenced by others. It is hypothesized that Type 1 thinkers have lower self-control and are more easily influenced by others than Type 2 thinkers. Table 7-19 shows the result of independent t-tests to test *Hypothesis 5a*.

The mean scores of Type 1 thinkers are all higher than Type 2 thinkers across the five items. Only one mean score of Type 1 thinkers is higher than 3 -“Q13e: When I travel in a group, my judgement will be different from when I am alone”, which is significantly higher than the mean score of Type 2 thinkers (3.12 vs 2.96; $p < 0.01$). Another item “Q13b: I cannot resist distractions from others” (2.77 vs 2.68; $p < 0.1$) is significantly different at the 10% level. Apart from these two items, there is no significant difference between the two types of thinkers among the other three items. When comparing the aggregated mean across the five items, the difference is significant at the 95% level of confidence (2.77 vs 2.68; $p < 0.05$). Therefore Type 1 fast thinkers are more likely to have less self-control and are more easily affected by others. Specifically, Type 1 fast thinkers are more likely to be distracted by others and their judgement is more likely to be different when they travel in a group from when they are alone.

Table 7-19 Effect of others by types of thinking

	Type 1	Type 2	<i>p</i> value
Q13a: I cannot resist impulses.	2.70	2.63	0.158
Q13b: I cannot resist distractions from others.	2.77	2.68	0.095
Q13c: I rely on the guidance of others to make judgements.	2.68	2.61	0.154
Q13d: I find it difficult to exercise self-control.	2.56	2.51	0.304
Q13e: When I travel in a group, my judgement will be different from when I am alone.	3.12	2.96	0.003
Total mean of the scale	2.77	2.68	0.028

However, since the aggregated total mean of Type 1 and Type 2 thinkers are both lower than 3, both Type 1 and Type 2 thinkers generally have high ego strength, are field independent, and exhibit a degree of internal locus of control. Therefore, H5a is not supported.

H5b: Type 2 slow thinkers' moral behaviors will be consistent with their ethical judgements.

To test H5b, ethical judgements need to be compared with moral behavior. The MES score is used as the ethical judgement score of Type 2 thinkers. When ethical judgements are consistent with moral behavior, the ethical judgement score should be higher than 3 (which indicate the respondent thinks buying counterfeits are ethical) and the respondent bought counterfeits; or if ethical judgement score is lower than 3 (unethical) and did not buy counterfeits. Otherwise, moral behavior is not consistent with ethical judgements.

Table 7-20 Comparison of moral judgement and moral behavior of Type 2 thinkers

Moral behavior	N	%	Moral judgement (MES mean)
Counterfeit buyer	88	16.5	3.27
Non-buyer	446	83.5	2.75

As shown in Table 7-20, Type 2 buyers' ethical judgement is higher than 3 ($p = 0.001$) and Type 2 non-buyers' ethical judgement is lower than 3 ($p = 0.000$), which suggest that Type 2 slow thinkers' ethical judgement and moral behavior is always consistent. Therefore, H5b is supported.

7.10.5 Ethical / unethical behavior

Hypothesis 6a: Type 1 thinkers will buy counterfeits (unethical behavior).

Hypothesis 6b: Type 2 thinkers will not buy counterfeits (ethical behavior).

Since Type 1 thinking is fast, it is assumed that they will buy counterfeits while Type 2 slow thinkers will not. As shown in Table 7-21, there are non-buyers in Type 1 and buyers in Type 2. But the proportion of Type 1 buyers is significantly higher than Type 2 buyers (27.6% vs 16.5%; $p = 0.000$). Conversely, the proportion of Type 2 non-buyers is significantly higher than Type 1 non-buyers (83.5% vs 72.4%; $p = 0.000$). Among the total 355 buyers of counterfeits, 75.2% are Type 1 fast thinkers. This suggests that Type 1 fast thinking is more likely to lead to counterfeit purchases, which is considered an unethical behavior. Therefore, H6 is not supported. Both types of thinking can result in ethical or unethical behavior, but Type 1 fast thinking is more likely to drive unethical behavior.

Table 7-21 Comparison of ethical behavior between Type 1 and Type 2 thinking

	Type 1 (1)		Type 2 (2)		p value
	N	%	N	%	
Counterfeit buyer	267	27.6 ²	88	16.5	0.000
Non-buyer	699	72.4	446	83.5 ¹	0.000
Total	966	100	534	100	

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column

7.10.6 Actual consequences

Hypothesis 7: If the actual consequence of counterfeit consumption is positive, techniques of neutralization will be used to rationalize the purchase behavior.

The actual consequence of counterfeit consumption is defined as whether the counterfeit purchaser is satisfied with the product or what the reaction of others is towards the purchase behavior. If the buyer is satisfied, the counterfeit product meets his or her expectation. Alternatively, if the buyers' friends or families believe the purchase was a good deal and accept this purchasing behavior, it means the reaction of others matches the buyers' previous opinion of others (accept or not accept). In these cases, the actual consequence of counterfeit consumption is positive, neutralization can be used to rationalize the purchase behavior in such a situation. If the actual consequence is negative, the quality of the counterfeit product is not as good as expected or friends / families negatively judge the buyer because of this purchase behavior. The actual consequence becomes a reference for the next ethical decision concerning a counterfeit purchase.

In the questionnaire, Q14 and Q15 asked buyers and non-buyers respectively about whether the outcome of buying / not buying counterfeits matches their previous judgement. A five point Likert scale is used where 5 = Strongly agree and 1 = Strongly disagree. The mean score of buyers is 3.56 (N = 355), and the mean score of non-buyers is 3.54 (N = 1,145). Therefore, both buyers and non-buyers generally agree that the outcome of buying or not buying counterfeits matches the respondents' previous judgement, that is, the actual consequence is relatively positive.

When the actual consequence is positive, buyers will use various reasons to justify their unethical behavior (neutralization). Pearson correlations are conducted to test H7. The result is shown in Table 7-22.

Table 7-22 Correlation between actual consequence and neutralization

Pearson correlation	Q14r1: The outcome of buying counterfeits matches my previous judgement that buying counterfeits is acceptable.	
	Type 1	Type 2
Q16a: Purchasing counterfeits is not a big deal. Everyone does it.	0.386** ($p = 0.000$)	0.446** ($p = 0.000$)
Q16b: There's no harm done in purchasing counterfeits. The designer brands are still rich anyway.	0.335** ($p = 0.000$)	0.395** ($p = 0.000$)
Q16c: It's the designer brand's fault, the designer brands should make it more difficult to copy their designs.	0.142* ($p = 0.020$)	0.313** ($p = 0.003$)
Q16d: It's a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.	0.204** ($p = 0.001$)	0.196 ($p = 0.067$)
Q16e: I wanted to buy the genuine products but the queues were too long.	0.019 ($p = 0.755$)	0.105 ($p = 0.332$)
Q16f: I don't think buying counterfeit products is	0.305** ($p = 0.000$)	0.474** ($p = 0.000$)

unethical.		
Total mean of neutralization	0.346** ($p = 0.000$)	0.460** ($p = 0.000$)

The result shows that the actual consequence is positively associated ($p < 0.001$) with the total aggregated mean of the six neutralization items. The more positive of actual consequence of counterfeit purchase (the outcome more matches the previous judgement), the higher degree of neutralization to rationalize the purchase behavior. Therefore, H7 is supported.

The correlation for the grand mean of neutralization is stronger for Type 2 slow thinkers ($r = 0.460$) than Type 1 fast thinkers ($r = 0.346$). This supports the assumption that Type 2 slow thinking is usually used for post-hoc rationalization to support unethical decisions. Specifically, the correlation is stronger for Type 2 slow thinkers than Type 1 fast thinkers for five items of neutralization except one –“Q16d: It’s a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor”. Type 1 fast thinkers are more likely to use this item for an excuse ($r = 0.204, p = 0.001$) than Type 2 slow thinkers ($r = 0.196, p = 0.067$) when the actual consequence is positive. The highest neutralization correlation for Type 1 buyers is “Q16a: Purchasing counterfeits is not a big deal. Everyone does it” ($r = 0.386, p = 0.000$) while the highest correlation for Type 2 buyers is “Q16f: I don’t think buying counterfeit products is unethical” ($r = 0.474, p = 0.000$). The top three highest correlations for both Type 1 and Type 2 thinkers are “Q16a: Purchasing counterfeits is not a big deal. Everyone does it”, “Q16b: There’s no harm done in purchasing counterfeits. The designer brands are still rich anyway” and “Q16f: I don’t think buying counterfeit products is unethical”.

7.10.7 Impacts of personal experience

Hypothesis 8a: The personal experience of counterfeit consumption is positively correlated to the tourists’ perception change of Hong Kong as a shopping destination.

Hypothesis 8b: The personal experience of counterfeit consumption is positively correlated to the tourists’ next ethical decision-making of counterfeit consumption.

If the personal experience of counterfeit consumption is satisfactory, tourists’ perception of Hong Kong as a shopping destination is assumed to improve; and the tourists will make the same ethical decisions in the future. As shown in Table 7-23, the satisfaction of counterfeit

buyers is positively associated with their future shopping intention ($r = 0.494, p = 0.000$) and with the increase of their perceptions of Hong Kong ($r = 0.245, p = 0.000$). For counterfeit non-buyers, their satisfaction is positively associated with their future shopping intention ($r = 0.295, p = 0.000$) but is not associated with a decrease in their perception of Hong Kong ($r = -0.030, p = 0.311$). Hence, for buyers that are satisfied with their shopping experience, their perception of Hong Kong as a shopping destination will increase and they will continue to buy counterfeits in the future. For non-buyers that are satisfied with their shopping experience, they will still not buying counterfeits in the future, but the availability of counterfeits for sale in Hong Kong will not decrease their perception of Hong Kong as a shopping destination. Buyers is more likely to make the same ethical decision ($r = 0.494$) in the future than non-buyers ($r = 0.295$). Therefore, H8a is partially supported and H8b is supported.

Table 7-23 Correlation between satisfaction and shopping intention and perception change

Buyer	Q6b: I will shop at the same place again in the future.	Q6c: My perception of Hong Kong as “shopping paradise” has increased.
Q6a: I am satisfied with the shopping experience.	0.494** ($p = 0.000$)	0.245** ($p = 0.000$)
Non-buyer	Q8b: I will still not buy counterfeits in the future.	Q8c: My perception of Hong Kong as “shopping paradise” has decreased because there are counterfeit products sold in Hong Kong.
Q8a: I am satisfied with my shopping experience in general.	0.295** ($p = 0.000$)	-0.030 ($p = 0.311$)

7.10.8 How Type 1 and Type 2 thinking works?

H1: A tourist only uses one type of thinking when making ethical decision of buying counterfeits.

It is assumed by the author that when a tourist makes ethical decisions of buying counterfeits or not, he or she only uses one type of thinking from the beginning to the end. All of the previous hypotheses are developed based on previous literature. Compared to Type 2 slow thinkers, Type 1 fast thinkers are supposed to have low moral intensity (H2), low personal relevance, low cognitive effort, negative emotions, limited time to make decisions (H3), low cognitive levels of moral development (H4), are easily affected by others, have low self-

control, and their ethical judgements are not consistent with their ethical behavior (H5), are more likely to buy counterfeits and are less ethical (H6), in general. Combining all these characteristics to define Type 1 fast thinkers, H1 is not supported because only H2 is fully supported among Hypotheses, H2 to H6. This result supports the author's assumption in previous chapters that Type 1 and Type 2 thinking can work simultaneously and interweave with each other during the decision-making process. Alternatively, the features of Type 1 fast thinking and Type 2 slow thinking may need to be refined based on the results of this research, given this specific context.

7.10.9 Effects of demographical factors on ethical decision-making

To answer the third research objective, differences in ethical decision-making among Hong Kong residents, mainland Chinese tourists and international tourists are analyzed. The effects of gender, age, education, religion and travel companions are also explored to investigate how these factors affect ethical decision-making of counterfeit purchases.

7.10.9.1 Differences in ethical decision-making by tourist type

Differences are compared among the three cohorts for all stages of ethical decision-making in Table 7-24. Hong Kong residents have lower moral intensity (3.11) than tourists, especially mainland Chinese tourists (2.98; $p = 0.015$). International tourists have lower personal relevance (3.13; $p = 0.004$) and are more likely to be affected by emotion (2.95; $p = 0.022$) than mainland Chinese tourists. Mainland Chinese tourists are the least likely to have the motivation and opportunity (2.91) to process Type 1 fast thinking than Hong Kong residents (3.01; $p = 0.048$) and international tourists (3.06; $p = 0.001$).

For ethical judgements, there are significant differences among the three cohorts in the proportion of types of thinking ($\chi^2 = 10.42$, $p = 0.005$). Specifically, Hong Kong residents are more likely to be Type 1 fast thinkers (70.0%) than mainland Chinese tourists (61.0%; $p = 0.008$) and international tourists (62.2%; $p = 0.028$). Mainland Chinese tourists (39.0%; $p = 0.008$) and international tourists (37.8%; $p = 0.028$) are more likely to be Type 2 slow thinkers than Hong Kong residents (30.0%).

For Type 1 fast thinkers' principles for ethical judgements, there are significant differences among the three cohorts ($\chi^2 = 49.18$, $p = 0.000$). More Hong Kong residents follow the

first level of moral development (39.14%) than international tourists (23.8%; $p = 0.000$) and more Hong Kong residents follow the second level (16.86%) than mainland Chinese tourists (9.18%; $p = 0.012$). This means that Hong Kong residents are more egoist teleological than tourists. Both mainland Chinese tourists (21.31%) and international tourists (21.2%) are more deontological than Hong Kong residents (10.57%; $p = 0.000$). International tourists are more concerned about ethics of justice (16.4%) than mainland Chinese tourists (8.85%; $p = 0.015$).

Based on the MES score, Hong Kong residents who are Type 2 slow thinkers are more likely to consider buying counterfeits as an ethical behavior (3.01) than mainland Chinese tourists (2.74; $p = 0.002$) and international tourists (2.80; $p = 0.034$). Hong Kong residents seem to be less strict than tourists when making ethical judgements about counterfeit purchases.

Table 7-24 Ethical decision-making difference by cohort

Ethical dilemma	Hong Kong Residents (1)	Mainland Chinese Tourists (2)	International Tourists (3)
Total mean of moral intensity	3.11 ^{2 (.015)}	2.98	3.00
Motivation to process			
Personal relevance mean	3.07	2.98	3.13 ^{2 (.004)}
Emotion mean	2.93	2.82	2.95 ^{2 (.022)}
Total mean of motivation	3.01 ^{2 (.048)}	2.91	3.06 ^{2 (.001)}
Ethical judgement			
(1) Type of thinking ($\chi^2 = 10.42, p = 0.005$)			
Type 1 fast thinking	70.00% ^{2 (.008), 3 (.028)}	61.00%	62.20%
Type 2 slow thinking	30.00%	39.00% ^{1 (.008)}	37.80% ^{1 (.028)}
(2) Type 1 thinkers' ethical principle ($\chi^2 = 49.18, p = 0.000$)			
I mainly focused on personal gain and loss / image / status / principles.	39.14% ^{3 (.000)}	33.44% ^{3 (.024)}	23.8%
I mainly judged whether there is any punishment for the decision.	16.86% ^{2 (.012)}	9.18%	10.6%
I mainly considered the expectation / acceptance of families or friends.	10.57%	11.80%	9.3%
I mainly considered the fairness to those who might be affected by my decision.	10.57%	8.85%	16.4% ^{2 (.015)}
I mainly considered my responsibility to the society.	10.57%	21.31% ^{1 (.000)}	21.2% ^{1 (.000)}
I considered all ethical principles of all cultures and societies.	12.29%	15.41%	18.6%
(3) Type 2 thinkers' MES score			
Total mean of MES	3.01 ^{2 (.002), 3 (.034)}	2.74	2.80
Judgement-behavior gap			

Total mean of effect of others	2.83 ^{3 (.000)}	2.81 ^{3 (.000)}	2.58
Ethical judgement (MES) of buyer & non-buyer			
Buyer	3.36 ^{2 (.006)}	2.71	3.45 ^{2 (.002)}
Non-buyer	2.88	2.74	2.68
Correlation between actual consequence and neutralization (buyers)			
Correlation coefficient	0.373	0.366	0.388
<i>p</i> value	0.000	0.001	0.000
Correlation between satisfaction and shopping intention			
Buyer	0.378	0.683	0.392
<i>p</i> value	0.000	0.000	0.000
Non-buyer	0.311	0.328	0.217
<i>p</i> value	0.000	0.000	0.000
Correlation between satisfaction and perception change			
Buyer	0.184	0.313	0.191
<i>p</i> value	0.015	0.006	0.051
Non-buyer	0.058	-0.039	-0.076
<i>p</i> value	0.297	0.422	0.133
Knowingly buy counterfeits at home or on vacation			
At home	3.03 ^{3 (.000)}	3.26 ^{1 (.004), 3 (.000)}	2.70
On vacation	3.05	2.97	2.98

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column. The number in parenthesis represents the specific *p*-value.

For the judgement-behavior gap, international tourists are the least likely to be affected by others or exercise self-control among the three cohorts (2.58; $p = 0.000$). Hong Kong residents and international tourists can keep their ethical judgements consistent with their moral behaviors, no matter if buyers or non-buyers. However, mainland Chinese tourists buy counterfeits although they think such behavior is unethical.

For counterfeit buyers, if the actual consequence is positive, international tourists are the most likely to neutralize their purchase behavior than the other two cohorts ($r = 0.388$, $p = 0.000$). When the shopping experience is satisfactory, mainland Chinese tourists (both buyers and non-buyers) are the more likely to make the same decision in the future than the other two cohorts ($p = 0.000$). Meanwhile, all buyers' perceptions of Hong Kong as a shopping destination will improve, especially mainland Chinese tourists ($r = 0.313$, $p = 0.006$). However, non-buyers' perceptions of Hong Kong as a shopping destination will not

decrease because counterfeits are available for sale in Hong Kong.

When asked the likelihood to buy counterfeits at home or on vacation, mainland Chinese tourists are more likely to buy counterfeits at home (3.26) than Hong Kong residents (3.03; $p = 0.004$) and international tourists (2.70; $p = 0.000$). International tourists are the least likely to buy counterfeits at home.

7.10.9.2 Differences in ethical decision-making by gender

The ethical decision-making differences between males and females are shown in Table 7-25. Ethical decision-making does not greatly differ by gender. Males have lower personal relevance (3.11; $p = 0.006$) and higher motivation to process Type 1 thinking (3.04; $p = 0.006$) than females. Females are more likely to be affected by others and exhibit less self-control (2.79; $p = 0.001$). If the shopping experience is satisfactory, females are more likely to make the same ethical decision in the future than males ($p = 0.000$).

Table 7-25 Ethical decision-making difference by gender

Ethical dilemma	Males (1)	Females (2)
Total mean of moral intensity	3.04	3.02
Motivation to process		
Personal relevance mean	3.11 ^{2 (.006)}	3.01
Emotion mean	2.93	2.87
Total mean of motivation	3.04 ^{2 (.006)}	2.95
Ethical judgement		
(1) Type of thinking		
Type 1 fast thinking	66.26%	62.58%
Type 2 slow thinking	33.74%	37.42%
(2) Type 1 thinkers' ethical principle		
I mainly focused on personal gain and loss / image / status / principles.	21.05%	20.69%
I mainly judged whether there is any punishment for the decision.	8.77%	7.25%
I mainly considered the expectation / acceptance of families or friends.	6.75%	6.85%
I mainly considered the fairness to those who might be affected by my decision.	8.23%	7.11%
I mainly considered my responsibility to the society.	12.15%	10.28%
I considered all ethical principles of all cultures and societies.	9.31%	10.41%
(3) Type 2 thinkers' MES score		
Total mean of MES	2.86	2.82

Judgement-behavior gap		
Total mean of effect of others	2.68	2.79 ^{1 (.001)}
Ethical judgement (MES) of buyer & non-buyer		
Buyer	3.29	3.25
Non-buyer	2.77	2.73
Ethical behavior		
Buyer	24.16%	23.19%
Non-buyer	75.84%	76.81%
Correlation between actual consequence and neutralization (buyers)		
Correlation coefficient	0.331	0.409
<i>p</i> value	0.000	0.000
Correlation between satisfaction and shopping intention		
Buyer	0.388	0.587
<i>p</i> value	0.000	0.000
Non-buyer	0.249	0.344
<i>p</i> value	0.000	0.000
Correlation between satisfaction and perception change		
Buyer	0.226	0.264
<i>p</i> value	0.002	0.000
Non-buyer	-0.003	-0.053
<i>p</i> value	0.941	0.204

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column. The number in parenthesis represents the specific *p*-value.

7.10.9.3 Differences in ethical decision-making by age

The age groups are aggregated into three main groups: 18 to 34 years old, 35 to 54 years old, and over 55 years old (Table 7-26).

The youngest age group has lower moral intensity (3.08) than the eldest age group (2.94; $p = 0.015$). The eldest age group is the least likely to be affected by emotions (2.76) than younger people ($p < 0.003$).

For ethical judgements, the type of thinking differs significantly by age ($\chi^2 = 14.45$, $p = 0.001$). There are more Type 1 fast thinkers in the eldest age group (71.51%) than in the youngest age group (59.10%; $p = 0.001$); and more Type 2 slow thinkers in the youngest age group (40.90%) than the eldest age group (28.49%; $p = 0.001$).

Type 1 fast thinkers' ethical principles also differs by age group ($\chi^2 = 32.22, p = 0.000$). The eldest age group are the least likely to follow the first level of moral development (egoist teleology) (16.32%) compared to the youngest age group (22.70%; $p = 0.000$) and the middle-aged group (21.71%; $p = 0.015$). The eldest age group (16.91%; $p = 0.000$) and the middle-aged group (12.17%; $p = 0.018$) are more deontological than the youngest age group (6.67%). However, there are no significant differences between age groups on the Type 2 thinkers' MES score.

Table 7-26 Ethical decision-making difference by age

Ethical dilemma	18 to 34 years (1)	35-54 years (2)	55 years + (3)
Total mean of moral intensity	3.08 ^{3 (.015)}	3.04	2.94
Motivation to process			
Personal relevance mean	3.06	3.07	3.05
Emotion mean	2.94 ^{3 (.002)}	2.94 ^{3 (.001)}	2.76
Total mean of motivation	3.01	3.02	2.93
Ethical judgement			
(1) Type of thinking ($\chi^2 = 14.45, p = 0.001$)			
Type 1 fast thinking	59.10%	65.30%	71.51% ^{1 (.001)}
Type 2 slow thinking	40.90% ^{3 (.001)}	34.70%	28.49%
(2) Type 1 thinkers' ethical principle ($\chi^2 = 32.22, p = 0.000$)			
I mainly focused on personal gain and loss / image / status / principles.	22.70% ^{3 (.000)}	21.71% ^{3 (.015)}	16.32%
I mainly judged whether there is any punishment for the decision.	7.03%	7.89%	9.79%
I mainly considered the expectation / acceptance of families or friends.	7.57%	5.26%	8.31%
I mainly considered the fairness to those who might be affected by my decision.	7.21%	8.55%	6.82%
I mainly considered my responsibility to the society.	6.67%	12.17% ^{1 (.018)}	16.91% ^{1 (.000)}
I considered all ethical principles of all cultures and societies.	7.93%	9.70%	13.35%
(3) Type 2 thinkers' MES score			
Total mean of MES	2.85	2.87	2.73
Judgement-behavior gap			
Total mean of effect of others	2.90 ^{2 (.000), 3 (.000)}	2.68 ^{3 (.026)}	2.56
Ethical judgement (MES) of buyer & non-buyer			
Buyer	3.19	3.35	3.35
Non-buyer	2.76	2.79	2.66
Ethical behavior			

Buyer	25.23%	25.16%	18.40%
Non-buyer	74.77%	74.84%	81.60%
Correlation between actual consequence and neutralization (buyers)			
Correlation coefficient	0.400	0.408	0.194
<i>p</i> value	0.000	0.001	0.130
Correlation between satisfaction and shopping intention			
Buyer	0.518	0.506	0.302
<i>p</i> value	0.000	0.000	0.017
Non-buyer	0.334	0.299	0.214
<i>p</i> value	0.000	0.000	0.000
Correlation between satisfaction and perception change			
Buyer	0.218	0.330	-0.012
<i>p</i> value	0.010	0.000	0.928
Non-buyer	0.008	-0.025	-0.094
<i>p</i> value	0.875	0.599	0.119

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column. The number in parenthesis represents the specific *p*-value.

For judgement-behavior gap, the youngest age group is the most easily to be affected by others (2.90) than the middle-aged group (2.68; $p = 0.000$) and the eldest age group (2.56; $p = 0.000$). The oldest age group have more self-control (2.56) than the middle-aged group (2.68; $p = 0.026$). There are more counterfeit buyers in the youngest age group (25.23%) and the middle-aged group (25.16%) than the eldest age group (18.40%) but the differences are not statistically significant.

The youngest age group is the most likely to neutralize their counterfeit purchase behavior and would be repeat buyers of counterfeit products if they were satisfied with the shopping experience. Buyers in the two younger age groups have improved perceptions of Hong Kong as a shopping destination ($p < 0.01$). But counterfeits selling in Hong Kong is not associated with decrease in perceptions among non-buyers ($p > 0.1$). The perception of Hong Kong as a shopping destination among the eldest age group will not change significantly even if they are satisfied with the shopping experience.

7.10.9.4 Differences in ethical decision-making by education level

Respondents' highest level of education is re-categorized into three main groups: high school graduate or below (28.5% of the total sample), some college credit or vocational

training (27.4%), and bachelor's degree or above (44.1%). Table 7-27 shows the results.

Respondents with bachelor's degree or above have higher moral intensity (2.97) than the other two groups, especially higher than respondents with some college credit (3.12; $p = 0.003$). Similarly, respondents with higher educational attainment have the highest personal relevance (2.99) than the other groups but are the most easily to be affected by emotion (2.93) especially compared to respondents who are high school graduates or below (2.82; $p = 0.043$).

Table 7-27 Ethical decision-making difference by education

Ethical dilemma	High school graduate or below (1)	Some college credit or vocational training (2)	Bachelor's degree or above (3)
Total mean of moral intensity	3.04	3.12 ³ (.003)	2.97
Motivation to process			
Personal relevance mean	3.09	3.14 ³ (.005)	2.99
Emotion mean	2.82	2.93	2.93 ¹ (.043)
Total mean of motivation	2.98	3.05	2.97
Ethical judgement			
(1) Type of thinking ($\chi^2 = 9.97, p = 0.007$)			
Type 1 fast thinking	70.09% ² (.006)	59.85%	63.54%
Type 2 slow thinking	29.91%	40.15% ¹ (.006)	36.46%
(2) Type 1 thinkers' ethical principle ($\chi^2 = 16.92, p = 0.076$)			
I mainly focused on personal gain and loss / image / status / principles.	19.16%	18.98%	23.15% ¹ (.031)
I mainly judged whether there is any punishment for the decision.	9.81%	8.03%	6.81%
I mainly considered the expectation / acceptance of families or friends.	6.54%	6.08%	7.41%
I mainly considered the fairness to those who might be affected by my decision.	7.01%	8.52%	7.56%
I mainly considered my responsibility to the society.	15.89% ³ (.015)	9.49%	9.23%
I considered all ethical principles of all cultures and societies.	11.68%	8.76%	9.38%
(3) Type 2 thinkers' MES score			
Total mean of MES	2.91	2.86	2.78
Judgement-behavior gap			
Total mean of effect of others	2.73	2.75	2.73
Ethical judgement (MES) of buyer & non-buyer			

Buyer	3.31	3.30	3.22
Non-buyer	2.84	2.77	2.69
Ethical behavior			
Buyer	24.07%	25.30%	22.39%
Non-buyer	75.93%	74.70%	77.61%
Correlation between actual consequence and neutralization (buyers)			
Correlation coefficient	0.343	0.516	0.306
<i>p</i> value	0.000	0.000	0.000
Correlation between satisfaction and shopping intention			
Buyer	0.393	0.423	0.613
<i>p</i> value	0.000	0.000	0.000
Non-buyer	0.378	0.345	0.218
<i>p</i> value	0.000	0.000	0.000
Correlation between satisfaction and perception change			
Buyer	0.363	0.000	0.364
<i>p</i> value	0.000	1.000	0.000
Non-buyer	-0.036	-0.018	-0.035
<i>p</i> value	0.517	0.751	0.433

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column. The number in parenthesis represents the specific *p*-value.

For ethical judgements, the type of thinking varies by educational attainment ($\chi^2 = 9.97$, $p = 0.007$). Specifically, respondents with high school graduate or below education have the highest proportion of Type 1 fast thinkers (70.09%; $p = 0.006$) while respondents with some college credit have the highest proportion of Type 2 slow thinkers (40.15%; $p = 0.006$).

For Type 1 fast thinkers, surprisingly, those with higher education attainment focus on personal benefits (23.15%) than those with lower educational attainment (19.16%; $p = 0.031$) while those with lower educational attainment consider their responsibility to society (15.89%) more than those with higher education levels (9.23%; $p = 0.015$). There are no significant differences in MES scores among groups with different educational levels for Type 2 slow thinkers.

For those in the middle education group, there are more buyers than the other two groups but the difference is not significant and they are more likely to neutralize their purchase

behavior if the shopping experience is satisfactory. Buyers with a higher level of education are the most likely to buy counterfeits again in the future ($r = 0.613, p = 0.000$) while non-buyers with lower education are the most likely to keep continuing not to buy counterfeits ($r = 0.378, p = 0.000$). Buyers in the middle education group will not change their perception towards Hong Kong as a shopping destination although they are satisfied but the other two groups, the perception of Hong Kong as a shopping destination will improve significantly ($p = 0.000$).

7.10.9.5 Differences in ethical decision-making by religion

The author then compares ethical decision-making between respondents who state they have no religion and those who are affiliated with a particular religion. The result is shown in Table 7-28. There were few significant differences among those who stated they had no religion and those affiliated to various religious groups.

Respondents with no religion have lower moral intensity (3.07) than religious respondents (2.97; $p = 0.008$). The type of thinking also varies by religion ($\chi^2 = 6.12, p = 0.013$). There is a higher proportion of Type 1 fast thinkers in the group with no religion (66.81%; $p = 0.013$) and a higher proportion of Type 2 slow thinkers among those respondents identifying with religion (39.48%; $p = 0.013$). The mean of MES score is higher for respondents with no religion (2.86) than those identifying with a religion (2.81), but the difference is not statistically significant. People with no religion is more easily to be affected by others (2.79; $p = 0.001$). Both groups can keep their ethical judgements and moral behaviors consistent, but religious buyers are significantly less strict in the ethical judgement (3.44; $p = 0.032$) and religious non-buyers are stricter than non-buyers who don't identify with a religion (2.81; $p = 0.029$). There are more buyers in the group with religion but the difference is not statistically significant. Religious respondents are more likely to neutralize their purchase behavior ($r = 0.451, p = 0.000$). Non-religious buyers are more likely to buy counterfeits again in the future ($r = 0.529, p = 0.000$) while religious non-buyers are better keeping to their decision not to buy counterfeits ($r = 0.332, p = 0.000$).

Table 7-28 Ethical decision-making difference by religion

Ethical dilemma	No religion (1)	Have religion (2)
Total mean of moral intensity	3.07 ^{2 (.008)}	2.97
Motivation to process		

Personal relevance mean	3.09	3.01
Emotion mean	2.90	2.89
Total mean of motivation	3.01	2.96
Ethical judgement		
(1) Type of thinking ($\chi^2 = 6.12, p = 0.013$)		
Type 1 fast thinking	66.81% ^{2 (.013)}	60.52%
Type 2 slow thinking	33.19%	39.48% ^{1 (.013)}
(2) Type 1 thinkers' ethical principle		
I mainly focused on personal gain and loss / image / status / principles.	22.38%	18.43%
I mainly judged whether there is any punishment for the decision.	8.22%	7.65%
I mainly considered the expectation / acceptance of families or friends.	6.27%	7.65%
I mainly considered the fairness to those who might be affected by my decision.	8.32%	6.61%
I mainly considered my responsibility to the society.	11.68%	10.43%
I considered all ethical principles of all cultures and societies.	9.95%	9.74%
(3) Type 2 thinkers' MES score		
Total mean of MES	2.86	2.81
Judgement-behavior gap		
Total mean of effect of others	2.79 ^{2 (.001)}	2.66
Ethical judgement (MES) of buyer & non-buyer		
Buyer	3.10	3.44 ^{1 (.032)}
Non-buyer	2.81 ^{2 (.029)}	2.66
Ethical behavior		
Buyer	22.70%	25.22%
Non-buyer	77.30%	74.78%
Correlation between actual consequence and neutralization (buyers)		
Correlation coefficient	0.322	0.451
<i>p</i> value	0.000	0.000
Correlation between satisfaction and shopping intention		
Buyer	0.529	0.401
<i>p</i> value	0.000	0.000
Non-buyer	0.267	0.332
<i>p</i> value	0.000	0.000

Correlation between satisfaction and perception change

Buyer	0.238	0.228
<i>p</i> value	0.000	0.006
Non-buyer	-0.029	-0.020
<i>p</i> value	0.447	0.672

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column. The number in parenthesis represents the specific *p*-value.

7.10.9.6 Differences in ethical decision-making by travel alone or with others

The ethical decision-making might be different when people are traveling alone or with others, such as their spouse, children and friends. To identify this difference, comparisons were made between two groups: those traveling alone and those traveling with others. Table 7-29 shows the results.

The travel companionship has significant effect on ethical judgements. For Type 1 fast thinkers, there is a higher proportion of respondents who travel with others that consider their responsibility to the society (14.27%) than respondents who travel alone (5.80%, $p = 0.013$). However, for Type 2 slow thinkers, respondents travelling with others have a higher MES mean score (2.81) than those travelling alone (2.58; $p = 0.030$). This means that when people travel with others, their ethical judgement on purchasing counterfeits is not as strict as those travel alone. Surprisingly, there is no significant differences on the effect of others. Although tourists travelling alone think buying counterfeits is not ethical, they still buy counterfeits and there is a higher proportion of counterfeit buyers (22.46%) than those travelling with others (17.40%). This means that when people travel by themselves, their ethical judgement is less consistent with their moral behavior. They are more likely to undertake unethical behavior although they know it's unethical.

Table 7-29 Ethical decision-making difference by travel companionship

Ethical dilemma	Travel alone (1)	Travel with others (2)
Total mean of moral intensity	2.90	3.01
Motivation to process		
Personal relevance mean	3.04	3.06
Emotion mean	2.97	2.87
Total mean of motivation	3.01	2.98

Ethical judgement

(1) Type of thinking

Type 1 fast thinking	55.80%	62.53%
Type 2 slow thinking	44.20%	37.47%

(2) Type 1 thinkers' ethical principle ($\chi^2 = 7.07$, $p = .215$)

I mainly focused on personal gain and loss / image / status / principles.	18.12%	17.52%
I mainly judged whether there is any punishment for the decision.	5.07%	6.26%
I mainly considered the expectation / acceptance of families or friends.	7.97%	6.26%
I mainly considered the fairness to those who might be affected by my decision.	7.97%	7.77%
I mainly considered my responsibility to the society.	5.80%	14.27% ^{1 (.013)}
I considered all ethical principles of all cultures and societies.	10.87%	10.44%

(3) Type 2 thinkers' MES score

Total mean of MES	2.58	2.81 ^{1 (.030)}
-------------------	------	--------------------------

Judgement-behavior gap

Total mean of effect of others	2.61	2.70
Ethical judgement (MES) of buyer & non-buyer		
Buyer	2.29	3.29 ^{1 (.004)}
Non-buyer	2.60	2.73

Ethical behavior

Buyer	22.46%	17.40%
Non-buyer	77.54%	82.60%

Correlation between actual consequence and neutralization (buyers)

Correlation coefficient	0.434	0.349
<i>p</i> value	0.015	0.000

Correlation between satisfaction and shopping intention

Buyer	0.369	0.616
<i>p</i> value	0.041	0.000
Non-buyer	0.246	0.289
<i>p</i> value	0.011	0.000

Correlation between satisfaction and perception change

Buyer	-0.037	0.372
<i>p</i> value	0.844	0.000
Non-buyer	-0.168	-0.014
<i>p</i> value	0.084	0.700

* A superscript represents a statistically significant difference at the 95% level of confidence from the indicated column. The number in parenthesis represents the specific *p*-value.

7.11 Ethical decision-making model of counterfeit demand

A binary logistic regression is conducted to test the significance of various factors in predicting whether individuals buy counterfeits. The explanatory variables include moral intensity (grand mean across items), personal relevance (grand mean across items), emotion (grand mean across items), motivation (grand mean across items), effect of others (grand mean across items), type of thinking, as well as demographic factors including gender, age, education and religion. The dependent variable is whether an individual buys counterfeits or not (Figure 4-1).

Table 7-30 shows the result of binary logistic regression. As shown in Table 7-30, after entering the variables, the value of -2 log likelihood decreases significantly from 1641.62 to 1450.52 ($p = 0.000$). This means the variables make significant contribution in predicting whether an individual is a counterfeit buyer or not. The logistic regression model is statistically significant, $\chi^2(8) = 14.152, p < 0.1$. The overall percentage correctly predicted by the model is 77.1%. Specifically, the model can correctly predict 96.1% non-buyers and 15.8% buyers.

Table 7-30 Result of binary logistic regression

Initial -2 Log likelihood with constant only	1641.62
-2 Log likelihood with variables entered	1450.52
Model chi-square (Changed -2 Log likelihood)	191.097 ($p = 0.000$)
Hosmer and Lemeshow Test Chi-square	14.152 (df = 8, $p = 0.078$)
Percentage correctly predicted with constant only	76.3%
Percentage correctly predicted with variables entered	Yes: 15.8% No: 96.1% Overall: 77.1%

Table 7-31 shows the effects of different variables on the likelihood that tourists do not buy counterfeits. The model explains 18.0% (Nagelkerke R Square) of the variance in counterfeit purchase. Six factors are significant determinants ($p < 0.05$) of the likelihood to purchase counterfeits: moral intensity, motivation, Type 2 slow thinking, religion, personal relevance, and effect of others. $\text{Exp}(\beta)$ column in Table 7-31 shows the odds ratio of the independent variables, which are the exponentiation of the coefficients. An increase in one unit of personal relevance (one unit lower in personal relevance) is associated with being

2.37 times less likely to buy counterfeits. An increase in one unit on the Type 2 slow thinking is associated with being 1.81 times less likely to buy counterfeits. In contrast, an increase in one unit of moral intensity (lower moral intensity), motivation (lower personal relevance and less emotion effects), religion, and effect of others is associated with more likely to buy counterfeits.

Table 7-31 Logistic regression for likelihood to not buy counterfeit products

Variables in the Equation	β	S.E.	Wald	df	<i>p</i> -value	Exp(β)
Constant	5.42	0.53	104.93	1	0.000	226.59
Moral intensity	-0.57	0.13	18.28	1	0.000	0.56
Motivation	-1.41	0.26	28.94	1	0.000	0.24
Type 2 slow thinking	0.60	0.15	16.08	1	0.000	1.81
Female	0.05	0.13	0.15	1	0.700	1.05
18-34 years old			3.68	2	0.158	
35-54 years old	-0.06	0.15	0.19	1	0.664	0.94
55 years old +	0.29	0.19	2.17	1	0.141	1.33
High school graduate or below			1.86	2	0.394	
Some college credit or trade / vocational training	0.07	0.18	0.14	1	0.709	1.07
Bachelor's degree or above	0.21	0.17	1.66	1	0.197	1.24
Have religion	-0.33	0.14	5.91	1	0.015	0.72
Personal relevance	0.86	0.21	16.15	1	0.000	2.37
Effect of others	-0.34	0.10	11.28	1	0.001	0.71

Cox & Snell R Square = 12.0%; Nagelkerke R Square = 18.0%; S.E. = Standard error; df = Degrees of freedom.

7.12 Conclusion

The main survey collects 1,500 questionnaires from Hong Kong local residents, mainland Chinese tourists, and international tourists. The results of EFA and reliability tests (Cronbach Alphas) confirms the validity of constructs developed from previous literature. Tourists' demand for counterfeits and the economic value of counterfeits purchases is estimated. Hypotheses are tested to explore the ethical decision-making process. As shown in Table 7-32, Hypothesis 2a, 2b, 4a1, 5b, 7,8b are supported; Hypothesis 3 and 8a are partially supported; Hypothesis 1, 4a2, 4b, 5a, and 6 are not supported. New findings are thus summarized also in Table 7-32. The effects of various demographic factors are also

explored. Table 7-33 summarizes the key findings of how culture (tourist type), gender, age, education, religion and travel companionship affect tourist ethical decision-making on counterfeit purchases. The results of logistic regression show that moral intensity, motivation, personal relevance, type of thinking, religion (being religious or not), and effect of others are significant factors to predict the likelihood of tourist counterfeit purchase.

Table 7-32 Summary of Hypotheses Testing

Ethical dilemma	Results
Hypothesis 2a: Type 1 fast thinking will be used if moral intensity is perceived to be low;	H2a and H2b supported
Hypothesis 2b: Type 2 slow thinking will be used if moral intensity is perceived to be high.	
Motivation & opportunity to process	
Hypothesis 3a: Type 1 fast thinking will be used if personal relevance is low, cognitive effort is low, emotion is negative, and time is limited;	H3 Partially supported
Hypothesis 3b: Type 2 slow thinking will be used if personal relevance is high, cognitive effort is high, emotion is positive and time is sufficient.	New finding: Type 1's emotion is more positive than Type 2.
Ethical judgement	
Hypothesis 4a1: Type 1 fast thinkers will follow lower cognitive level of moral reasoning.	H4a1 supported
Hypothesis 4a2: Type 1 fast thinkers are more easily affected by the marketing strategies of counterfeit sellers.	H4a2 not supported New finding: framing effect is not significant for Type 1 buyers.
Hypothesis 4b: Type 2 slow thinkers will be more deontological / follow higher cognitive level of moral reasoning.	H4b not supported New finding: both Type 1 and Type 2 buyers follow teleological reasoning.
Judgement-behavior gap	
Effect of others	
Hypothesis 5a1: Type 1 fast thinking will be used if tourists have low ego strength, are field dependent and the locus of control is external.	H5a not supported
Hypothesis 5a2: Type 2 slow thinking will be used if tourists have high ego strength, are field independent and the locus of control is internal.	New finding: both Type 1 and Type 2 thinkers are not easily affected by others. But Type 1 thinkers are more likely to be affected by other's opinions than Type 2 thinkers.
H5b: Type 2 slow thinkers' moral behaviors will be consistent with their ethical judgements.	H5b supported
Ethical / unethical behavior	
Hypothesis 6a: Type 1 thinkers will buy counterfeits (unethical behavior).	H6 not supported
Hypothesis 6b: Type 2 thinkers will not buy counterfeits (ethical behavior).	New finding: Both types of thinking can undertake ethical or unethical behavior, but Type 1 fast thinking is

	more likely to drive unethical behavior.
Actual consequences	
Hypothesis 7: If the actual consequence of counterfeit consumption is positive, techniques of neutralization will be used to rationalize the purchase behavior.	Supported. New finding: Type 2 thinkers are more likely to neutralize their purchase behavior.
Impacts of personal experience	
Hypothesis 8a: The personal experience of counterfeit consumption is positively correlated to the tourists' perception change of Hong Kong as a shopping destination.	H8a partially supported. New finding: non-buyers' perception do not decrease given the fact that counterfeits are sold in Hong Kong.
Hypothesis 8b: The personal experience of counterfeit consumption is positively correlated to the tourists' next ethical decision-making of counterfeit consumption.	H8b supported
How Type 1 and Type 2 thinking works?	
H1: A tourist only uses one type of thinking when making ethical decision of buying counterfeits.	Not supported New finding: Type 1 and Type 2 thinking can work simultaneously and interweave with each other during the decision-making process.

Table 7-33 Summary of key findings of demographic effects

Demographic effects	Key findings
Tourist types (Culture difference)	<ul style="list-style-type: none"> • Similarity: Over 60% of each three cohorts are <u>Type 1 fast thinkers</u>. • Culture difference is significant concerning ethical judgement. • Compared to tourists, <u>Hong Kong residents</u> perceive lower moral intensity of buying counterfeits, are more likely to think such behavior is ethical, have more Type 1 fast thinkers, are more egoist teleological focusing on personal gain and whether there is any punishment, have the highest percentage of counterfeit buyers. • <u>International tourists</u> perceived lower personal relevance, are more likely to be affected by emotions than mainland Chinese tourists, are the least easily to be affected by others, are the most likely to neutralize their behavior, are most likely to buy counterfeits on vacation, and have more counterfeit buyers than mainland Chinese tourists. • <u>Mainland Chinese tourists</u> are the least likely to process Type 1 fast thinking, are the most likely to do the same thing in the future if they are satisfied with shopping experience (buyers keep buying; non-buyers keep not buying), are the most likely to buy counterfeits at home not on vacation, and have the least percentage of counterfeit buyers. They are the only cohort that cannot keep

	<p>ethical judgement consistent with their moral behavior that they buy counterfeits although they think such behavior is not ethical.</p> <ul style="list-style-type: none"> • <u>Tourists</u> are more deontological than residents; specifically, international tourists more concerned about ethics of justice (fairness to others) while mainland Chinese tourists mainly consider their responsibility to the society. • <u>Tourists' perception of the Destination</u> will increase if their shopping experience is satisfactory no matter if buyers or non-buyers; selling counterfeits does not have significant negative effect on non-buyers' perception towards Hong Kong.
Gender	<ul style="list-style-type: none"> • Gender does not have much of an effect on the ethical decision-making, in general. • <u>No significant gender differences</u> on ethical judgement. • Both genders have over 60% Type 1 fast thinkers. • <u>Males</u> perceive lower personal relevance of buying counterfeits, and have higher motivation to process Type 1 thinking than females. • <u>Females</u> have less self-control, are more likely to be affected by others, are more likely to neutralize their behavior and are more likely to make the same ethical decision (do the same thing) in the future if shopping experience is satisfactory.
Age	<ul style="list-style-type: none"> • Age has a <u>significant</u> impact on ethical judgement. • <u>Young people</u> (18-34 years old) perceive the lowest moral intensity, have the lowest percentage of Type 2 slow thinkers, are more concerned about personal gain (egoist teleology), are the most easily to be affected by others, and are most likely to do the same thing if the shopping experience is satisfactory. • <u>The elderly people</u> (55 years +) are the least easily to be affected by emotion, have the highest percentage of Type 1 fast thinkers, are the most deontological (consider responsibility to the society), are the most likely to control themselves well, and have the least percentage of counterfeit buyers. • <u>The middle-age people</u> (35-54 years old) are similar to the younger age bracket in ethical decision-making generally.
Education	<ul style="list-style-type: none"> • Over 59% of each education group are Type 1 fast thinkers. • Educational background is <u>significant</u> on ethical judgement. • <u>High school graduates</u> are the least easily to be affected by emotion, have the highest percentage of Type 1 fast thinkers, are most concerned about their responsibility to the society (deontology), and are the most likely to keep not buying counterfeit. • <u>College graduates</u> perceive the lowest moral intensity of buying counterfeits, have the lowest personal relevance, have the highest percentage of Type 2 slow thinkers, have the highest proportion of

	<p>counterfeit buyers, and are the most likely to neutralize their purchase behavior,</p> <ul style="list-style-type: none"> • <u>Bachelor graduates</u> perceive the highest moral intensity, have the highest personal relevance, are the most easily to be affected by emotion, are most concerned about personal gains (egoist teleology), have the lowest proportion of counterfeit buyers, and are the most likely to buy counterfeits again in the future if shopping experience is satisfactory.
Religion	<ul style="list-style-type: none"> • Type of thinking differs <u>significantly</u> by Religion. People with no religion are more Type 1 fast thinkers, while people with religion are more Type 2 slow thinkers. • <u>People with no religion</u> perceive lower moral intensity, are more easily to be affected by others, and are more likely to buy counterfeits again in the future if their shopping experience is satisfactory, • <u>People with religion</u> are more likely to neutralize their behavior, and • more likely to keep not buying counterfeits in the future.
Travel companionship (Travel alone or not)	<ul style="list-style-type: none"> • Travel companionship has a <u>significant</u> effect on ethical judgement. • <u>Tourists travelling with others</u> are concerned more about their responsibility to the society (deontology), but are more likely to consider buying counterfeits as ethical, are more likely to do the same thing in the future if shopping experience is satisfactory, and their perceptions of Hong Kong will increase if their shopping experience is satisfactory. • <u>Tourists travelling alone</u> are stricter in that they think buying counterfeits is not ethical, but there are more counterfeit buyers. They buy counterfeits although they think such behavior is not ethical, so their moral behavior is not consistent with their ethical judgement. They are more likely to neutralize their purchase behavior, and their perception towards Hong Kong as a shopping destination will not increase although they are satisfied with the shopping experience. • The effect of others is <u>not significantly</u> different between the two groups. Tourists travelling with others also are not easily affected by others.

The quantitative findings are supported by qualitative findings especially for those related to the three cohorts. Both interview and survey result shows that (1) over 60% are Type 1 fast thinkers; (2) compared to mainland Chinese tourists, international tourists are more likely to buy counterfeits while travelling Hong Kong; (3) international tourists are more likely to be emotional and affected by others; (4) international tourists perceive higher benefits of counterfeit products especially “value for money” which is emphasized in the

interview; “more choice of product” is also frequently mentioned in the interview; (5) compared to international tourists, mainland Chinese non-buyers’ perceptions of Hong Kong are more likely to decrease because of the availability of counterfeits in Hong Kong; some strict non-buyers from mainland China even said they would not come to Hong Kong again because of counterfeits in the interview.

8 Discussions

This chapter discusses the results revealed in the previous chapter and provides implications, both theoretical and practical, as a consequence of these results. The chapter concludes, noting the limitations of the research and areas for future research.

8.1 Objective One: the incidence of counterfeit purchases among different tourist types

The phenomenon of tourists purchasing counterfeits non-deceptively is prevalent in Hong Kong. Over one in three Hong Kong residents reported making a counterfeit purchase in the last 12 months, and about one in five international tourists and one in seven mainland Chinese tourists reported buying counterfeits during the trip to Hong Kong. There is already a lot of research investigating consumer attitudes or motivations of counterfeit purchases (such as: ACG, 2004; Stewart, 2005; Tom et al., 1998). Several conceptual models of consumer demand for counterfeits have been developed (Chaudhry & Zimmerman, 2009). However, previous research has captured purchase intention rather than actual behavior. Empirical studies that capture actual counterfeit purchase behavior and motivations underlying these purchases are extremely rare. Purchasers may not want to discuss perceived unethical purchases. This research bridges this gap. Even though a phenomenon is difficult to investigate, it does not necessarily mean this phenomenon should be neglected. On the contrary, it is important to investigate unethical behavior. This dark side of humanity exists in all cultures. As we found, there are buyers of counterfeits from international tourists, mainland Chinese tourists and Hong Kong residents.

Previous research (Husted, 2000; Marron & Steel, 2000; Wang et al., 2005) discovered that Eastern consumers, who are more collectivist in nature, are more willing to buy fake products and Western consumers, who are more individualistic, are less likely to buy counterfeits. Respect for creativity and intellectual property is considered important in western countries but intellectual property is less protected in a collectivist society like China (Zimmerman, 2013). However, the situation is different when counterfeits are purchased abroad by tourists. The result of this research contrasts with previous research in that more international tourists buy counterfeits in Hong Kong than mainland Chinese tourists.

One of the determining factors for this is the difference of IPR laws and restrictions between home countries and the tourist destination. Consumers tend to buy counterfeits in the place which has less strict IPR laws. This confirms the results of Schuchert-Güler and Eisend (2003) where consumers from countries with strict IPR enforcement are more likely to engage in counterfeit purchases on holiday since it is a hedonic and adventurous shopping experience. Therefore, compared to legal reasons, culture has less of an effect on restricting people's unethical behavior. The law seems to be the most effective way to prevent unethical behavior in this area.

Compared to tourists, Hong Kong residents have higher incidence of counterfeit purchases. Nevertheless, they confess that they are more likely to purchase counterfeits while on vacation than at home, similar to international tourists. This matches previous research where consumers are more likely to behave in a deviant manner while on vacation because of lower social constraints (McKercher, 2015; McKercher et al., 2008). Yet, we found Hong Kong residents buy more counterfeits than tourists despite having more constraints. One possible reason for this is due to the incidence of Hong Kong residents' counterfeit purchases covers the last 12 months but the incidence of tourists only covers the current trip they are taking.

For mainland Chinese tourists, lower social constraints do not lead to more counterfeit purchases, but their average expenditure on counterfeits is the highest among the three cohorts. Despite the lower incidence of counterfeit purchases among mainland Chinese tourists, the sheer volume of mainland Chinese tourists dwarf the other segments of Hong Kong residents and international tourists. Different from Jiang (2014) who found that handbags and wallets are the most commonly purchased items, footwear is the most popular counterfeit item for mainland Chinese tourists while counterfeit wearing apparel is popular for international tourists and Hong Kong residents. This matches with the qualitative interview results where handbags are too eye-catching and footwear is much less likely to be recognized by others as counterfeit.

8.2 Objective Two: to estimate the economic value of counterfeit purchase among different tourist types

It is estimated that the total tourist market spending is HK\$ 6,319.60 million (US\$ 810.21

million) on non-deceptive counterfeit products per year, with mainland Chinese spending HK\$ 5,340.77 million (US\$ 684.71 million) and international tourists spending HK\$ 978.83 million (US\$ 125.49 million) respectively. Hong Kong residents are estimated to spend HK\$ 781.69 million (US\$ 100.22 million) on non-deceptive counterfeits.

The total economic value of counterfeit demand in Hong Kong is estimated to be HK\$ 7101.29 million (US\$ 910.43 million). According to Global Brand Counterfeiting Report 2018, the total amount of counterfeiting globally has reached 1.2 trillion USD in 2017 which includes all kinds of counterfeiting, selling both online and off-line (RSG, 2018). Thus, the estimated economic value of counterfeit demand in Hong Kong is reasonable because it only measures counterfeit demand for fashion products that are selling off-line (in local markets).

Based on the estimation, 89% of counterfeit demand in Hong Kong comes from tourists. The expenditure on non-deceptive counterfeit purchase counts for 4.2% of total tourist shopping expenditure and up to 6.5% of international tourists' shopping expenditure. By knowing this fact, Hong Kong government and brand companies can develop anti-counterfeit marketing strategies, especially aimed at tourists, to decrease the economic value that is lost to counterfeits. To develop efficient strategies, it is necessary to know what affects the consumers' ethical decision-making process.

8.3 Objective Three: To explore the ethical decision-making among different tourist types

New knowledge has been created into how tourists make ethical decisions based on dual-process theory. As summarized in Table 7-32, Type 1 fast thinkers perceive counterfeit purchase with low moral intensity, low personal relevance, with positive emotions rather than negative emotions; they make ethical judgements based on low cognitive level of moral reasoning which is egoist teleology, but are not easily affected by how the counterfeit sellers promote their products; their ego strength is not low, not field dependent and the locus of control is not external, which suggests that they can keep to their personal judgements relatively well without being affected by others. However, compared to Type 2 slow thinkers, Type 1 fast thinkers are more likely to be affected by others. Type 1 fast thinkers will not always buy counterfeits or undertake other unethical behavior; they can also be ethical and

may not buy counterfeits as indicated in the qualitative interviews. Nevertheless, Type 1 fast thinkers do purchase more counterfeits than Type 2 slow thinkers, which suggests that Type 1 fast thinking has a stronger relationship with buying counterfeits or undertaking unethical behavior. This matches with Jones (1991) who found that when moral intensity is low, individuals may compromise their moral standards and be more likely to engage in unethical behavior, like Type 1 fast thinkers.

On the contrary, Type 2 slow thinkers perceive counterfeit purchases with high moral intensity, high personal relevance, but not positive emotions. This is contrary to Gaudine and Thorne (2001)'s study who found that individuals are more likely to undertake sophisticated moral reasoning (Type 2 slow thinking) when their emotions are positive and aroused. Actually, Type 2 slow thinkers' emotions are more negative than Type 1 fast thinkers when they make ethical decisions. Gaudine and Thorne (2001) also emphasize the effect of emotions on all stages of ethical decision-making. However, emotions do not have a significant influence on both Type 1 fast and Type 2 slow thinkers in this study.

It is also surprising to find that Type 2 slow thinkers are similar to Type 1 fast thinkers in that they are also teleological rather than deontological when making ethical decisions. Their level of moral development is not as high as suggested by Kohlberg (1984) who found that individuals who can analyze an ethical dilemma comprehensively are usually at a higher level of moral development. The reason might be tourists engage in hedonic activities and thus are less considerate of society. Unlike Type 1 fast thinkers, Type 2 slow thinkers are less easily affected by others and can keep their moral behaviors consistent with their ethical judgements. However, both Type 1 and Type 2 thinkers generally have good self-control. This is because when an individual is egoist / teleological, the effect of others or the environment (framing effect) has less significance, no matter which type of thinker. Different from previous literature, sophisticated moral reasoning does not always translate into ethical behavior. Type 2 slow thinkers can also buy counterfeits. Moreover, they are more likely to neutralize their purchase behaviors. This is in line with Haidt (2001) who states that moral reasoning is a post hoc process that support the decisions made by Type 1 fast thinking.

Personal experience can significantly affect tourists' next ethical decision. This study confirms that the personal experience of counterfeit consumption has a positive correlation with the tourists' next ethical decision. This finding is supported by Hunt and Vitell (1986)

who found that individuals can learn from the actual consequence of the previous ethical choice. The decision (counterfeit purchase) can enrich their personal experiences and thus affects future ethical decision-making for similar dilemmas. This study also confirms that the two types of thinking do not operate independently (e.g. Fazio, 1986; Fazio & Towles-Schwen, 1999) but can work simultaneously and interweave with each other during the decision-making process as suggested in other studies (e.g. Chaiken, 1980; Evans & Stanovich, 2013; Kahneman, 2011; Moskowitz et al., 1999; Petty & Wegener, 1999; Sloman, 1996; Stanovich et al., 2014).

Demographic factors can affect ethical judgements. This study shows that culture (tourist nationality / ethnicity), age, education, religion, and travel companionship significantly effects ethical judgements (Table 7-33). International tourists are less strict concerning ethical judgements of counterfeits and have a higher percentage of counterfeit buyers than mainland Chinese tourists. However, this might not be due to culture but because of different legislation and availability of cheaper and more variety of counterfeits in their home country, as discuss above in Chapter 8.1. Age does not make a significant difference until an individual is mature enough, over 55 years-old, as suggest in this study. Ethical judgements of young people and middle-aged people are similar. However, elderly people have reached a higher level of moral development who are concerned about social responsibility rather than themselves. In addition, seniors follow their own ethical judgement and this translates into actual behavior so that they buy less counterfeits than those younger than them. This is consistent with Kohlberg (1984) who noted that the level of moral development will improve as an individual ages. What's interesting is that the elderly group who are the most deontological have the highest percentage of Type 1 fast thinkers. This is contrary to the previous literature who found that Type 2 slow thinkers usually have a higher level of moral development (Kohlberg, 1984). Kohlberg (1984) and Penn and Collier (1985) suggest that ethical training and ethical learning can help to accelerate the moral development process.

Ethical education does not equal general education, because based on the result of this study, individuals with higher education (Bachelor or above) are more egoist teleological than those with less formal education. This means that general education does not contribute to higher moral development. Intelligent people might not always be rational (Stanovich et al., 2014) nor ethical. CEOs who are considered clever and well-educated maybe be self-interested and not socially responsible, when making long-time business decisions

according to Woiceshyn (2011). Ethical education, taught in courses like ethics and social responsibility, can be added to formal education programs, otherwise individuals may be highly educated but not highly moral. An individual should not only know how to be a successful / wealthy person but also how to be an ethical citizen. Religion also contributes to making an individual more ethical, because people with no religion have lower moral intensity. This is similar to the finding by Schneider et al. (2011) that religion can drive ethical consumer behavior. Traveling with others also has an effect on ethical judgement. Petty et al. (1980) raised the question of whether the effect of group can enhance or reduce the quality of individual judgement. The current study shows that an individual can still keep to their judgements and do not easily change their minds but their cognitive level of moral development is improved when travelling with others. They are more socially responsible rather than self-interested when they are in a group. Tourists travelling alone are more likely to behave unethically although they know it's unethical to do so.

However, there is no significant gender differences in ethical judgement. Males and females are very similar in the process of ethical decision-making process for counterfeit purchases. The only significant differences are that males perceive lower personal relevance, have higher motivation to process Type 1 fast thinking while females are more likely to be affected by others and neutralize their behavior. This is different from most of the previous research where women are more ethical than men (e.g. Betz et al., 1989; Glover et al., 2002; Lane, 1995; Whipple & Swords, 1992), but is consistent with some studies that show there are no significant gender differences or very little differences (e.g. Cohen et al., 1998; Loo, 2003; McCabe et al., 1991; McDonald & Pak, 1996; Sikula & Costa, 1994; Sims, 1999). This suggests that males and females are similar in ethical decision-making and ethical behavior nowadays, or this may vary based on different situations (Tolkach et al., 2017).

The above discussion relates to the particular situation of counterfeit purchases about the differences on type of thinking and differences in demographics. The following discussion focuses on the dual-process theory, especially Type 1 fast thinking. In the proposed ethical decision-making framework, the author emphasizes the impact of actual experience because it's the major factor that forms an individual's knowledge and memory. Knowledge and memory are the information available for ethical decision-making. Available information emphasizes that different information can result in different judgements. If an individual knows more about luxury products, he or she is able to distinguish the difference between

the fake one and the genuine one; otherwise, he or she would not even know a fake product is fake. Type 1 fast thinkers rely on heuristic rules to make decisions. First, they rely on information that is easily recalled from memory. The most recent shopping experience is important information for a tourist's memory. Second, they rely on representativeness. Most counterfeit buyers think counterfeits are very similar to genuine ones. They use their limited knowledge about the genuine luxury products, such as logo, style, color, design, and material, as a comparison to the counterfeited ones, and ignore the details which are the most important to distinguish between the genuine item and the fake item. That's why there are more Type 1 fast thinkers among counterfeit buyers. Third, Type 1 fast thinkers make their decisions by anchoring to a certain reference point. There are several possible anchors for Type 1 thinkers. First, for those who are concerned about value, a low price is the anchor so counterfeit products are more attractive compared to the high price of luxury products. Second, for those who are concerned about time, making fast decisions saves time. That's why some tourists said they make quick decisions because they think cheap products don't deserve much deliberation. Indeed, people usually need a longer time to consider important or expensive decisions. Third, for those who are concerned about personal image, honesty is the anchor so they will not buy counterfeits. Type 1 buyers are those who usually focus on saving money and getting immediate benefits while Type 1 non-buyers usually anchor to status and long-term effects.

However, self-interest concerns both Type 1 and Type 2 thinkers; that why both type of thinkers are egoist teleology. According to McKercher (2015), tourists are selfish in nature. They are mainly concerned about themselves rather than others while travelling. When an individual is egoist, framing effects are not significant for Type 1 fast thinkers. Tourists will not be affected by the counterfeit sellers' marketing strategies. Although an individual is a Type 2 slow thinker, he or she tends to minimize reasoning efforts and uses an easy focal point (self-interest, in this case), ignoring moderating factors (such as responsibility and ethics) and other possible solutions to a problem (Sperber et al., 1995; Wilson et al., 2000). Most Type 2 thinkers will consider benefits to themselves to make ethical judgements. That's why Stanovich (2009) suggests that clever people might not always be rational decision-makers. This corresponds with the results from this study where people with a high level of education are more egoist than those with lower education levels.

This leads to another criticism of Type 2 slow thinking of the possibility of an attitude-

behavior gap (Newholm & Shaw, 2007). It is generally believed that decisions taking much thought should be rational and at the same time, ethical, because this thinking considers many perspectives to arrive at the best solution. However, this study shows that decisions taking much thought might not necessarily be rational or ethical. Sometimes intuition (quick thinking) is better because re-thinking issues might result in a less optimal result. That's why sometimes people regret changing their original decision or 'second guessing', especially when playing lottery. This can also apply to ethical decision-making. Rand and Epstein (2014) found that people who are extremely altruistic use intuition as they are willing to risk their lives to help others, without a second thought. Therefore, Type 1 fast thinking can be deontological which was found in this study, where elderly people are mostly Type 1 fast thinkers but consider their social responsibilities. Type 2 slow thinking can result in unethical decisions because it gives the individual time to consider risks to themselves. In this case, an individual might not willing to risk his or her life to help others. The result of the qualitative interviews in this study also shows that some people who do not buy counterfeits are Type 1 fast thinkers. They can make the decisions quickly without a second thought.

However, the survey results still show that most of the counterfeit buyers are Type 1 fast thinkers. Prospect theory helps to explain Type 1 fast thinking. The basic concept of prospect theory is that consumer prefer sure gains and avoid sure losses. When gains are certain, an individual tends to be conservative to avoid possible losses; when losses are certain, an individual is willing to take risks to seek possible gains. That is the certainty effect of prospect theory. An individual will rely on sure cues and choose certain options rather than uncertain ones (Kahneman & Tversky, 1979). For Type 1 buyers, the sure cues are a counterfeited product's price and quality. For Type 1 buyers, buying counterfeits can save a lot of money, the quality is good for now, sufficient to meet their basic needs, and very similar to the genuine product. On the other hand, the genuine item is certainly more expensive, but they are unsure how durable it is, how long it will last and how different it is from the fake product. The risks of a high price are much higher than that with the cheap product. This means that even a fake handbag breaks, the loss is lower because it is cheap. However, the genuine handbag may not last for various reasons but it is still much more expensive. This aligns with Cordell and colleagues (1996) who note that counterfeit products are low investment-at-risk so people are more willing to buy the fake items.

The traditional criticism of Type 2 slow thinking is the attitude-behavior gap proposed by Newholm and Shaw (2007). However, it is not clear what factors will cause this gap or what kind of people cannot keep their ethical behavior consistent with their ethical judgement. The current research discovers that culture and travel companionship can have significant effects on the attitude-behavior gap. Specifically, mainland Chinese tourists who are travelling alone are the most likely to buy counterfeits although they know such behavior is not ethical.

The isolation effect is another part of prospect theory. The isolation effect means that people can make different judgements for the same situation when it's presented in different ways. A genuine product usually has a high price, and a professional display which creates a luxury impression for consumers. However, when a genuine product is offered at a low price with a poor display, will consumers still think it's genuine? This is one important direction for the author's future study. Experiments and quasi-experiments can be used to test this. Here are some examples for experiments: to test the effect of price, a genuine handbag can be offered at \$50 versus a fake handbag at \$500, and test participants' choice of handbag. The second test can explore the effect of display (a framing effect): Display a second-hand genuine handbag in an antique shop versus a brand new but fake handbag in a retail shop, and test participants' choice of handbag. In addition to the isolation effect, the primacy effect and recency effect can also be tested in an experiment. The primacy effect refers to when the first items seen are easier to recall and are used as an anchor. The recency effect means the last items seen are easier to recall and are used as an anchor. The experiment can be designed so as to show a fake handbag first versus showing a genuine handbag later; a fake one in front versus a genuine one in the back of a shop, and tests the participants' choice.

The effect of time on Type 1 fast thinking are also considered in this study. It is generally believed that tourists have less time when shopping (compared to residents) so they might use Type 1 fast thinking when making decisions. However, the result shows that there are more Type 1 fast thinkers among Hong Kong residents (70.0%) than tourists (61.6%). This indicates that people using Type 1 fast thinking might not do so because of limited time, but because of money considerations, such as investment-at-risk; or most importantly, the focus on self-interest. When self-interest is the first consideration and the easiest information to recall, it is easy and quick for an individual to make a decision. This helps to reinforce the stereotype that people are fast thinkers because they don't have enough time to consider

their purchase (Samson & Voyer, 2014).

8.4 Objective Four: To assess the degree of neutralization among different tourist types

Among the five neutralization techniques outlined by Sykes and Matza (1957), Hong Kong residents mostly use the technique “Denial of injury” while both mainland Chinese tourists and international tourists mostly use the technique “Condemning the condemners” (Table 7-10). Hong Kong residents have the highest agreement on the statement that “There's no harm done in purchasing counterfeits. The designer brands are still rich anyway”. This means that Hong Kong residents do not think that buying counterfeits will cause any harm and the designer brands remain unaffected. On the other hand, tourists have the highest agreement on the statement that “It's a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor”. This indicates that tourists have negative perceptions of luxury brands. They might think it is unfair that luxury brands are charging expensive prices while behaving irresponsibly. The quantitative findings support the qualitative interviews that some mainland Chinese tourists think it is not fair and are not sure where the luxury brand profits go. In this case, tourists are more skeptical than Hong Kong residents. This finding supports Poddar et al. (2012) who note that consumers intend to buy counterfeits because of the low price when they perceive low corporate citizenship of a luxury brand. What is similar among tourists and Hong Kong residents is that they do not agree with the neutralization technique “Appeal to high loyalties” and “I wanted to buy the genuine products but the queues were too long”. They do not think this is a reason to justify buying counterfeits. Therefore, if a consumer is really loyal to a luxury brand, he or she will not buy counterfeits. Actually, research in marketing psychology shows that a longer queue is a good marketing strategy to attract consumers and increase consumer loyalty because of the “bandwagon effect” (Kastanakis & Balabanis, 2012).

This “bandwagon effect” can also explain how Type 1 fast thinkers justify their purchasing behavior. When the experience of buying counterfeits is satisfactory, Type 1 fast thinkers are most likely to neutralize their behaviors by saying that “Purchasing counterfeits is not a big deal. Everyone does it” (Table 8-21). This “Everybody Does It” technique is considered by Cromwell and Thurman (2003b) as another technique for neutralization based on the five

techniques proposed by Sykes and Matza (1957). This “bandwagon effect” means Type 1 fast thinkers buy counterfeits because many people buy this type of good. However, Type 2 slow thinkers use the neutralization technique of “Justification by postponement” (Cromwell & Thurman, 2003b) by saying that “I don’t think buying counterfeit products is unethical”. Type 2 slow thinkers deny buying counterfeits is unethical to justify that they buy counterfeits, not because they did not consider the issue thoroughly but because they think it is ethical.

When the actual consequence is satisfactory, the people who would neutralize their behavior are mostly international tourists, females, aged between 35-54 years old, with some college education, have religion and travel alone (Table 7-24 to Table 7-29).

8.5 Objective Five: To assess the impact counterfeit goods have towards the perception of Hong Kong as a shopping destination among tourists

Since counterfeiting is illegal in many countries, there is uncertainty of how it will affect the image of Hong Kong among tourists. According to Table 7-8, for counterfeit buyers, the perception of Hong Kong as “shopping paradise” has increased among tourists, especially international tourists. This reinforces the qualitative interview results where counterfeits selling in night markets can be an attraction for tourists. International tourists deliberately seeking counterfeits in Hong Kong (Correia & Kozak, 2016) because the intellectual property right restrictions are not as strict as in their own countries. However, for those who did not buy counterfeits, their perceptions of Hong Kong decreases among mainland Chinese tourists because of the availability of counterfeits. International tourists’ perceptions of Hong Kong as a shopping destination among non-buyers does not decrease. This was noted in the previous discussion on Chapter 8.1 “objective one: the incidence of counterfeit purchase among different tourist types” where the difference of IPR laws makes counterfeits an attraction for international tourists but a distraction for mainland Chinese tourists. This holds regardless of the effect of satisfaction with Hong Kong as a shopping destination.

When considering the effect of satisfaction with Hong Kong as a shopping destination, this research tests the correlation between satisfaction and the perception change (Table 7-23). There are positive correlations only for buyers but no significant relationship for non-buyers.

Among counterfeit buyers, those whose satisfaction and perception change are positively related are mostly mainland Chinese tourists, females, 35-54 years old, with Bachelor degree or above, no religion, and travel with others (Table 7-24 to Table 7-29). Tourists who travel alone do not increase their perception of Hong Kong as a shopping destination, although they are satisfied with the counterfeit shopping experience. This indicates that when buyers are satisfied with the shopping experience, their perception towards Hong Kong as a shopping destination will significantly improve; while non-buyers would not have negative perceptions of Hong Kong as a shopping destination, although counterfeits are selling in the markets. This shows that the impact of counterfeit goods towards the perception of Hong Kong as a shopping destination among tourists is not negative, even positive for buyers. This raises the question that if counterfeits are totally banned in Hong Kong, would it have negative effect on perception towards Hong Kong as a shopping destination? This could be an area for future research. In Thailand, counterfeiting has become a part of local economy that helps to keep the living expenses low; shopping counterfeits has also considered as a part of local culture and an interesting experience by tourists who do not like the local government to ban the fake products (O'Connor, 2018).

8.6 Objective Six: To test the efficiency of different anti-counterfeiting strategies in combating counterfeit consumption

Tourists, especially mainland Chinese tourists, will respond to a range of anti-counterfeit marketing strategies. Lowering the prices of genuine products and explaining the risks of purchasing counterfeits would be the most effective anti-counterfeit marketing measures. The results of the effectiveness of counterfeit sellers' marketing strategies also suggests that counterfeit buyers are convinced mostly by the possibility of price negotiation. This shows that price is the most important attribute to decrease counterfeit demand. However, as noted by Nia and Zaichkowsky (2000), lowering the price of genuine products can diminish the image of luxury brands. High prices are a proxy for high quality, although a high price does not guarantee high quality. Thus, providing more value-added services could be considered as an alternative marketing strategy, which is in line with McEachern (2015). Partially in contrast to Herstein et al. (2015), negative anti-counterfeiting marketing strategies, such as campaigns that show potential risks in health or safety of buying counterfeits and programs that educate consumers about the negative impact of counterfeits on the economy and

society could be effective in the tourist market.

In conclusion, all research objectives have been answered. It helps to have a clearer understanding of the incidence of and the reasons behind counterfeit purchases among different tourist types, the economic value of counterfeit purchases, the impact of counterfeits on Hong Kong and the efficiency of various anti-counterfeiting strategies. The psychological process of ethical decision-making has also been explored and the demographical differences have been compared among different tourist types.

9 Conclusion, contribution and implications

9.1 Theoretical contributions

First, the current research is one of the first attempts to explore intuitive decision-making by tourists. Previous studies on tourist decision-making are mainly based on the assumption that tourists are always rational decision-makers. However, given the hedonic nature and time pressure of tourist shopping, it should be recognized that tourists are not always rational decision-makers. Intuitive decision-making has been widely studied in psychological realm, especially social psychology. It has also been proposed in business ethics, and tourism scholars have started to become aware of this. However, no empirical studies have been done to investigate the actual situation. The current study shows that the majority of tourists (61.6%) are Type 1 fast thinkers, confirming the importance of investigating intuitive decision-making in tourism research.

Second, the current research adds new knowledge to tourist misbehavior / unethical behavior by applying psychological theory. Tourists' ethical behavior has been a very common topic because it is relatively more easily to collect data on that subject than unethical behavior. People are happy to share the positive things they have done but might not willing to admit what unethical things they have done. However, this should not be a reason to stop researchers from investigating unethical topics. It is an important social issue that need to be addressed. Ethical behavior should be encouraged but unethical behavior should also be prevented by investigating the psychology behind these behaviors. Among the limited research studying tourists' misbehavior, most studies examine attitudes or opinions towards unethical behavior. However, respondents might give socially acceptable opinions which might differ from their actual behavior. The current research takes a new direction that first identifies respondents who behaved unethically (bought counterfeits) and those did not, and then ask them to recall the decision-making process. This can help investigate the decision-making more precisely. Through the application of dual-process theory, a theoretical foundation of the tourist misbehavior can be developed rather than descriptive analysis.

Third, a conceptual framework has been developed based on a critical review of consumer decision-making, ethical decision-making, dual-process theory and counterfeit demand

literature. The framework tries to overcome the main disadvantages of the classical models by adding new elements from recently developed models. The framework also considers the nature of tourists and the complicity of counterfeit demand. The framework finally synthesizes models from three realms: decision-making psychology, ethical decision-making, and counterfeit demand. Moreover, the current research uses mixed methods to develop the conceptual framework, combining the advantages of both quantitative and qualitative methods.

Fourth, the current study add new knowledges to ethical decision-making by exploring the relationship between the type of thinking (Type 1 / Type 2) and ethical / unethical behavior. The attitude-behavior gap is tested in empirical survey. The study also explores cultural differences and identifies demographic characteristics of ethical and unethical tourists.

9.2 Practical implications

If we know who behaves unethically, we can develop effective strategies to curb them. That's how academic research can contribute to society. According to this research, some anti-counterfeit marketing strategies are suggested for luxury brand companies as follows:

First, the brand companies should show Hong Kong residents how they are negatively affected by counterfeits. The major demand of counterfeits in Hong Kong comes from residents whose major neutralization of purchasing counterfeits is the conviction that the luxury brand companies are not negatively affected and are rich anyway. Therefore, luxury brand companies should advertise on local TV about how their intellectual properties are infringed and how their image and profits are negatively affected, to raise the awareness of local residents. Local residents should also be educated that buying counterfeits is unethical and such behavior might cause negative effect (e.g. risk on personal health or image) on themselves because Hong Kong residents are more egoist teleological.

Second, the brand companies should undertake more corporate social responsibility initiatives to improve their social image among tourists. Both mainland Chinese tourists and international tourists neutralize their purchase behavior by saying that the brand companies might act unethically while earning extremely high profits. Therefore, improving brand image by doing more CSR can help to decrease tourist demand for counterfeits. In addition, it is worth further investigating why mainland Chinese are willing to spend more money on

counterfeits in Hong Kong while they can buy counterfeits with higher quality and lower price in mainland China. The reason might be that they buy counterfeits as souvenirs for friends in mainland to gain “face” because most people believe that branded products bought in Hong Kong are genuine. For international tourists, the anti-counterfeiting strategies for them can be more related to emotion and their friends and families.

Third, the brand companies and the government should do more advertising emphasizing consumers’ personal unique style and showing the potential risk of blindly following others for Type 1 fast thinkers. The current research shows that most of the counterfeit buyers are Type 1 fast thinkers and the main reason for them to buy is “bandwagon effect”. The interview results show that Type 1 non-buyers can make quick decisions because they have clear understanding of their personal image. Therefore, emphasizing personal unique style can help to transform more Type 1 buyers to non-buyers.

For Type 2 slow thinkers who do not think buying counterfeits is unethical, there should be more educational advertisements or programs to show why it is unethical and how to be an ethical citizen. These advertisements and programs should show frequently on various media channels including TV, magazine, newspaper. In addition, because Type 2 slow thinkers like to compare quality and price, they should be educated to learn more detailed differences between fake products and genuine products. Some people may consider that fake products have good quality due to lack of knowledge regarding the quality of the genuine products.

The brand companies can also work with hotels to educate customers. For example, Chanel can work with hotels to put the book named “Coco Chanel: The Legend and the Life by Justine Picardie (2011)”; or compile Coco Chanel’s quotes into a booklet and put them in the room for customers to read. It could be a good example to encourage personal style establishment because Coco Chanel strongly emphasizes women’s independence and individualism in her quotes, such as “My life didn’t please me, so I created my life” and “The most courageous act is still to think for yourself aloud”. Let customers understand the founder’s spirit first, and thus trigger their shopping intention should be a trend to do brand marketing. This can help increase customer loyalty and prevent counterfeit demand. In addition to such a booklet, Facebook, Instagram, TripAdvisor or other social media can be used to influence tourists. Consumers can only be affected after frequently exposed to similar information for a long period. Fourth, the government should encourage

consumption downgrading. Price is the key factor that drives counterfeit demand, but it is difficult for luxury products to lower the price. Therefore, consumers should be encouraged to undertake affordable consumption. Instead of buying fake products, consumers who cannot afford luxury products can buy lesser brands that are cheaper, but still genuine. This is consumption downgrading. For example, the clothes of some fast fashion brand, e.g. ZARA, actually follow the design of luxury brands. Consumers who cannot afford Chanel can buy ZARA. Consumers who cannot afford Louis Vuitton can buy Coach whose current designer is the former designer at Louis Vuitton.

Last but not least, self-interest is the most important factor that affect ethical decisions among all tourist types. Both Type 1 fast thinkers and Type 2 slow thinkers are self-interested when making ethical decisions. In addition, the current research shows that negative marketing strategies that emphasize risks are effective for the tourist market. Therefore, the anti-counterfeit marketing strategies should focus on the risk to self, such as the negative effect on personal image and credibility. If consumers are aware of the potential risks to themselves, they will have much less intention to buy counterfeits. This is considered as a better anti-counterfeit marketing strategies than most of the current strategies such as hiring celebrities (e.g. Jackie Chan) to join anti-counterfeiting campaigns (Rubio, 2005).

Potential buyers show interest in purchasing counterfeits in the future if the product is not easy to be noticed such as shoes and purses. It is also important to raise their awareness on the unethical nature of buying counterfeits, link such behavior to their personal image and show them the potential risk (e.g. the glue smell of fake shoes might have negative effect on health) to prevent them from buying counterfeits.

9.3 Limitations and future directions

Like any research, this research has limitations. Although the data collection was carefully conducted, the use of non-probability sampling methods inevitably leads to certain level of inaccuracies. Although the sample is representative of the population of Hong Kong's residents and tourists, both mainland Chinese and international, visiting Hong Kong, it only represents one destination. Research on this topic in other destinations where counterfeit products are rife would make an interesting comparison. Another limitation is the difference

between consumers' stated and revealed behavior. This survey asks about non-deceptive counterfeit purchases. Although anonymity was ensured in the interviewing process, some respondents may be unwilling to admit that they knowingly purchased counterfeit products. This is less of a problem with Hong Kong residents, as the survey was administered online. Even for tourists, there was no way that the responses could be linked back to the tourist's identification. However, there still may be under-reporting of unethical behavior.

There could be several directions for future research. First, this study takes a demand-side approach by asking tourists and residents their purchasing behavior and attitudes towards counterfeit products and the potential effectiveness of anti-counterfeit marketing strategies. Another approach would be to take a supply-side approach to this issue whereby sellers in the street markets are asked about the selling of counterfeit products, where they are sourced and how counterfeit products are marketed. However, given the illegality of counterfeit products, this approach might be problematic. The second approach would be to compare counterfeit products purchased by tourists with the genuine products. A comparison could be made with the types of products sold, the differences in prices and any perceived differences in quality. Behavioral economics experiments can be used to explore isolation effect, primacy effect and recency effect which has discussed in Chapter 8.3. Third, management of international luxury brand stores could be interviewed to understand the concerns they have of counterfeit products eroding their brand name and image. Opinions could be sought to see whether there is any perceived decline in revenues as a result of counterfeit products. Fourth, it would be interesting to look at the effect of personal image on the perceived credibility of a luxury product. Since counterfeiting is very common nowadays, a genuine handbag might be perceived as fake if the personal image of the user is not good, e.g. rude or lack of literacy. Fifth, is the possible positive effect of counterfeits on Hong Kong as a shopping destination, how to trade-off if Hong Kong become less attractive for tourists when counterfeits are banned.

9.4 Conclusion

The topic of this PhD study is the combination of several current trends. From literature review, conceptual model development to the empirical study, the author has opened one of the first doors to this, seldom studied but, interesting tourism research area. There might be many unsolved issues; for example, whether the conceptual model developed by the author

can apply to other ethical issues? How the ethical decision-making can be different in various situations? What factors can effectively prevent consumers from buying counterfeits / doing unethical behavior. However, this should encourage more and more researchers to explore these exciting fields. To make the world a better place through adding new knowledge is the author's vision in pursuing her academic career.

Appendices

Appendix 1 Interview discussion guide

The interview discussion guide is drafted as follows to explore ethical decision-making of counterfeit consumption by tourists. Definitions of counterfeit products and non-deceptive counterfeiting will be firstly explained to the respondents.

Counterfeit products: either 100% copy or imitate names, logos, images and designs of genuine products that are protected by intellectual property.

Non-deceptive counterfeiting (knowingly purchase counterfeit products): customers are aware of the counterfeiting through cues such as price, purchase location, packaging, country of origin, selling style or the materials used.

- 1) Are you a tourist or a resident? Where are you from? How long is your stay in Hong Kong? Have you been to Hong Kong before? (General background of respondents)
- 2) Have you gone shopping during your stay? How often? Where did you go and what type of things did you buy? How important is shopping for your overall holiday satisfaction? (General shopping behavior)
- 3) What do you think of buying counterfeit products? Is it acceptable or not? Why? (Investigate the perceived moral intensity, ethical judgement, and neutralization of the purchase behavior).
- 4) Have you ever bought counterfeit products when you visit Hong Kong? Please share your shopping experience with the more details the better (Collect individual and situational factors).
- 5) What promotion strategies by the sellers were the most attractive to you? The price, the product, or the bargaining experience? Do you know any anti-counterfeit marketing strategies, and how effective do you think they are? (Investigate the social marketing strategies)

- 6) Did you buy the product simply by intuition or by consideration? Why? And what did you think of when making such judgement? (Explore the motivation to use Type 1 or Type 2 thinking, and the factors affect these two types of thinking)
- 7) Was your purchase behavior consistent to your judgement? Was your decision affected by others? Why? (Test the judgement-behavior gap)
- 8) What is actual consequence? Does it match your judgement? Why? (Actual consequence)
- 9) Does this shopping experience change your perception of Hong Kong as a shopping destination? Why? (Impacts on destination image)
- 10) Is it possible that you will buy counterfeit products again in the future? (For buyers)
Will you still not buy counterfeits in the future? (for non-buyers).
(Impacts on the next ethical decision-making)

Appendix 2 Questionnaire - the 1st version

Tourist demand for counterfeits and the ethical decision-making process

You are invited to participate in a study conducted by Ms. Christine Zeng, a PhD student of the School of Hotel and Tourism Management at The Hong Kong Polytechnic University. This research is funded by the Research Grants Council of Hong Kong Special Administrative Region (HKSAR).

The aim of this survey is:

1. To determine the incidence of counterfeit purchases among different tourist types;
2. To estimate the economic value of counterfeit purchase among different tourist types;
3. To explore the ethical decision-making among different tourist types;
4. To assess the degree of neutralization among different tourist types;
5. To assess the impact counterfeit goods have the perception of Hong Kong as a shopping destination among tourists;
6. To test the efficiency of different anti-counterfeiting strategies in combating counterfeit consumption.

It will take about 15 minutes to fill in the questionnaire. All information you provide will remain confidential. Your responses will be combined with those of many others and used only for statistical analysis. You have every right to withdraw from the study before or during the survey process.

Your reply is very important for the study. Should you have any questions about this survey, please do not hesitate to contact Ms. Christine Zeng on Tel. no. 3400 2331; mailing address 17, Science Museum Road, East Tsim Sha Tsui, Kowloon, Hong Kong and email address: [christine.yh.zeng@](mailto:christine.yh.zeng@polyu.edu.hk)

If you have any complaints about the conduct of this research study, please do not hesitate to contact Miss Cherrie Mok, Secretary of the Human Subjects Ethics Sub-Committee of The Hong Kong Polytechnic University in writing (c/o Research Office of the University) stating clearly the responsible person and department of this study.

Thank you very much for your contribution to this research.

Ms. Christine Zeng
School of Hotel and Tourism Management
The Hong Kong Polytechnic University
17, Science Museum Road, East Tsim Sha Tsui, Kowloon
Tel: (852) 3400 2331
Email: [christine.yh.zeng@](mailto:christine.yh.zeng@polyu.edu.hk)

Screen question: (Research objective 1)

Counterfeit products: either 100% copy or imitate names, logos, images and designs of genuine products that are protected by intellectual property.

Have you bought any counterfeited products during your stay in Hong Kong?

- Yes. (Please go to Section 1.1)
- No. (Please go to Section 1.2)

1.1 Shopping experience [for buyer of counterfeits]

- 1) Did you know the product is counterfeited / not genuine?
 Yes, I knew.
 I was not sure about that but I guessed it is not genuine through cues of price, location, packaging, etc.
 No, I didn't have a clue at all.
- 2) Where did you buy the product?
 Ladies Market, Mongkok Temple Street, Jordan
 Stanley Market, Hong Kong Island Chung King Mansions
 Other place: _____ (please specify)

3) Details of the counterfeit products that you bought. (Research objective 2)

Product Category	Price	Quantity
<input type="checkbox"/> Wearing apparel / accessories		
<input type="checkbox"/> Electronics		
<input type="checkbox"/> Handbags / wallets		
<input type="checkbox"/> Footwear		
<input type="checkbox"/> Watches / jewelry		
<input type="checkbox"/> Others: _____ (please specify)		

(USCBP, 2014)

4) The counterfeit product:(Situational factor of product category: price & utility)

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Costs much less than the original version.	5	4	3	2	1
Worth the money I paid	5	4	3	2	1
Value for money and for the status	5	4	3	2	1
Provides similar functions to the original version	5	4	3	2	1
Have similar quality to the original version	5	4	3	2	1
Is as reliable as the original version.	5	4	3	2	1

(Adapted from Correia & Kozak, 2016).

5) How effective are the following marketing strategies of sellers on convincing you to buy the counterfeit product?

	Very effective	Effective	Neutral	Ineffective	Very ineffective
Large room for bargain	5	4	3	2	1
Good package	5	4	3	2	1
Good and clear display	5	4	3	2	1
Many choices of products	5	4	3	2	1
Exciting and adventurous shopping environment	5	4	3	2	1
Good manner of the sellers	5	4	3	2	1

6) Please evaluate your shopping experience of counterfeit products: (Research objective 5)

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
I am satisfied with the shopping experience.	5	4	3	2	1
I will shop at the same place again in the future.	5	4	3	2	1
My perception of HK as "shopping paradise" has increased.	5	4	3	2	1

1.2 Shopping experience [for non-buyers of counterfeits]

- 7) How effective are the following anti-counterfeits marketing strategies on preventing you to buy counterfeited products? (Adapted from Herstein et al., 2015) (Research objective 6)

	Very effective	Effective	Neutral	Ineffective	Very ineffective
Anti-counterfeit ads by celebrities or other educational ads of public media.	5	4	3	2	1
Education programs about the negative impact on economy and society.	5	4	3	2	1
Campaigns that show potential risks in health or safety	5	4	3	2	1
Explain and justify why genuine products deserve high price	5	4	3	2	1
Internet sites that enable consumers to sign in and boycott counterfeits	5	4	3	2	1
Price discount of genuine products	5	4	3	2	1

- 8) Please evaluate your general shopping experience in Hong Kong. (Research objective 5)

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
I am satisfied with my shopping experience in general.	5	4	3	2	1
I will still not buy counterfeits in the future.	5	4	3	2	1
My perception of HK as “shopping paradise” has decreased because there are counterfeited products selling in the markets.	5	4	3	2	1

2. Ethical decision-making (Research objective 3 & 4)

What is your ethical decision-making process with regard to purchasing counterfeited products? Please indicate the degree of agreement where 5 = Strongly Agree, 1 = Strongly Disagree.

Moral intensity (Singhapakdi et al., 1996)					
The overall harm (if any) done as a result of the purchase behavior would be very small.	5	4	3	2	1
Most people would agree that such purchase behavior is right.	5	4	3	2	1
The purchase behavior is not likely to actually cause any harm.	5	4	3	2	1
The purchase behavior will not cause any harm in an immediate future.	5	4	3	2	1
If no friends or families are negatively affected, the purchase behavior is right.	5	4	3	2	1
The purchase behavior will harm very few people (if any).	5	4	3	2	1
Motivation & opportunity: personal relevance (Huang, et al., 2014)					
The ethical decision was not important for me.	5	4	3	2	1
The ethical decision would not affect my personal image by families / friends.	5	4	3	2	1
I would not take any risks because of the ethical decision.	5	4	3	2	1
Motivation & opportunity: emotion (Sharma & Chan, 2016)					
When making the ethical decision, I was in a good mood.	5	4	3	2	1
Emotion highly affected my ethical decision.	5	4	3	2	1
Buying counterfeit products makes me feel good.	5	4	3	2	1
I feel excited when buying counterfeit products.	5	4	3	2	1
Motivation & opportunity: cognitive effort & time (Decrop & Kozak, 2014; Huang, et al., 2014)					
<input type="checkbox"/> I took the simple decision which required the least time because of limited time.	5	4	3	2	1
	5	4	3	2	1
<input type="checkbox"/> I wanted to make a choice which was not complicated.	5	4	3	2	1
<input type="checkbox"/> I wanted to make a decision which did not get me to think too much.	5	4	3	2	1
<input type="checkbox"/> I made the choice which was the easiest to make. (Type 1)					
<input type="checkbox"/> I took the complicated decision which require a lot of thinking and elaboration.	5	4	3	2	1
	5	4	3	2	1
<input type="checkbox"/> I spent time thinking about possible consequences on myself and others.	5	4	3	2	1
<input type="checkbox"/> I considered all the facts about buying counterfeited products. (Type 2)					
Ethical Judgement of Type 1 fast thinkers: the main ethical principles that you followed are (Kohlberg, 1984)					
<input type="checkbox"/> I mainly focused on personal gain and loss.	5	4	3	2	1
<input type="checkbox"/> I mainly judged whether there is any punishment for the decision.	5	4	3	2	1
<input type="checkbox"/> I mainly considered the expectation / acceptance of families or friends.	5	4	3	2	1
<input type="checkbox"/> I mainly considered the fairness to those who might be affected by my decision	5	4	3	2	1
<input type="checkbox"/> I mainly considered my responsibility to the society.	5	4	3	2	1
<input type="checkbox"/> I considered all ethical principles of all cultures and societies.	5	4	3	2	1
Ethical judgement of Type 2 slow thinkers: knowingly purchasing counterfeit products is (Cohen et al., 2001)					
Fair	5	4	3	2	1
Morally right	5	4	3	2	1

Acceptable to my family and friends	5	4	3	2	1
Acceptable to my culture	5	4	3	2	1
Personally satisfying and pleasurable	5	4	3	2	1
Based on sound judgement	5	4	3	2	1
Acceptable for me if there is no punishment	5	4	3	2	1
OK if it can be justified by positive consequences	5	4	3	2	1
Does not violate established social norms	5	4	3	2	1
Does not compromise important principles by which I live	5	4	3	2	1
Ethical in general	5	4	3	2	1
The effect of others on ethical judgement (Judgement-behavior gap) (Trevino, 1986)					
I cannot resist impulses.	5	4	3	2	1
I cannot resist distractions from others.	5	4	3	2	1
I rely on the guidance of others for judgement.	5	4	3	2	1
I cannot control myself well.	5	4	3	2	1
When I travel in a group, my judgement will be different from when I am alone.	5	4	3	2	1
Actual consequence (answered by buyers of counterfeits)					
The actual consequence matches my judgement that buying counterfeits is acceptable.	5	4	3	2	1
Actual consequence (answered by non-buyers of counterfeits)					
The actual consequence matches my judgement that buying counterfeits is not acceptable.	5	4	3	2	1
Justifications (Neutralization) of purchasing counterfeits (answered by buyers) (Chatzidakis et al. 2006)					
That's not a big deal. Everyone does it.	5	4	3	2	1
There's no harm done. The designer brands are still rich anyway.	5	4	3	2	1
It's the designer brand's fault, the designer brands should make it more difficult to copy their designs.	5	4	3	2	1
It's a joke they should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.	5	4	3	2	1
I wanted to buy the original brand name goods but the queues were too long.	5	4	3	2	1
I don't think buy counterfeited products is unethical.	5	4	3	2	1

Please state how likely you are to do this at home and on vacation (5 = Very likely, 1 = Very unlikely)

Knowingly purchase a counterfeited product	Very likely	Likely	Neutral	Unlikely	Very unlikely
At home	5	4	3	2	1
On vacation	5	4	3	2	1

(Situational factor of location: at home, on vacation)

3.1 [For tourists only] The next section asks some questions for classification purposes. Please tick the most appropriate option.

T1. Where do you live? Usual place of residence

- UK
- Elsewhere in Europe
_____ (specify)
- USA
- Canada
- Australia
- New Zealand
- Mainland China
- Hong Kong SAR
- Other _____ (specify)

T2. On this trip, who is in your travel party? (Mark all that apply)

- Myself
- My spouse / partner
- My child(ren)/grandchild(ren) under 18
- My friends / associates
- Other

T3. How many people including yourself is in the travel party?

Fill in the no. _____

T4. How many times have you visited Hong Kong previously?

None – first trip to Hong Kong

Fill in the no. _____

T5. How many nights is your stay in Hong Kong this time?

None – day trip to Hong Kong

Fill in the no. _____

T6. What was your main reason for taking this trip to Hong Kong?

- Recreation, tourism and relaxation.
- Visiting relatives and friends.
- Business reasons.
- Attending a conference, congress, seminar
- Education (both short and long courses).
- Health.
- Religious reasons.
- Other (specify):

T7. Which best describes your travel arrangements?

- My trip to Hong Kong was organized by a travel agency / tour operator
- I organized my travel independently

3.2 [For all respondents] Please tick the most appropriate option.

D1. Gender

- Male
- Female
- Other

D2. Highest level of education

- Primary school
- Some high school
- High school graduate
- Some college credit, no degree
- Trade/technical/vocational training
- Bachelor's degree
- Post Graduate degree

D3. What is your age?

- 18-24 years old
- 25-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65-74 years old
- 75 years or older

D4. What is your marital status?

- Single, never married
- Married or domestic partnership
- Widowed
- Divorced
- Separated

D5. What is your current employment status?

- Student
- Self employed
- Employed full-time
- Employed part-time
- Unemployed
- Retired

This is the end of the questionnaire. Thank you very much for your time!

Appendix 3 Questionnaire - the 2nd version



Demand for counterfeits and the decision-making process of local residents and tourists in Hong Kong

You are invited to participate in a study conducted by Ms. Christine Zeng, a PhD candidate of the School of Hotel and Tourism Management at The Hong Kong Polytechnic University. This research is also Dr. Stephen Pratt's project funded by the Research Grants Council of Hong Kong Special Administrative Region (HKSAR).

The aim of this survey is to investigate the demand for counterfeits and the decision-making process of local residents and tourists in Hong Kong; estimate the economic value of such demand; assess the impact of counterfeit products on the perception of Hong Kong as a shopping destination; and test the efficiency of different anti-counterfeiting strategies in combating counterfeits consumption.

It will take about 15 minutes to fill in the questionnaire. All information you provide will remain confidential. Your responses will be combined with those of many others and used only for statistical analysis. You have every right to withdraw from the study anytime during the survey process.

If you would like to get more information about this survey, please contact Ms. Christine Zeng on Tel. no. 3400 2331; mailing address 17, Science Museum Road, East Tsim Sha Tsui, Kowloon, Hong Kong and email address: christine.yh.zeng@polyu.edu.hk

If you have any complaints about the conduct of this research study, please contact Miss Cherrie Mok, Secretary of the Human Subjects Ethics Sub-Committee of The Hong Kong Polytechnic University in writing (c/o Research Office of the University) stating clearly the responsible person and department of this study.

Thank you for your contribution to this research.

Ms. Christine Zeng, PhD Candidate
School of Hotel and Tourism Management
The Hong Kong Polytechnic University

Hung Hom Kowloon Hong Kong 香港 九龍 紅磡
Tel 電話 (852) 2766 5111 Fax 傳真 (852) 2784 3374
Email 電郵 polyu@polyu.edu.hk
Website 網址 www.polyu.edu.hk

Screening Questions:

S1. Gender

- Male
- Female

S2. What is your age?

- 18-24 years old
- 25-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65-74 years old
- 75 years or older

S3. Where do you live? Usual place of residence

- UK
- Elsewhere in Europe _____ (specify)
- USA
- Canada
- Australia
- New Zealand
- Mainland China
- Hong Kong SAR
- Other _____ (specify)

[CHECK QUOTA AND CONTINUE]

Counterfeit products: either 100% copy or imitate names, logos, images and designs of genuine products that are protected by intellectual property.

[For Mainland Chinese and International Tourists, ask]

S4. Have you bought any counterfeit products during your stay in Hong Kong?

- Yes. (Please answer Q1-Q6)
- No. (Please answer Q7-Q8)

[For Hong Kong Residents, ask]

S4. Have you purchased any counterfeit products in Hong Kong in the last 12 months?

Yes. (Please answer Q1-Q6)

No. (Please answer Q7-Q8)

Shopping experience [for buyers of counterfeits S4=1]

1. Did you know the product is counterfeited / not genuine?

- Yes, I knew.
- I was not sure but I guessed it is not genuine through cues of price, location, packaging, etc.
- No, I didn't know.

2. Where did you buy the counterfeit products? [CHECK ALL THAT APPLY]

- Ladies Market, Mongkok
- Temple Street, Jordan
- Stanley Market, Hong Kong Island
- Chung King Mansions
- Other place: _____ (please specify)

3. Details of the counterfeit products that you bought.

Product Category	Unit price (HKD)	Quantity
<input type="checkbox"/> Wearing apparel / accessories		
<input type="checkbox"/> Electronics		
<input type="checkbox"/> Handbags / wallets		
<input type="checkbox"/> Footwear		
<input type="checkbox"/> Watches / jewelry		
<input type="checkbox"/> Others: _____ (please specify)		

4. The counterfeit product:

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
a. Costs much less than the genuine version	5	4	3	2	1
b. Is value for money	5	4	3	2	1
c. Is value for the status	5	4	3	2	1
d. Provides similar functions to the genuine version	5	4	3	2	1
e. Is of similar quality to the genuine version	5	4	3	2	1
f. Is as reliable as the genuine version	5	4	3	2	1

5. How effective are the following marketing strategies of sellers of counterfeit products in convincing you to buy the counterfeit product?

	Very effective	Effective	Neutral	Ineffective	Very ineffective
a. Possibility to negotiate prices	5	4	3	2	1
b. Good packaging	5	4	3	2	1
c. Attractive display	5	4	3	2	1
d. Many choices of products	5	4	3	2	1
e. Exciting and adventurous shopping environment	5	4	3	2	1
f. The seller's persuasiveness	5	4	3	2	1
g. Word-of-mouth / friends' recommendations	5	4	3	2	1
h. Other effective marketing strategies of sellers of counterfeit products (specify) _____					

6. Please evaluate your shopping experience of counterfeit products:

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
a. I am satisfied with the shopping experience.	5	4	3	2	1
b. I will shop at the same place again in the future.	5	4	3	2	1
c. My perception of Hong Kong as “shopping paradise” has increased.	5	4	3	2	1

Shopping experience [for non-buyers of counterfeits S4=2]

7. How effective are the following anti-counterfeit marketing strategies on preventing you from buying counterfeit products? [Ask all]

	Very effective	Effective	Neutral	Ineffective	Very ineffective
a. Anti-counterfeit advertisements using celebrities or other educational advertisements in the media discourage me from buying counterfeit products.	5	4	3	2	1
b. Education programs about the negative impact of counterfeits on the economy and society discourage me from buying counterfeit products.	5	4	3	2	1
c. Campaigns that show potential risks in health or safety of buying counterfeits discourage me from buying counterfeit products.	5	4	3	2	1
d. An explanation or justification of why genuine products deserve a high price discourages me from buying counterfeit products.	5	4	3	2	1
e. Websites that enable consumers to sign online petitions to boycott counterfeits discourage me from buying counterfeit products.	5	4	3	2	1
f. Price discounts of genuine products discourage me from buying counterfeit products.	5	4	3	2	1
g. Other effective anti-counterfeit marketing strategies (specify) _____					

8. Please evaluate your general shopping experience in Hong Kong. [for non-buyers]

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
a. I am satisfied with my shopping experience in general.	5	4	3	2	1
b. I will still not buy counterfeits in the future.	5	4	3	2	1
c. My perception of Hong Kong as “shopping paradise” has decreased because there are counterfeit products sold in Hong Kong.	5	4	3	2	1

[ASK ALL]

Making Decisions

9. Below are a list of statements. Please indicate whether you agree or disagree with these statements on a scale of 1 to 5 where 5 = Strongly Agree and 1 = Strongly Disagree.

a. The overall harm (if any) done as a result of purchasing counterfeits is very small.	5	4	3	2	1
b. Most people would agree that purchasing counterfeits is alright.	5	4	3	2	1
c. Purchasing counterfeits is not likely to actually cause any harm.	5	4	3	2	1
d. Purchasing counterfeits will not cause any harm in the immediate future.	5	4	3	2	1
e. Purchasing counterfeits is alright if no friends or families are negatively affected.	5	4	3	2	1
f. Purchasing counterfeits will harm very few people, if any.	5	4	3	2	1
g. The decision to purchase counterfeits is not important to me.	5	4	3	2	1
h. The decision to purchase counterfeits will not affect my image held by families or friends.	5	4	3	2	1
i. The decision to purchase counterfeits would not cause me any risks.	5	4	3	2	1
j. When making the decision of whether to buy counterfeit products or not, I was in a good mood.	5	4	3	2	1
k. Emotions highly affected my decision of whether or not to buy counterfeit products.	5	4	3	2	1

Q10. When thinking about the decision to purchase counterfeit products or not, which of the following group of statements do you most closely identify?

a.	I took the simple decision which required the least amount of time. I wanted to make a decision which did not require me to think too much. I made the choice which was the easiest.
b.	I took the complicated decision which require a lot of thinking. I spent time thinking about possible consequences for myself and others. I considered all the facts about whether to buy counterfeit products.

If Q10 = a, ASK Q11, OTHERWISE SKIP TO Q12

Q11. When thinking about my decision whether or not to purchase counterfeit products, the main ethical principle I followed is... [ONE ANSWER ONLY]	
<input type="checkbox"/>	I mainly focused on personal gain and loss / image / status / principles.
<input type="checkbox"/>	I mainly judged whether there is any punishment for the decision.
<input type="checkbox"/>	I mainly considered the expectation / acceptance of families or friends.
<input type="checkbox"/>	I mainly considered the fairness to those who might be affected by my decision.
<input type="checkbox"/>	I mainly considered my responsibility to the society.
<input type="checkbox"/>	I considered all ethical principles of all cultures and societies.

IF Q10 = b, ASK Q12

Q12. Knowingly purchasing counterfeit products is					
a. Fair	5	4	3	2	1
b. Morally right	5	4	3	2	1
c. Acceptable to my family and friends	5	4	3	2	1
d. Acceptable in my culture	5	4	3	2	1
e. Personally satisfying and pleasurable	5	4	3	2	1
f. Based on sound judgement	5	4	3	2	1
g. Acceptable for me if there is no punishment	5	4	3	2	1
h. OK if it can be justified by positive consequences	5	4	3	2	1
i. Does not violate established social norms	5	4	3	2	1
j. Does not compromise important principles by which I live	5	4	3	2	1
k. Ethical, in general	5	4	3	2	1

[ASK ALL]

Q13					
a. I cannot resist impulses.	5	4	3	2	1
b. I cannot resist distractions from others.	5	4	3	2	1
c. I rely on the guidance of others to make judgements.	5	4	3	2	1
d. I find it difficult to exercise self-control.	5	4	3	2	1
e. When I travel in a group, my judgement will be different from when I am alone.	5	4	3	2	1

[If respondent did buy counterfeits (S4=1)]

Q14					
The outcome of buying counterfeits matches my previous judgement that buying counterfeits is acceptable.	5	4	3	2	1

[If respondent did not buy counterfeits (S4=2)]

Q15					
The outcome of not buying counterfeits matches my previous judgement that buying counterfeits is not acceptable.	5	4	3	2	1

[If bought counterfeits (S4=1)]

Q16.					
a. Purchasing counterfeits is not a big deal. Everyone does it.	5	4	3	2	1
b. There's no harm done in purchasing counterfeits. The designer brands are still rich anyway.	5	4	3	2	1
c. It's the designer brand's fault, the designer brands should make it more difficult to copy their designs.	5	4	3	2	1
d. It's a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.	5	4	3	2	1
e. I wanted to buy the genuine products but the queues were too long.	5	4	3	2	1
f. I don't think buying counterfeit products is unethical.	5	4	3	2	1

[ASK ALL]

Q17. Please state how likely you are to do this at home and on vacation (5 = Very likely, 1 = Very unlikely)

Knowingly purchase a counterfeit product	Very likely	Likely	Neutral	Unlikely	Very unlikely
a. At home	5	4	3	2	1
b. On vacation	5	4	3	2	1

[For tourists only]

The next section asks some questions for classification purposes. Please tick the most appropriate option.

T1. On this trip, who is in your travel party? (Mark all that apply)

- Just myself
- My spouse / partner
- My child(ren)/grandchild(ren) under 18
- My friends / associates
- Other

T2. How many people including yourself is in the travel party?

Fill in the no. _____

T3. How many times have you visited Hong Kong previously?

None – first trip to Hong Kong

Fill in the no. _____

T4. How many nights is your stay in Hong Kong this time?

None – day trip to Hong Kong

Fill in the no. _____

T5. What was your main reason for taking this trip to Hong Kong? [ONE ANSWER ONLY]

- Recreation, tourism and relaxation
- Visiting relatives and friends
- Business reasons
- Attending a conference, exhibition, or seminar
- Education (both short and long courses)
- Health
- Religious reasons
- Other (specify):

T6. Which best describes your travel arrangements?

- My trip to Hong Kong was organized by a travel agency / tour operator
- I organized my travel independently

[ASK ALL]

D1. Highest level of education

- Primary school
- Some high school
- High school graduate
- Some college credit, no degree
- Trade/technical/vocational training
- Bachelor's degree
- Post Graduate degree

D2. What is your marital status?

- Single, never married
- Married or domestic partnership
- Widowed
- Divorced
- Separated

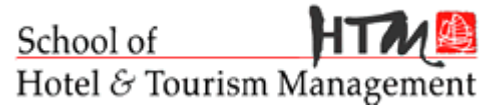
D3. What is your current employment status?

- Student
- Self employed
- Employed full-time
- Employed part-time
- Unemployed
- Retire

This is the end of the questionnaire. Thank you very much for your time!

Appendix 4 Questionnaire - the final version

Questionnaire (the final version)



[ONLINE: Autocode “Hong Kong residents”]

[OFFLINE: please show below for interviewer to record]

TYPE: Please select interview type

- Hong Kong residents
- Mainland Chinese
- International Tourists

Demand for counterfeits and the decision-making process of local residents and tourists in Hong Kong

You are invited to participate in a study conducted by Ms. Christine Zeng, a PhD candidate of the School of Hotel and Tourism Management at The Hong Kong Polytechnic University. This research is also Dr. Stephen Pratt's project funded by the Research Grants Council of Hong Kong Special Administrative Region (HKSAR).

The aim of this survey is to investigate the demand for counterfeits and the decision-making process of local residents and tourists in Hong Kong; estimate the economic value of such demand; assess the impact of counterfeit products on the perception of Hong Kong as a shopping destination; and test the efficiency of different anti-counterfeiting strategies in combating counterfeits consumption.

It will take about 15 minutes to fill in the questionnaire. All information you provide will remain confidential. Your responses will be combined with those of many others and used only for statistical analysis. You have every right to withdraw from the study anytime during the survey process.

If you would like to get more information about this survey, please contact Ms. Christine Zeng on Tel. no. 3400 2331; mailing address 17, Science Museum Road, East Tsim Sha Tsui, Kowloon, Hong Kong and email address: christine.yh.zeng@polyu.edu.hk

If you have any complaints about the conduct of this research study, please contact Miss Cherrie Mok, Secretary of the Human Subjects Ethics Sub-Committee of The Hong Kong Polytechnic University in writing (c/o Research Office of the University) stating clearly the responsible person and department of this study.

Thank you for your contribution to this research.

Ms. Christine Zeng, PhD Candidate
School of Hotel and Tourism Management
The Hong Kong Polytechnic University

Hung Hom Kowloon Hong Kong 香港 九龍 紅磡
Tel 電話 (852) 2766 5111 Fax 傳真 (852) 2784 3374
Email 電郵 polyu@polyu.edu.hk
Website 網址 www.polyu.edu.hk

Screening Questions:

S1. Gender

- Male
- Female

S2. What is your age?

- Below 18 years old
- 18-24 years old
- 25-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65-74 years old
- 75 years or older

S3. Where do you live? Usual place of residence

- UK
- Elsewhere in Europe _____ (specify)
- USA
- Canada
- Australia
- New Zealand
- Mainland China
- Hong Kong SAR
- Japan
- South Korea
- Taiwan
- Malaysia
- Singapore
- India
- Indonesia
- Other _____ (specify)

[CHECK QUOTA AND CONTINUE]

Counterfeit products: Counterfeit products means a copy or imitation of some products that is intended to be taken as authentic and genuine. Compared with genuine, there are some differences in terms of techniques and quality, but the appearance and material are very much similar.

[For Mainland Chinese and International Tourists, ask]

S4. Have you bought any counterfeit products during your stay in Hong Kong?

- Yes. (Please answer Q1-Q6)
- No.

S4.1. If 'No' in S4, which of the following applies?

- I buy counterfeit products in Mainland China. (Please answer S4.1.1)
- I buy counterfeit products in my home country (for non-Chinese tourists) / other countries. (Please answer S4.1.1)
- I will never buy counterfeit products. (Please answer Q7-Q8)

S4.1.1. Please state the reason why you purchase counterfeit products elsewhere but not in Hong Kong: [check that all that apply]

- Higher quality
 - Cheaper price
 - Higher value for money
 - More choices
 - More channels to buy (e.g. online)
 - Others (please specify: _____)
- (Skip to Q7-Q8)

[For Hong Kong Residents, ask]

S4. Have you purchased any counterfeit products in Hong Kong in the last 12 months?

- Yes. (Please answer Q1-Q6)
- No. (Please answer Q7-Q8)

Shopping experience [for buyers of counterfeits S4=1]

1. Did you know the product is counterfeited / not genuine?
 - Yes, I knew.
 - I was not sure but I guessed it is not genuine through cues of price, location, packaging, etc.
 - No, I didn't know.
2. Where did you buy the counterfeit products? [CHECK ALL THAT APPLY]
 - Ladies Market, Mongkok
 - Temple Street, Jordan
 - Stanley Market, Hong Kong Island
 - Chung King Mansions
 - Other place: _____ (please specify)

3. Details of the counterfeit products that you bought.

Product Category	Unit price (HKD)	Quantity
<input type="checkbox"/> Wearing apparel / accessories		
<input type="checkbox"/> Electronics		
<input type="checkbox"/> Handbags / wallets		
<input type="checkbox"/> Footwear		
<input type="checkbox"/> Watches / jewelry		
<input type="checkbox"/> Others: _____ (please specify)		

4. The counterfeit product:

ROTATE	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
a. Costs much less than the genuine version	5	4	3	2	1
b. Is value for money	5	4	3	2	1
c. Is value for the status	5	4	3	2	1
d. Provides similar functions to the genuine version	5	4	3	2	1
e. Is of similar quality to the genuine version	5	4	3	2	1
f. Is as reliable as the genuine version	5	4	3	2	1

5. How effective are the following marketing strategies of sellers of counterfeit products in convincing you to buy the counterfeit product?

ROTATE	Very effective	Effective	Neutral	Ineffective	Very ineffective
a. Possibility to negotiate prices	5	4	3	2	1
b. Good packaging	5	4	3	2	1
c. Attractive display	5	4	3	2	1
d. Many choices of products	5	4	3	2	1
e. Exciting and adventurous shopping environment	5	4	3	2	1
f. The seller's persuasiveness	5	4	3	2	1
g. Word-of-mouth / friends' recommendations	5	4	3	2	1
h. Other effective marketing strategies of sellers of counterfeit products (specify) _____					

6. Please evaluate your shopping experience of counterfeit products:

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
a. I am satisfied with the shopping experience.	5	4	3	2	1
b. I will shop at the same place again in the future.	5	4	3	2	1
c. My perception of Hong Kong as “shopping paradise” has increased.	5	4	3	2	1

Shopping experience

[ASK ALL]

7. How effective are the following anti-counterfeit marketing strategies on preventing you from buying counterfeit products?

ROTATE	Very effective	Effective	Neutral	Ineffective	Very ineffective
a. Anti-counterfeit advertisements using celebrities or other educational advertisements in the media discourage me from buying counterfeit products.	5	4	3	2	1
b. Education programs about the negative impact of counterfeits on the economy and society discourage me from buying counterfeit products.	5	4	3	2	1
c. Campaigns that show potential risks in health or safety of buying counterfeits discourage me from buying counterfeit products.	5	4	3	2	1
d. An explanation or justification of why genuine products deserve a high price discourages me from buying counterfeit products.	5	4	3	2	1
e. Websites that enable consumers to sign online petitions to boycott counterfeits discourage me from buying counterfeit products.	5	4	3	2	1
f. Price discounts of genuine products discourage me from buying counterfeit products.	5	4	3	2	1
g. Other effective anti-counterfeit marketing strategies (specify)_____					

[for non-buyers of counterfeits S4=2]

8. Please evaluate your general shopping experience in Hong Kong.

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
a. I am satisfied with my shopping experience in general.	5	4	3	2	1
b. I will still not buy counterfeits in the future.	5	4	3	2	1
c. My perception of Hong Kong as “shopping paradise” has decreased because there are counterfeit products sold in Hong Kong.	5	4	3	2	1

[ASK ALL]

Making Decisions

9. Below are a list of statements. Please indicate whether you agree or disagree with these statements on a scale of 1 to 5 where 5 = Strongly Agree and 1 = Strongly Disagree.

ROTATE					
a. The overall harm (if any) done as a result of purchasing counterfeits is very small.	5	4	3	2	1
b. Most people would agree that purchasing counterfeits is alright.	5	4	3	2	1
c. Purchasing counterfeits is not likely to actually cause any harm.	5	4	3	2	1
d. Purchasing counterfeits will not cause any harm in the immediate future.	5	4	3	2	1
e. Purchasing counterfeits is alright if no friends or families are negatively affected.	5	4	3	2	1
f. Purchasing counterfeits will harm very few people, if any.	5	4	3	2	1
g. The decision to purchase counterfeits is not important to me.	5	4	3	2	1
h. The decision to purchase counterfeits will not affect my image held by families or friends.	5	4	3	2	1
i. The decision to purchase counterfeits would not cause me any risks.	5	4	3	2	1
j. When making the decision of whether to buy counterfeit products or not, I was in a good mood.	5	4	3	2	1
k. Emotions highly affected my decision of whether or not to buy counterfeit products.	5	4	3	2	1

Q10. When thinking about the decision to purchase counterfeit products or not, which of the following group of statements do you most closely identify?

a. <input type="checkbox"/>	I took the simple decision which required the least amount of time. I wanted to make a decision which did not require me to think too much. I made the choice which was the easiest.
b. <input type="checkbox"/>	I took the complicated decision which require a lot of thinking. I spent time thinking about possible consequences for myself and others. I considered all the facts about whether to buy counterfeit products.

If Q10 = a, ASK Q11, OTHERWISE SKIP TO Q12

Q11. When thinking about my decision whether or not to purchase counterfeit products, the main ethical principle I followed is... [ONE ANSWER ONLY]	
ROTATE	
<input type="checkbox"/>	I mainly focused on personal gain and loss / image / status / principles.
<input type="checkbox"/>	I mainly judged whether there is any punishment for the decision.
<input type="checkbox"/>	I mainly considered the expectation / acceptance of families or friends.
<input type="checkbox"/>	I mainly considered the fairness to those who might be affected by my decision.
<input type="checkbox"/>	I mainly considered my responsibility to the society.
<input type="checkbox"/>	I considered all ethical principles of all cultures and societies.

IF Q10 = b, ASK Q12

Q12. Knowingly purchasing counterfeit products is ROTATE					
a. Fair	5	4	3	2	1
b. Morally right	5	4	3	2	1
c. Acceptable to my family and friends	5	4	3	2	1
d. Acceptable in my culture	5	4	3	2	1
e. Personally satisfying and pleasurable	5	4	3	2	1
f. Based on sound judgement	5	4	3	2	1
g. Acceptable for me if there is no punishment	5	4	3	2	1
h. OK if it can be justified by positive consequences	5	4	3	2	1
i. Does not violate established social norms	5	4	3	2	1
j. Does not compromise important principles by which I live	5	4	3	2	1
k. Ethical, in general	5	4	3	2	1

[ASK ALL]

Q13 ROTATE					
a. I cannot resist impulses.	5	4	3	2	1
b. I cannot resist distractions from others.	5	4	3	2	1
c. I rely on the guidance of others to make judgements.	5	4	3	2	1
d. I find it difficult to exercise self-control.	5	4	3	2	1
e. When I travel in a group, my judgement will be different from when I am alone.	5	4	3	2	1

[If respondent did buy counterfeits (S4=1)]

Q14					
The outcome of buying counterfeits matches my previous judgement that buying counterfeits is acceptable.	5	4	3	2	1

[If respondent did not buy counterfeits (S4=2)]

Q15					
The outcome of not buying counterfeits matches my previous judgement that buying counterfeits is not acceptable.	5	4	3	2	1

[If bought counterfeits (S4=1)]

Q16. ROTATE					
a. Purchasing counterfeits is not a big deal. Everyone does it.	5	4	3	2	1
b. There's no harm done in purchasing counterfeits. The designer brands are still rich anyway.	5	4	3	2	1
c. It's the designer brand's fault, the designer brands should make it more difficult to copy their designs.	5	4	3	2	1
d. It's a joke designer brands should complain about me buying counterfeit goods when these companies are making products in sweat shops with child labor.	5	4	3	2	1
e. I wanted to buy the genuine products but the queues were too long.	5	4	3	2	1
f. I don't think buying counterfeit products is unethical.	5	4	3	2	1

[ASK ALL]

Q17. Please state how likely you are to do this at home and on vacation (5 = Very likely, 1 = Very unlikely)

Knowingly purchase a counterfeit product	Very likely	Likely	Neutral	Unlikely	Very unlikely
a. At home	5	4	3	2	1
b. On vacation	5	4	3	2	1

[For tourists only]

The next section asks some questions for classification purposes. Please tick the most appropriate option.

T1. On this trip, who is in your travel party? (Mark all that apply)

- Just myself [EXCLUSIVE]
- My spouse / partner
- My child(ren)/grandchild(ren) under 18
- My friends / associates
- Other

T2. How many people including yourself is in the travel party?

Fill in the no. _____

T3. How many times have you visited Hong Kong previously?

None – first trip to Hong Kong

Fill in the no. _____

T4. How many nights is your stay in Hong Kong this time?

None – day trip to Hong Kong

Fill in the no. _____

T5. What was your main reason for taking this trip to Hong Kong? [ONE ANSWER ONLY]

- Recreation, tourism and relaxation
- Visiting relatives and friends
- Business reasons
- Attending a conference, exhibition, or seminar
- Education (both short and long courses)
- Health
- Religious reasons
- Other (specify):

T6. Which best describes your travel arrangements?

- My trip to Hong Kong was organized by a travel agency / tour operator
- I organized my travel independently

[ASK ALL]

D1. Highest level of education

- Primary school
- Some high school
- High school graduate
- Some college credit, no degree
- Trade/technical/vocational training
- Bachelor's degree
- Post Graduate degree

D2. What is your marital status?

- Single, never married
- Married or domestic partnership
- Widowed
- Divorced
- Separated

D3. What is your current employment status?

- Student
- Self employed
- Employed full-time
- Employed part-time
- Unemployed
- Retire

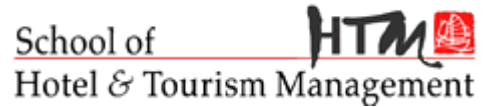
D4. What is your religion? [ONE ANSWER ONLY]

- No religion
- Christianity
- Catholicism
- Islam
- Hinduism
- Buddhism
- Taoism
- Folk religion
- Other (specify):

- Refuse to answer

This is the end of the questionnaire. Thank you very much for your time!

Appendix 5 Questionnaire - simplified Chinese version



香港居民和游客对仿品的需求及其决策过程

您受邀参与一项由香港理工大学酒店及旅游业管理学院博士研究生曾颖欢小姐和助理教授 Stephen Pratt 博士主持的问卷调查，该研究获得香港研资局资助支持。

本次调查的目的是：希望了解香港居民和游客对仿品的需求及其决策过程，评估该需求的经济价值、仿品对香港“购物天堂”形象的影响、以及各种抵制仿品营销策略的有效性。

本次问卷调查约需要 15 分钟。您提供的所有信息将严格保密，仅用于数据分析。您有权利在任何时候选择放弃参与此次问卷调查。

假如您希望进一步了解本次调查，请联络曾颖欢小姐。电话：852-3400 2331；邮寄地址：香港九龙尖沙咀东部科学馆道 17 号；电子邮箱：[christine.yh.zeng@](mailto:christine.yh.zeng@polyu.edu.hk)

假如您对本次问卷调查有任何意见，请联络香港理工大学研究事务处 Cherrie Mok 小姐，以书面形式清楚说明此次调查研究的负责人和部门。

衷心感谢您参与本次问卷调查！

曾颖欢
博士研究生
酒店及旅游业管理学院
香港理工大学

Hung Hom Kowloon Hong Kong 香港 九龍 紅磡
Tel 電話 (852) 2766 5111 Fax 傳真 (852) 2784 3374
Email 電郵 polyu@polyu.edu.hk
Website 網址 www.polyu.edu.hk

筛选问题:

S1. 性别

男

女

S2. 年龄

18 岁以下

18-24 岁

25-34 岁

35-44 岁

45-54 岁

55-64 岁

65-74 岁

75 岁或以上

S3. 您的日常居住地?

英国

欧洲其他国家 _____ (请注明)

美国

加拿大

澳大利亚

新西兰

中国大陆

香港

日本

韩国

台湾

马来西亚

新加坡

印度

- 印尼
- 其他 _____（请注明）

[查阅配额后继续]

仿品：仿品是指某些名牌产品的副本或仿制品，旨在让人以为是真品或是正品。同正品相比，做工和质量有一定区别，但是外观、材质和正品非常相似。

[请中国大陆游客和国际游客回答]

S4. 您在香港逗留期间是否曾经购买仿品？

- 是（请回答 Q1-Q6）
- 否

S4.1. 如 S4 选择“否”，以下符合的是？

- 我在中国大陆购买仿品。（请回答 S4.1.1）
- 我在自己国家（非中国大陆游客）或其他国家购买仿品。（请回答 S4.1.1）
- 我从不买仿品。（请回答 Q7-Q8）

S4.1.1. 请回答在其他地方而不在香港购买仿品的原因： [可多选]

- 质量更好
 - 价格更便宜
 - 性价比更高
 - 更多选择
 - 更多购买途径（如：网购）
 - 其他：_____（请注明）
- （请回答 Q7-Q8）

[请香港居民回答]

S4. 在过去 12 个月内，您是否曾经在香港购买过仿品？

- 是（请回答 Q1-Q6）
- 否（请回答 Q7-Q8）

购买经历 [请购买过仿品的受访者回答 S4=1]

1. 您是否知道所购买的产品是仿品 / 非正品？

- 是的，我知道。
 我不能肯定，但我从价格、购买地点和包装等猜出该产品不是正品。
 不，我不知道。

2. 购买地点 [可多选]

- 女人街（旺角） 庙街（佐敦）
 赤柱市集（香港岛） 重庆大厦
 其他地方：_____（请注明）

3. 所购买的仿品细节信息：

产品类别	单价（港币）	数量
<input type="checkbox"/> 服装 / 配饰		
<input type="checkbox"/> 电子产品		
<input type="checkbox"/> 手袋 / 钱包		
<input type="checkbox"/> 鞋子		
<input type="checkbox"/> 手表 / 珠宝		
<input type="checkbox"/> 其他：_____（请注明）		

4. 所购买的仿品：

	非常同意	同意	中立	不同意	非常不同意
a. 比正品便宜很多	5	4	3	2	1
b. 物有所值	5	4	3	2	1
c. 与身份地位相符	5	4	3	2	1
d. 提供与正品相似的功能	5	4	3	2	1
e. 质量与正品相似	5	4	3	2	1
f. 与正品一样可靠	5	4	3	2	1

5. 仿品卖家的以下策略对于说服您购买仿品的有效程度是？

	非常有效	有效	中立	不太有效	完全无效
a. 可以讲价	5	4	3	2	1
b. 包装得好	5	4	3	2	1
c. 陈列/展示方式吸引	5	4	3	2	1
d. 产品选择多	5	4	3	2	1
e. 令人感到兴奋和刺激的购买环境	5	4	3	2	1
f. 卖家的说服力	5	4	3	2	1
g. 口碑 / 朋友推荐	5	4	3	2	1
h. 仿品卖家的其他有效策略（请注明）_____					

6. 请评价您的仿品购买经历。

	非常同意	同意	中立	不同意	非常不同意
a. 我满意此次购买经历。	5	4	3	2	1
b. 我未来将会在相同的地方购买产品。	5	4	3	2	1
c. 我对香港“购物天堂”的印象有所提高。	5	4	3	2	1

购买经历 [请未曾购买仿品的受访者回答 S4=2]

7. 以下反仿品营销策略对于阻止您购买仿品的有效程度是？[请所有受访者回答]

	非常有效	有效	中立	不太有效	完全无效
a. 请名人做抵制仿品的广告或其他教育广告能阻止我购买仿品。	5	4	3	2	1
b. 讲述仿品对经济及社会负面影响的教育项目能阻止我购买仿品。	5	4	3	2	1
c. 展示购买仿品对健康安全潜在风险的活动能阻止我购买仿品。	5	4	3	2	1
d. 阐述正品值得高价的理由能阻止我购买仿品。	5	4	3	2	1
e. 鼓励消费者联名抵制仿品的网站能阻止我购买仿品。	5	4	3	2	1
f. 正品打折能阻止我购买仿品。	5	4	3	2	1
g. 其他有效的反仿品营销策略（请注明）： _____					

8. 请评价您在香港购物的总体经历。[请未曾购买仿品的受访者回答]

	非常同意	同意	中立	不同意	非常不同意
a. 总的来说，我满意我的购买经历。	5	4	3	2	1
b. 我未来仍然不会购买仿品。	5	4	3	2	1
c. 由于仿品在香港有售，我对香港“购物天堂”的印象降低了。	5	4	3	2	1

[请所有受访者回答]

决策过程

9. 请根据您的购买/不购买仿品的经历，表达您对以下陈述的同意程度：5 代表“非常同意”，1 代表“非常不同意”。

a. 购买仿品造成的总体伤害（假如有）是非常小的。	5	4	3	2	1
b. 大多数人会认为购买仿品是没问题的。	5	4	3	2	1
c. 购买仿品不太可能真的造成任何伤害。	5	4	3	2	1
d. 购买仿品不会立刻造成任何伤害。	5	4	3	2	1
e. 如果朋友或家人没有受到负面影响，购买仿品是没问题的。	5	4	3	2	1
f. 购买仿品将伤害到极少人（假如有的话）。	5	4	3	2	1
g. 购买仿品的决策对我来说并不重要。	5	4	3	2	1
h. 购买仿品的决策不会影响家人或朋友对我的印象。	5	4	3	2	1
i. 购买仿品的决策不会对我造成任何风险。	5	4	3	2	1
j. 当决定是否购买仿品时，我心情很好。	5	4	3	2	1
k. 情绪非常影响我是否购买仿品的决定。	5	4	3	2	1

Q10. 当考虑是否购买仿品时，以下哪组陈述最能描述您？

a. <input type="checkbox"/>	我选择最省时的简单决策。 我选择不需要我考虑太多的决策。 我选择最容易的决策。
b. <input type="checkbox"/>	我选择需要考虑很多的复杂决策。 我花时间考虑该决策对于自己和他人可能造成的结果。 我考虑所有关于是否购买仿品的事情。

假如 Q10=a, 回答 Q11, 否则回答 Q12

Q11. 当考虑是否购买仿品时，我遵循的主要道德准则是：【单选】	
<input type="checkbox"/>	我主要关注个人 利益得失 / 形象 / 身份地位 / 原则。
<input type="checkbox"/>	我主要判断该决策是否会有任何惩罚。
<input type="checkbox"/>	我主要考虑家人或朋友的期望 / 接受程度。
<input type="checkbox"/>	我主要考虑对那些可能受到我决策影响的人们的公平性。
<input type="checkbox"/>	我主要考虑我对社会的责任。
<input type="checkbox"/>	我考虑所有文化和社会的所有道德准则。

假如 Q10=b, 回答 Q12

Q12. 明知而购买仿品是:					
a. 公平的	5	4	3	2	1
b. 道德上是正确的	5	4	3	2	1
c. 我的家人和朋友可以接受的	5	4	3	2	1
d. 在我的文化中, 是可以接受的	5	4	3	2	1
e. 令人满足愉快的	5	4	3	2	1
f. 基于合理的判断	5	4	3	2	1
g. 如果没有惩罚, 是可以接受的	5	4	3	2	1
h. 如果有正面积积极的结果, 是可以做的	5	4	3	2	1
i. 并不违反当今的社会规范	5	4	3	2	1
j. 并不违反我生活的重要原则	5	4	3	2	1
k. 总的来说, 是道德的	5	4	3	2	1

[请所有受访者回答]

Q13					
a. 我不能抵抗冲动。	5	4	3	2	1
b. 我不能抵抗来自他人的干扰。	5	4	3	2	1
c. 我依赖他人的指导来做判断。	5	4	3	2	1
d. 我觉得实现自我控制很困难。	5	4	3	2	1
e. 当我与一群人一起旅行时, 我的判断会不同于我独自旅行的时候。	5	4	3	2	1

[假如受访者曾经购买仿品 (S4=1)]

Q14					
我购买仿品后的结果符合我先前对于“仿品是可以接受”的判断。	5	4	3	2	1

[假如受访者未曾购买过仿品 (S4=2)]

Q15					
我不购买仿品后的结果符合我先前对于“仿品是不可以接受”的判断。	5	4	3	2	1

[假如购买过仿品 (S4=1)]

Q16.					
a. 购买仿品不是什么大问题, 很多人都买。	5	4	3	2	1
b. 购买仿品并没有造成伤害。无论如何, 正品品牌仍然十分盈利。	5	4	3	2	1
c. 这是正品品牌的错, 他们应该想办法令仿制更加困难。	5	4	3	2	1
d. 正品品牌抱怨我购买仿品, 这真是一个笑话, 因为他们正聘用童工在血汗工厂里生产产品。	5	4	3	2	1
e. 我本来想买正品的, 但排队队伍太长了。	5	4	3	2	1
f. 我不认为购买仿品是不道德的。	5	4	3	2	1

[请所有受访者回答]

Q17. 请描述您在自己的居住地和旅游度假地时, 做出下列行为的可能性 (5 代表非常有可能, 1 代表非常不可能)。

明知而购买一个仿品	非常有可能	有可能	中立	不可能	非常不可能
a. 在居住地	5	4	3	2	1
b. 在旅游度假地	5	4	3	2	1

[请游客回答]

以下问题仅用于分类研究。请勾选最恰当的选项。

T1. 在本次旅行中，谁是您的旅伴？
(可多选)

- 只有我自己
- 我的配偶 / 伴侣
- 我的孩子 / 孙子 (18 岁以下)
- 我的朋友 / 同事
- 其他

T2. 本次旅行一共有多少人 (包括您自己)？

填写数字 _____

T3. 您之前来过多少次香港？

从来没有，第一次来。

填写数字 _____

T4. 本次旅行您在香港住多少晚？

没有，只是香港一日游。

填写数字 _____

T5. 您本次来香港旅游的主要原因是？
【单选】

- 休闲，旅游和消遣
- 探亲访友
- 出差
- 参加会议、展览或研讨会
- 教育 (短期和长期课程)
- 健康，医疗
- 宗教原因
- 其他 (请注明):

T6. 对您本次旅行最恰当的描述是？

- 我此次到香港的行程是由旅行社安排的
- 我自己安排行程

[请所有受访者回答]

D1. 最高教育程度

- 小学
- 初中
- 高中
- 大专
- 贸易/技术/职业培训
- 大学本科
- 研究生

D2. 婚姻状况

- 单身，从未结过婚
- 已婚或同居
- 丧偶
- 离婚
- 分居

D3. 职业现状

- 学生
- 自雇
- 全职雇员
- 兼职雇员
- 待业或失业
- 退休

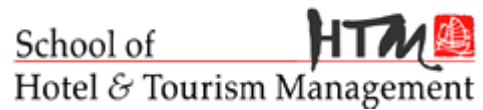
D4. 宗教信仰 【单选】

- 无宗教信仰
- 基督教
- 天主教
- 伊斯兰教
- 印度教
- 佛教
- 道教
- 民间宗教信仰
- 其他（请注明）：

-
- 拒绝回答

问卷结束，非常感谢您抽时间参与本次问卷调查！

Appendix 6 Questionnaire - traditional Chinese version



香港居民和遊客對仿品的需求及其決策過程

您受邀參與一項由香港理工大學酒店及旅遊業管理學院博士研究生曾穎歡小姐和助理教授 Stephen Pratt 博士主持的調查問卷，該研究獲得香港研資局資助支持。

本次調查的目的是：希望瞭解香港居民和遊客對仿品的需求及其決策過程，評估該需求的經濟價值、仿品對香港“購物天堂”形象的影響、以及各種抵制仿品行銷策略的有效性。

本次問卷調查約需時 15 分鐘。您提供的所有資訊將嚴格保密，僅用於資料分析。您有權利在任何時候選擇放棄參與此次問卷調查。

假如您希望進一步瞭解本次調查，請聯絡曾穎歡小姐。電話：852-3400 2331；郵寄地址：香港九龍尖沙咀東部科學館道 17 號；電子郵箱：[christine.yh.zeng@](mailto:christine.yh.zeng@polyu.edu.hk)

假如您對本次問卷調查有任何意見，請聯絡香港理工大學研究事務處 Cherrie Mok 小姐，以書面形式清楚說明此次調查研究的負責人和部門。

衷心感謝您參與本次問卷調查！

曾穎歡
博士研究生
酒店及旅遊業管理學院
香港理工大學

Hung Hom Kowloon Hong Kong 香港 九龍 紅磡
Tel 電話 (852) 2766 5111 Fax 傳真 (852) 2784 3374
Email 電郵 polyu@polyu.edu.hk
Website 網址 www.polyu.edu.hk

篩選問題：

S1. 性別

男

女

S2. 年齡

18 歲以下

18-24 歲

25-34 歲

35-44 歲

45-54 歲

55-64 歲

65-74 歲

75 歲或以上

S3. 您的日常居住地？

英國

歐洲其他國家_____（請注明）

美國

加拿大

澳大利亞

紐西蘭

中國大陸

香港

日本

韓國

台灣

馬來西亞

新加坡

印度

印尼

其他 _____（請注明）

[查閱配額後繼續]

仿品：仿品是指某些名牌產品的副本或仿製品，旨在讓人以為是真品或是正品。同正品相比，做工和品質有一定區別，但是外觀、材質和正品非常相似。

[請中國大陸遊客和國際遊客回答]

S4. 您在香港逗留期間是否曾經購買仿品？

是（請回答 Q1-Q6）

否

S4.1. 如 S4 選擇“否”，以下符合的是？

我在中國大陸購買仿品。（請回答 S4.1.1）

我在自己國家（非中國大陸遊客）或其他國家購買仿品。（請回答 S4.1.1）

我從不買仿品。（請回答 Q7-Q8）

S4.1.1. 請回答在其他地方而不在香港購買仿品的原因： [可多選]

品質更好

價格更便宜

性價比更高

更多選擇

更多購買途徑（如：網購）

其他：_____（請注明）

（請回答 Q7-Q8）

[請香港居民回答]

S4. 在過去 12 個月內，您是否曾經在香港購買過仿品？

是（請回答 Q1-Q6）

否（請回答 Q7-Q8）

購買經歷 [請購買過仿品的受訪者回答 S4=1]

1. 您是否知道所購買的產品是仿品 / 非正品？

- 是的，我知道。
 我不能肯定，但我從價格、購買地點和包裝等猜出該產品不是正品。
 不，我不知道。

2. 購買地點 [可多選]

- 女人街（旺角） 廟街（佐敦）
 赤柱市集（香港島） 重慶大廈
 其他地方: _____（請注明）

3. 所購買的仿品細節資訊：

產品類別	單價（港幣）	數量
<input type="checkbox"/> 服裝 / 配飾		
<input type="checkbox"/> 電子產品		
<input type="checkbox"/> 手袋 / 錢包		
<input type="checkbox"/> 鞋子		
<input type="checkbox"/> 手錶 / 珠寶		
<input type="checkbox"/> 其他: _____（請注明）		

4. 所購買的仿品：

	非常同意	同意	中立	不同意	非常不同意
a. 比正品便宜很多	5	4	3	2	1
b. 物有所值	5	4	3	2	1
c. 與身份地位相符	5	4	3	2	1
d. 提供與正品相似的功能	5	4	3	2	1
e. 品質與正品相似	5	4	3	2	1
f. 與正品一樣可靠	5	4	3	2	1

5. 仿品賣家的以下策略對於說服您購買仿品的有效程度是？

	非常有效	有效	中立	不太有效	完全無效
a. 可以講價	5	4	3	2	1
b. 包裝得好	5	4	3	2	1
c. 陳列/展示方式吸引	5	4	3	2	1
d. 產品選擇多	5	4	3	2	1
e. 令人感到興奮和刺激的購買環境	5	4	3	2	1
f. 賣家的說服力	5	4	3	2	1
g. 口碑 / 朋友推薦	5	4	3	2	1
h. 仿品賣家的其他有效策略（請注明） _____					

6. 請評價您的仿品購買經歷。

	非常同意	同意	中立	不同意	非常不同意
a. 我滿意此次購買經歷。	5	4	3	2	1
b. 我未來將會在相同的地方購買產品。	5	4	3	2	1
c. 我對香港“購物天堂”的印象有所提高。	5	4	3	2	1

購買經歷 [請未曾購買仿品的受訪者回答 S4=2]

7. 以下反仿品行銷策略對於阻止您購買仿品的有效程度是？[請所有受訪者回答]

	非常有效	有效	中立	不太有效	完全無效
a. 請名人做抵制仿品的廣告或其他教育廣告能阻止我購買仿品。	5	4	3	2	1
b. 講述仿品對經濟及社會負面影響的教育項目能阻止我購買仿品。	5	4	3	2	1
c. 展示購買仿品對健康安全潛在風險的活動能阻止我購買仿品。	5	4	3	2	1
d. 闡述正品值得高價的理由能阻止我購買仿品。	5	4	3	2	1
e. 鼓勵消費者聯名抵制仿品的網站能阻止我購買仿品。	5	4	3	2	1
f. 正品打折能阻止我購買仿品。	5	4	3	2	1
g. 其他有效的反仿品行銷策略（請註明）：_____					

8. 請評價您在香港購物的總體經歷。[請未曾購買仿品的受訪者回答]

	非常同意	同意	中立	不同意	非常不同意
a. 總的來說，我滿意我的購買經歷。	5	4	3	2	1
b. 我未來仍然不會購買仿品。	5	4	3	2	1
c. 由於仿品在香港有售，我對香港“購物天堂”的印象有所降低。	5	4	3	2	1

[請所有受訪者回答]

決策過程

9. 請根據您購買/不購買仿品的經歷，表達您對以下陳述的同意程度：5 代表“非常同意”，1 代表“非常不同意”。

a. 購買仿品造成的總體傷害（假如有）是非常小的。	5	4	3	2	1
b. 大多數人會認為購買仿品是沒問題的。	5	4	3	2	1
c. 購買仿品不太可能真的造成任何傷害。	5	4	3	2	1
d. 購買仿品不會立刻造成任何傷害。	5	4	3	2	1
e. 如果朋友或家人沒有受到負面影響，購買仿品是沒問題的。	5	4	3	2	1
f. 購買仿品將傷害到極少人（假如有的話）。	5	4	3	2	1
g. 購買仿品的決策對我來說並不重要。	5	4	3	2	1
h. 購買仿品的決策不會影響家人或朋友對我的印象。	5	4	3	2	1
i. 購買仿品的決策不會對我造成任何風險。	5	4	3	2	1
j. 當決定是否購買仿品時，我心情很好。	5	4	3	2	1
k. 情緒非常影響我是否購買仿品的決定。	5	4	3	2	1

Q10. 當考慮是否購買仿品時，以下哪組陳述最能描述您？

a. <input type="checkbox"/>	我選擇最省時的簡單決策。 我選擇不需要我考慮太多的決策。 我選擇最容易的決策。
b. <input type="checkbox"/>	我選擇需要考慮很多的複雜決策。 我花時間考慮該決策對於自己和他人可能造成的結果。 我考慮所有關於是否購買仿品的事情。

假如 Q10=a, 回答 Q11, 否則回答 Q12

Q11.當考慮是否購買仿品時，我遵循的主要道德準則是：【單選】	
<input type="checkbox"/>	我主要關注個人 利益得失 / 形象 / 身份地位 / 原則。
<input type="checkbox"/>	我主要判斷該決策是否會有任何懲罰。
<input type="checkbox"/>	我主要考慮家人或朋友的期望 / 接受程度。
<input type="checkbox"/>	我主要考慮對那些可能受到我決策影響的人們的公平性。
<input type="checkbox"/>	我主要考慮我對社會的責任。
<input type="checkbox"/>	我考慮所有文化和社會的所有道德準則。

假如 Q10=b, 回答 Q12

Q12. 明知而購買仿品是：					
a. 公平的	5	4	3	2	1
b. 道德上是正確的	5	4	3	2	1
c. 我的家人和朋友可以接受的	5	4	3	2	1
d. 在我的文化中，是可以接受的	5	4	3	2	1
e. 令人滿足愉快的	5	4	3	2	1
f. 基於合理的判斷	5	4	3	2	1
g. 如果沒有懲罰，是可以接受的	5	4	3	2	1
h. 如果有正面積極的結果，是可以做的	5	4	3	2	1
i. 並不違反當今的社會規範	5	4	3	2	1
j. 並不違反我生活的重要原則	5	4	3	2	1
k. 總的來說，是道德的	5	4	3	2	1

[請所有受訪者回答]

Q13					
a. 我不能抵抗衝動。	5	4	3	2	1
b. 我不能抵抗來自他人的幹擾。	5	4	3	2	1
c. 我依賴他人的指導來做判斷。	5	4	3	2	1
d. 我覺得實現自我控制很困難。	5	4	3	2	1
e. 當我與一群人一起旅行時，我的判斷會不同於我獨自旅行的時候。	5	4	3	2	1

[假如受訪者曾經購買仿品 (S4=1)]

Q14					
我購買仿品後的結果符合我先前對於“仿品是可以接受”的判斷。	5	4	3	2	1

[假如受訪者未曾購買過仿品 (S4=2)]

Q15					
我不購買仿品後的結果符合我先前對於“仿品是不可以接受”的判斷。	5	4	3	2	1

[假如購買過仿品 (S4=1)]

Q16.					
a. 購買仿品不是什麼大問題，很多人都買。	5	4	3	2	1
b. 購買仿品並沒有造成傷害。無論如何，正品品牌仍然十分盈利。	5	4	3	2	1
c. 這是正品品牌的錯，他們應該想辦法令仿製更加困難。	5	4	3	2	1
d. 正品品牌抱怨我購買仿品，這真是一個笑話，因為他們正聘用童工在血汗工廠裡生產產品。	5	4	3	2	1
e. 我本來想買正品的，但排隊隊伍太長了。	5	4	3	2	1
f. 我不認為購買仿品是不道德的。	5	4	3	2	1

[請所有受訪者回答]

Q17.請描述您在自己的居住地和旅遊度假地時，做出下列行為的可能性（5 代表非常有可能，1 代表非常不可能）。

明知而購買一個仿品	非常有可能	有可能	中立	不可能	非常不可能
a. 在居住地	5	4	3	2	1
b. 在旅遊度假地	5	4	3	2	1

[請遊客回答]

以下問題僅用於分類研究。請勾選最恰當的選項。

T1. 在本次旅行中，誰是您的旅伴？
(可多選)

- 只有我自己
- 我的配偶 / 伴侶
- 我的孩子 / 孫子 (18 歲以下)
- 我的朋友 / 同事
- 其他

T2. 本次旅行一共有多少人 (包括您自己)？

填寫數字 _____

T3. 您之前來過多少次香港？

從來沒有，第一次來。

填寫數字 _____

T4. 本次旅行您在香港住多少晚？

沒有，只是香港一日遊。

填寫數字 _____

T5. 您本次來香港旅遊的主要原因是？
【單選】

- 休閒，旅遊和消遣
- 探親訪友
- 出差
- 參加會議、展覽或研討會
- 教育 (短期和長期課程)
- 健康，醫療
- 宗教原因
- 其他 (請注明):

T6. 對您本次旅行最恰當的描述是？

- 我此次到香港的行程是由旅行社安排的
- 我自己安排行程

[請所有受訪者回答]

D1. 最高教育程度

- 小學
- 初中
- 高中
- 大專
- 貿易/技術/職業培訓
- 大學本科
- 研究生

D2. 婚姻狀況

- 單身，從未結過婚
- 已婚或同居
- 喪偶
- 離婚
- 分居

D3. 職業現狀

- 學生
- 自雇
- 全職雇員
- 兼職雇員
- 待業或失業
- 退休

D4. 宗教信仰 【單選】

- 無宗教信仰
- 基督教
- 天主教
- 伊斯蘭教
- 印度教
- 佛教
- 道教
- 民間宗教信仰
- 其他（請註明）：

拒絕回答

問卷結束，非常感謝您抽時間參與本次問卷調查！

References

- Abbott, G. W., Jr. , & Sporn, L. S. (2002). *Trademark counterfeiting (§ 1.03 [A] [2])*. New York: Aspen Law and Business.
- ACG. (2004). Anti-counterfeiting group: What do consumers really think about fakes? Retrieved 10 November 2015 from <http://www.a-cg.com>
- Ajzen, I. (1991). The theory of planned behavior. *Organizational behavior and human decision processes*, 50(2), 179-211.
- Ajzen, I., & Driver, B. L. (1992). Application of the theory of planned behavior to leisure choice. *Journal of leisure research*, 24(3), 207-224.
- Ajzen, I., & Fishbein, M. (1980). *Understanding attitudes and predicting social behavior*. Englewood Cliffs, NJ: Prentice-Hall.
- Ajzen, I., & Fishbein, M. (2000). Attitudes and the attitude-behavior relation: Reasoned and automatic processes. *European review of social psychology*, 11(1), 1-33.
- Al-Khatib, J. A., Vitell, S. J., Rexeisen, R., & Rawwas, M. (2005). Inter-country differences of consumer ethics in Arab countries. *International Business Review*, 14(4), 495-516.
- Albatross. (2016). 7 Reasons Why Chinese Luxury Consumers Prefer to Buy Abroad. Retrieved 13 April 2016 from <http://www.albatrossasia.com/7-reasons-why-chinese-luxury-consumers-prefer-to-buy-abroad/>
- Albers-Miller, N. D. (1999). Consumer misbehavior: why people buy illicit goods. *Journal of Consumer Marketing*, 16(3), 273-287.
- Alegre, J., & Garau, J. (2010). Tourist satisfaction and dissatisfaction. *Annals of Tourism Research*, 37(1), 52-73.
- Alter, A. L., & Oppenheimer, D. M. (2009). Uniting the tribes of fluency to form a metacognitive nation. *Personality and Social Psychology Review*, 13(3), 219-235.
- Bargeman, B., & van der Poel, H. (2006). The role of routines in the vacation decision-making process of Dutch vacationers. *Tourism Management*, 27(4), 707-720.
- Bargh, J. A., & Chartrand, T. L. (1999). The unbearable automaticity of being. *American psychologist*, 54, 462-479.
- Barlés-Arizón, M. J., Fraj-Andrés, E., & Martínez-Salinas, E. (2013). Family vacation decision making: The role of woman. *Journal of Travel & Tourism Marketing*, 30(8), 873-890.
- BASCAP. (2011). Estimating the global economic and social impacts of counterfeiting and

- piracy. *A Report Commissioned by Business Action to Stop Counterfeiting and Piracy (BASCAP), An ICC Initiative.*
- Beerli, A., Meneses, G. D., & Gil, S. M. (2007). Self-congruity and destination choice. *Annals of Tourism Research, 34*(3), 571-587.
- Bergin-Seers, S., & Mair, J. (2009). Emerging green tourists in Australia: Their behaviours and attitudes. *Tourism and Hospitality Research, 9*(2), 109-119.
- Betz, M., O'Connell, L., & Shepard, J. M. (1989). Gender differences in proclivity for unethical behavior. *Journal of Business Ethics, 8*, 321-324.
- Bezençon, V., & Blili, S. (2010). Ethical products and consumer involvement: what's new? *European Journal of Marketing, 44*(9/10), 1305-1321.
- Bian, X., & Veloutsou, C. (2007). Consumers' attitudes regarding non-deceptive counterfeit brands in the UK and China. *Journal of Brand Management, 14*(3), 211-222.
- Bieger, T., & Laesser, C. (2002). Market segmentation by motivation: The case of Switzerland. *Journal of Travel Research, 41*(1), 68-76.
- Bloch, P. H., Bush, R. F., & Campbell, L. (1993). Consumer "accomplices" in product counterfeiting: a demand side investigation. *Journal of Consumer Marketing, 10*(4), 27-36.
- Boksberger, P., Dolnicar, S., Laesser, C., & Randle, M. (2010). Self-congruity theory: To what extent does it hold in tourism? *Journal of Travel Research, 50*(4), 454-456.
- Braun, V., & Clarke, V. (2006). Using qualitative analysis in psychology. *Qualitative Research in Psychology, 3*(2), 77-101.
- Brislin, R. W. (1980). Translation and content analysis of oral and written materials. In H. C. Triandis & J. W. Berry (Eds.), *Handbook of Cross-Cultural Psychology* (Vol. 1, pp. 389-444). Boston: Allyn & Bacon.
- Brocas, I., & Carrillo, J. D. (2014). Dual-process theories of decision-making: A selective survey. *Journal of Economic Psychology, 41*, 45-54.
- Bush, R. F., Bloch, P. H., & Dawson, S. (1989). Remedies for product counterfeiting. *Business Horizons, 32*(1), 59-65.
- Cabral-Isabedra, C. (2016). China Arrests 37 For Selling Fake Vaccines. Retrieved 13 April 2016 from <http://www.techtimes.com/articles/143447/20160323/china-arrests-37-for-selling-fake-vaccines.htm>
- Cacioppo, J. T., & Petty, R. E. (1982). The need for cognition. *Journal of personality and social psychology, 42*(1), 116-131.
- Cacioppo, J. T., Petty, R. E., & Morris, K. J. (1983). Effects of need for cognition on message

- evaluation, recall, and persuasion. *Journal of personality and social psychology*, 45(4), 805-818.
- Camp, J. (2015). Decisions Are Emotional, not Logical: The Neuroscience behind Decision Making. Retrieved 21 April 2016 from <http://bigthink.com/experts-corner/decisions-are-emotional-not-logical-the-neuroscience-behind-decision-making>
- Carpenter, J. M., & Lear, K. (2011). Consumer Attitudes toward Counterfeit Fashion Products: Does Gender Matter? *Journal of Textile and Apparel, Technology and Management*, 7(1), 1-16.
- Carrigan, M., & Attalla, A. (2001). The myth of the ethical consumer-do ethics matter in purchase behaviour? *Journal of Consumer Marketing*, 18(7), 560-578.
- Casali, G. L. (2011). Developing a multidimensional scale for ethical decision making. *Journal of Business Ethics*, 104(4), 485-497.
- Castaño, R., & Eugenia Perez, M. (2014). A matter of love: consumers' relationships with original brands and their counterfeits. *Journal of Consumer Marketing*, 31(6/7), 475-482.
- Chaiken, S. (1980). Heuristic versus systematic information processing and the use of source versus message cues in persuasion. *Journal of personality and social psychology*, 39(5), 752-766.
- Chakraborty, G., Alfred, A., Sukhdial, A., & Bristol, T. (1997). Use of Negative Cues to Reduce Demand for Counterfeit Products. *Advances in Consumer Research*, 24(1), 345-349.
- Chan, L. M., Othman, J., & Jones, R. b. (2011). The conceptual model of Personal Moral Philosophy (PMP) and Ethical Decision Making (EDM). *Journal of Management Research*, 3(2), 1-14.
- Chapa, S., Minor, M. S., & Maldonado, C. (2006). Product Category and Origin Effects on Consumer Responses to Counterfeits: Comparing Mexico and the U.S. *Journal of International Consumer Marketing*, 18(4), 79-99.
- Chatzidakis, A., Hibbert, S., & Smith, A. (2006). "Ethically Concerned, yet Unethically Behaved": Towards an Updated Understanding of Consumer's (Un)ethical Decision Making. *Advances in Consumer Research*, 33(1), 693-698.
- Chaudhry, P., & Zimmerman, A. (2012). *Protecting your intellectual property rights: Understanding the role of management, governments, consumers and pirates*: Springer Science & Business Media.

- Chaudhry, P. E. (2006). Changing levels of intellectual property rights protection for global firms: A synopsis of recent U.S. and E.U. trade enforcement strategies. *Business Horizons*, 49(6), 463-472.
- Chaudhry, P. E., & Walsh, M. G. (1996). An Assessment of the Impact of Counterfeiting in International Markets: The Piracy Paradox Persists. *The Colombian Journal of World Business*, 31(3), 34-48.
- Chaudhry, P. E., & Zimmerman, A. (2009). *The Economics of Counterfeit Trade: Governments, Consumers, Pirates and Intellectual Property Rights*. Berlin Heidelberg: Springer.
- Chen, S.-F. S., Monroe, K. B., & Lou, Y.-C. (1998). The effects of framing price promotion messages on consumers' perceptions and purchase intentions. *Journal of Retailing*, 74(3), 353-372.
- Chen, S., & Chaiken, S. (1999). The heuristic-systematic model in its broader context. In S. Chaiken & Y. Trope (Eds.), *Dual-process theories in social psychology* (pp. 73-96). New York: The Guilford Press.
- Cheung, W. L., & Prendergast, G. (2006). Buyers' perceptions of pirated products in China. *Marketing Intelligence & Planning*, 24(5), 446-462.
- Chiu, H.-C., Hsieh, Y.-C., & Wang, M.-C. (2007). How to Encourage Customers to Use Legal Software. *Journal of Business Ethics*, 80(3), 583-595.
- Churchill, G. A. (1979). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research*, 16(1), 64-73.
- Clark, J. W., & Dawson, L. E. (1996). Personal Religiousness and Ethical Judgements: An Empirical Analysis. *Journal of Business Ethics*, 15(3), 359-372.
- Cohen, E. (1988). Authenticity and Commoditization in Tourism. *Annals of Tourism Research*, 15(3), 371-386.
- Cohen, J., Pant, L., & Sharp, D. (1998). Are women held to a higher moral standard than men? Gender bias among university students. *Teaching Business Ethics*, 2, 197-209.
- Cohen, J. R., Pant, L. W., & Sharp, D. J. (2001). An Examination of Differences in Ethical Decision-Making Between Canadian Business Students and Accounting Professionals. *Journal of Business Ethics*, 30(4), 319-336.
- Cohen, S. A., Prayag, G., & Moital, M. (2014). Consumer behaviour in tourism: Concepts, influences and opportunities. *Current Issues in Tourism*, 17(10), 872-909.
- Coleman, J. W. (1994). *Neutralization Theory: An Empirical Application and Assessment*. (Ph.D. Dissertation), Oklahoma State University, Stillwater.

- Cooper-Martin, E., & Holbrook, M. B. (1993). Ethical consumption experiences and ethical space. *Advances in Consumer Research*, 20(1), 113-118.
- Cordell, V. V., Wongtada, N., & Kieschnick Jr., R. L. (1996). Counterfeit Purchase Intentions: Role of Lawfulness Attitudes and Product Traits as Determinants. *Journal of Business Research*, 35(1), 41-53.
- Correia, A., & Kozak, M. (2016). Tourists' shopping experiences at street markets: Cross-country research. *Tourism Management*, 56, 85-95.
- Craft, J. L. (2013). A Review of the Empirical Ethical Decision-Making Literature: 2004–2011. *Journal of Business Ethics*, 117(2), 221-259.
- Crick-Furman, D., & Prentice, R. (2000). Modeling tourists' multiple values. *Annals of Tourism Research*, 27(1), 69-92.
- Cromwell, P., & Thurman, Q. (2003a). The devil made me do it: Use of neutralizations by shoplifters. *Deviant Behaviour*, 24(6), 535-550.
- Cromwell, P., & Thurman, Q. (2003b). the devil made me do it: use of neutralizations by shoplifters. *Deviant Behavior*, 24(6), 535-550.
- Crouch, G. I., Huybers, T., & Oppewal, H. (2014). Inferring Future Vacation Experience Preference from Past Vacation Choice: A Latent Class Analysis. *Journal of Travel Research*, 55(5), 574-587.
- Currie, R., R. (1997). A pleasure-tourism behaviors framework. *Annals of Tourism Research*, 24(4), 884-897.
- de Kadt, E. (1979). Arts, Crafts, and Cultural Manifestations. In E. de Kadt (Ed.), *Tourism: Passport to Development?: Perspectives on the Social and Cultural Effects of Tourism in Developing Countries* (pp. 68-76): Oxford University Press.
- Decrop, A., & Kozak, M. (2014). Consumer Goals in Vacation Decision Making. *Journal of Travel & Tourism Marketing*, 31(1), 71-81.
- Delener, N. (2000). International counterfeit marketing: Success without risk. *Review of Business*, 21, 16-20.
- DMO. (2011). Tourist traps: Over half of UK holidaymakers buy counterfeit goods abroad thinking they're saving money. Retrieved 30 April 2015 from <http://www.dailymail.co.uk/news/article-2017123/Counterfeit-goods-Over-half-UK-holidaymakers-fall-tourist-traps.html>
- Echtner, C. M., & Ritchie, B. J. (1993). The measurement of destination image: An empirical assessment. *Journal of Travel Research*, 31(4), 3-13.
- Eisend, M., & Schuchert-Güler, P. (2006). Explaining counterfeit purchases: A review and

- preview. *Academy of Marketing Science Review*, 12(6), 1-25.
- Engel, J. F., Blackwell, R. D., & Miniard, R. W. (1995). *Consumer behavior*. Fort Worth, TX: Dryden Press.
- Epstein, S. (1994). Integration of the cognitive and the psychodynamic unconscious. *American psychologist*, 49(8), 709.
- Epstein, S., & Pacini, R. (1999). Some basic issues regarding dual-process theories from the perspective of cognitive-experiential self-theory. In S. Chaiken & Y. Trope (Eds.), *Dual-process theories in social psychology* (pp. 462-482). New York: The Guilford Press.
- Etzioni, A. (1988). Normative-affective Factors; Toward a New Decision-making Model. *Journal of Economic Psychology*, 9, 125-150.
- EU. (2013). Legislation: Regulation (EU) No 608/2013. *Official Journal of the European Union*, 56, 15-34.
- EU. (2015). Report on EU customs enforcement of intellectual property rights 2014. Retrieved 13 April 2016 from http://ec.europa.eu/taxation_customs/resources/documents/customs/customs_controls/counterfeit_piracy/statistics/2015_ipr_statistics.pdf
- Evans, J. (2009). How many dual-process theories do we need? One, two, or many? In J. Evans & K. Frankish (Eds.), *In Two Minds: Dual Processes and Beyond* (pp. 33-54). Oxford England: Oxford University Press.
- Evans, J., & Frankish, K. (2009). *In Two Minds: Dual Processes and Beyond*. Oxford England: Oxford University Press.
- Evans, J., & Stanovich, K. (2013). Dual-process theories of higher cognition: Advancing the debate. *Perspectives on psychological science*, 8(3), 223-241.
- Evans, J. S. B. (2003). In two minds: dual-process accounts of reasoning. *Trends in cognitive sciences*, 7(10), 454-459.
- Evans, J. S. B. T. (2010). *Thinking twice: Two minds in one brain*. Oxford, England: Oxford University Press.
- Förster, J., & Liberman, N. (2007). Knowledge activation. In A. W. Kruglanski & E. T. Higgins (Eds.), *Social psychology: Handbook of basic principles* (2 ed., pp. 201-231). New York: Guilford Press.
- Fam, K. S., Foscht, T., & Collins, R. D. (2004). Trust and the online relationship—an exploratory study from New Zealand. *Tourism Management*, 25(2), 195-207.
- Fazio, R. H. (1986). How do attitudes guide behavior? In R. M. Sorrentino & E. T. Higgins

- (Eds.), *Handbook of motivation and cognition: Foundations of social behavior* (Vol. 1, pp. 204-243). New York: The Guilford Press.
- Fazio, R. H., & Towles-Schwen, T. (1999). The MODE Model of Attitude-Behavior Processes. In S. Chaiken & Y. Trope (Eds.), *Dual-process theories in social psychology* (pp. 97-116). New York: The Guilford Press.
- Fennell, D. A. (2006a). Evolution in Tourism: The Theory of Reciprocal Altruism and Tourist-Host Interactions. *Current Issues in Tourism*, 9(2), 105-124.
- Fennell, D. A. (2006b). *Tourism Ethics*. Clevedon England; Buffalo New York: Channel View Publications.
- Field, A. P. (2009). *Discovering statistics using SPSS* (3rd ed.). London: Sage.
- Fink, C., Maskus, K. E., & Qian, Y. (2016). The Economic Effects of Counterfeiting and Piracy: A Review and Implications for Developing Countries. *The World Bank Research Observer*, 31(1), 1-28.
- Fisk, R., Grove, S., Harris, L. C., Keeffe, D. A., Daunt, K. L., Russel-Bennett, R., & Wirtz, J. (2010). Customers behaving badly: a state of the art review, research agenda and implications for practitioners. *Journal of Services Marketing*, 24(6), 417-429.
- Fleming, D. C. (2014). Counterfeiting in China. *East Asia Law Review-University of Pennsylvania Law School*, 10, 14-35.
- Forsyth, D. R. (1980). A Taxonomy of Ethical Ideologies. *Journal of personality and social psychology*, 39(1), 175-184.
- Forsyth, D. R. (1981). Moral judgment: The influence of ethical ideology. *Personality and Social Psychology Bulletin*, 7(2), 218-223.
- Forsyth, D. R. (1985). Individual differences in information integration during moral judgment. *Journal of personality and social psychology*, 49(1), 264-272.
- Forsyth, D. R. (1992). Judging the morality of business practices: The influence of personal moral philosophies. *Journal of Business Ethics*, 11(5), 461-470.
- Frankish, K., & Evans, J. (2009). The duality of mind: an historical perspective. In J. S. B. T. Evans & K. Frankish (Eds.), *In two minds: Dual processes and beyond* (pp. 1-29). Oxford England: Oxford University Press.
- Fullerton, R. A., & Punj, G. (2004). Repercussions of promoting an ideology of consumption: consumer misbehavior. *Journal of Business Research*, 57(11), 1239-1249.
- Gaudine, A., & Thorne, L. (2001). Emotion and ethical decision-making in organizations. *Journal of Business Ethics*, 31(2), 175-187.

- Gazley, A., & Watling, L. (2015). Me, My Tourist-Self, and I: The Symbolic Consumption of Travel. *Journal of Travel & Tourism Marketing*, 32(6), 639-655.
- Gensler, H. J. (2011). *Ethics: A contemporary introduction*. London: Routledge.
- Gentry, J. W., Putrevu, S., Shultz, C., & Commuri, S. (2001). How Now Ralph Lauren? the Separation of Brand and Product in a Counterfeit Culture. *Advances in Consumer Research*, 28, 258-265.
- Gentry, J. W., Putrevu, S., & Shultz, C. J. (2006). The effects of counterfeiting on consumer search. *Journal of Consumer Behaviour*, 5(3), 245-256.
- Gibbard, A. (1990). *Wise Choices, Apt Feelings*. Cambridge, MA: Harvard University Press.
- Gilbert, D. T. (1989). Thinking lightly about others: Automatic components of the social inference process. In J. S. Uleman & J. A. Bargh (Eds.), *Unintended thought* (pp. 189-211). New York: Guilford Press.
- Glover, S. H., Bumpus, M. A., Sharp, G. F., & Munchus, G. A. (2002). Gender differences in ethical decision making. *Women in Management Review*, 17(5), 217-227.
- Gnoth, J. (1997). Tourism motivation and expectation formation. *Annals of Tourism Research*, 24(2), 283-304.
- Goodwin, H., & Francis, J. (2003). Ethical and responsible tourism: Consumer trends in the UK. *Journal of Vacation Marketing*, 9(3), 271-284.
- Goulding, C., & Shankar, A. (2011). Club culture, neotribalism and ritualised behaviour. *Annals of Tourism Research*, 38(4), 1435-1453.
- Guy, M. E. (1990). *Ethical Decision Making in Everyday Work Situations*. Westport, CT: Greenwood Press.
- Haidt, J. (2001). The emotional dog and its rational tail: A social intuitionist approach to moral judgement. *Psychological review*, 108, 814-834.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Upper Saddle River, New Jersey: Pearson Education, Inc.
- Hampton, A. (1999). Qualitative data analysis and interpretation. In B. Brotherton (Ed.), *The handbook of contemporary hospitality management research* (pp. 294-299). Chichester, UK: John Wiley and Sons Ltd.
- Hansen, R. S. (1992). A Multidimensional Scale for Measuring Business Ethics: A Purification and Refinement. *Journal of Business Ethics*, 11(7), 523-534.
- Harsanyi, J. C. (1977). Morality and the Theory of Rational Behavior. *Social Research*, 44(4), 623-656.
- Harvey, P. J., & Walls, W. D. (2003). Laboratory markets in counterfeit goods: Hong Kong

- versus Las Vegas. *Applied Economics Letters*, 10(14), 883-887.
- Herstein, R., Drori, N., Berger, R., & Barnes, B. R. (2015). Anticounterfeiting Strategies and Their Influence on Attitudes of Different Counterfeit Consumer Types. *Psychology & Marketing*, 32(8), 842-859.
- Higgins, E. T. (1996). Knowledge activation: accessibility, applicability and salience. In E. T. Higgins & A. W. Kruglanski (Eds.), *Social psychology: Handbook of basic principles* (pp. 133-168). New York: The Guilford Press.
- HKCED. (2016). Intellectual Property Rights Protection. Retrieved 13 April 2016 from http://www.customs.gov.hk/en/enforcement/ipr_protection/index.html
- HKCSD. (2016). Population Estimates. Retrieved 20th September 2017 from <http://www.censtatd.gov.hk/hkstat/sub/sp150.jsp?ID=0&productType=8&tableID=002>
- HKIPD. (2016). Intellectual Property Department of Hong Kong. Retrieved 31 January 2016 from <http://www.ipd.gov.hk/eng/home.htm>
- HKTB. (2014). Hong Kong Tourism Board: Visitor Profile Report. Retrieved 3 September 2015 from https://securepartnernet.hktb.com/en/research_statistics/research_publications/index.html?id=4109
- HKTB. (2015). A Statistical Review of Hong Kong Tourism 2014. Retrieved 3 September 2015 from http://securepartnernet.hktb.com/filemanager/intranet/dept_info/private_20/paper/Stat-Review/StatReview2014/Stat_Review_2014_1.pdf
- HKTB. (2017). A Statistical Review of Hong Kong Tourism 2016. Retrieved 6 September 2017 from <http://securepartnernet.hktb.com/filemanager/intranet/ir/ResearchStatistics/paper/Stat-Review/StatReview2016/Stat%20Review%202016.pdf>
- HKTB. (2018). A Statistical Review of Hong Kong Tourism 2017. Retrieved 19 September 2018 from https://securepartnernet.hktb.com/en/research_statistics/research_publications/index.html?id=3632
- Hoon Ang, S., Sim Cheng, P., Lim, E. A. C., & Kuan Tambyah, S. (2001). Spot the difference: consumer responses towards counterfeits. *Journal of Consumer Marketing*, 18(3), 219-235.
- Hsu, C. H., Cai, L. A., & Li, M. (2009). Expectation, motivation, and attitude: A tourist

- behavioral model. *Journal of Travel Research*, 49(3), 282-296.
- Huang, L., Gursoy, D., & Xu, H. (2014). Impact of personality traits and involvement on prior knowledge. *Annals of Tourism Research*, 48, 42-57.
- Huang, S., & Hsu, C. H. C. (2005). Mainland Chinese residents' perceptions and motivations of visiting Hong Kong: Evidence from focus group interviews. *Asia Pacific Journal of Tourism Research*, 10(2), 191-205.
- Hung, K., & Petrick, J. F. (2010). Developing a measurement scale for constraints to cruising. *Annals of Tourism Research*, 37(1), 206-228.
- Hung, K., & Petrick, J. F. (2011). Why do you cruise? Exploring the motivations for taking cruise holidays, and the construction of a cruising motivation scale. *Tourism Management*, 32(2), 386-393.
- Hung, K., & Petrick, J. F. (2012). Testing the effects of congruity, travel constraints, and self-efficacy on travel intentions: An alternative decision-making model. *Tourism Management*, 33(4), 855-867.
- Hunt, S. D., & Vitell, S. (1986). A general theory of marketing ethics. *Journal of Macromarketing*, 1, 5-16.
- Husted, B. W. (2000). The impact of national culture on software piracy. *Journal of Business Ethics*, 26(3), 197-211.
- Hyde, K. F., & Lawson, R. (2003). The nature of independent travel. *Journal of Travel Research*, 42(1), 13-23.
- Hyde, K. F., & Olesen, K. (2011). Packing for touristic performances. *Annals of Tourism Research*, 38(3), 900-919.
- IACC. (2016). What is counterfeiting? Retrieved 13 April 2016 from <http://www.iacc.org/resources/about/what-is-counterfeiting>
- Jacobs, L., Samli, A. C., & Jedlik, T. (2001). The nightmare of international product piracy. *Industrial Marketing Management*, 30, 499-509.
- Jiang, L. (2014). *Understanding non-deceptive counterfeit consumption in China : consumer demand for "branded" products*. Saarbrücken, Germany: LAP Lambert Academic Publishing.
- Johnson-Laird, P. N. (1983). *Mental models*. Cambridge, MA: Harvard University Press.
- Jones, T. M. (1991). Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of management review*, 16(2), 366-395.
- Kahneman, D. (2003). A perspective on judgment and choice: mapping bounded rationality. *American psychologist*, 58(9), 697.

- Kahneman, D. (2011). *Thinking, fast and slow*. New York: Farrar, Straus and Giroux.
- Kahneman, D., & Frederick, S. (2002). Representativeness revisited: Attribute substitution in intuitive judgment. In T. Gilovich, D. Griffin, & D. Kahneman (Eds.), *Heuristics and biases: The psychology of intuitive judgment* (pp. 49-81). New York, NY, US: Cambridge University Press.
- Kahneman, D., & Frederick, S. (2005). A model of heuristic judgement. In K. J. Holyoak & R. G. Morrison (Eds.), *The Cambridge handbook of thinking and reasoning* (pp. 267-293). New York: Cambridge University Press.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica: Journal of the Econometric Society*, 47(2), 263-292.
- Karl, M., Reintinger, C., & Schmude, J. (2015). Reject or select: Mapping destination choice. *Annals of Tourism Research*, 54, 48-64.
- Kastanakis, M. N., & Balabanis, G. (2012). Between the mass and the class: Antecedents of the “bandwagon” luxury consumption behavior. *Journal of Business Research*, 65(10), 1399-1407.
- Keown, J. K. (1989). A model of tourists' propensity to buy: the case of Japanese visitors to Hawaii. *Journal of Travel Research*, 27(3), 31-34.
- Khoo-Lattimore, C. (2015). Kids on board: methodological challenges, concerns and clarifications when including young children's voices in tourism research. *Current Issues in Tourism*, 18(9), 845-858.
- Kim, H., & Jamal, T. (2007). Touristic quest for existential authenticity. *Annals of Tourism Research*, 34(1), 181-201.
- Kline, R. B. (2011). *Principles and practice of structural equation modeling* (3rd ed.). New York: Guilford.
- Kohlberg, L. (1969). Stage and sequence: The cognitive-developmental approach to socialization. In D. A. Goslin (Ed.), *Handbook of Socialization Theory and Research* (pp. 347-480). Chicago, IL: Rand McNally.
- Kohlberg, L. (1984). *Philosophy of Moral Development*. New York: Harper & Row.
- KoreaBizwire. (2016). Fake Domestic Products Push Chinese Consumers to Shop Overseas. Retrieved 13 April 2016 from <http://koreabizwire.com/fake-domestic-products-push-chinese-consumers-to-shop-overseas/48874>
- Kozak, M., & Tasci, A. (2005). Locals' perceptions of foreign tourists: a case study in Turkey. *International Journal of Tourism Research*, 7(4-5), 261-277.
- Lane, J. C. (1995). Ethics of business students: some marketing perspectives. *Journal of*

Business Ethics, 14, 571-580.

- Lee, E. (2012). Counterfeit Industry Tied to Organized Crime, Terrorism. Retrieved 13 April 2016 from <http://www.voanews.com/content/counterfeit-industry-tied-to-organized-crime-terrorism/1363590.html>
- Lehnert, K., Park, Y.-H., & Singh, N. (2015). Research Note and Review of the Empirical Ethical Decision-Making Literature: Boundary Conditions and Extensions. *Journal of Business Ethics*, 129, 195-219.
- Leisen, B., & Nill, A. (2001). *Combating product counterfeiting: An investigation into the likely effectiveness of a demand-oriented approach*. Paper presented at the American Marketing Association. Conference Proceedings.
- Lerner, J. S., Li, Y., Valdesolo, P., & Kassam, K. S. (2015). Emotion and decision making. *Psychology*, 66.
- Lewis, R. C. (1984). Getting the most from marketing research: part I of a series. *The Cornell Hotel and Restaurant Administration Quarterly*, 24(3), 81-85.
- Li, M., & Cai, L. A. (2012). The effects of personal values on travel motivation and behavioral intention. *Journal of Travel Research*, 51(4), 473-487.
- Liang, B. A., & Mackey, T. K. (2012). Sexual medicine: online risks to health—the problem of counterfeit drugs. *Nature Reviews Urology*, 9(9), 480-482.
- Lind, G. (1978). How does one measure moral judgment? Problems and alternative ways of measuring a complex construct. In G. Portele (Ed.), *Sozialisation and moral* (pp. 171-201). Basel: Beltz.
- Lind, G. (1995). *The meaning and measurement of moral judgment revisited*. Paper presented at the the American Educational Research Association, San Francisco.
- Lloyd, A. E., Yip, L. S. C., & Luk, S. T. K. (2011). An examination of the differences in retail service evaluation between domestic and tourist shoppers in Hong Kong. *Tourism Management*, 32(3), 520-533.
- Loo, R. (2003). Are women more ethical than men? Findings from three independent studies. *Women in Management Review*, 18(4), 169-181.
- Malone, S. (2014). Ethical tourism: the role of emotion. In C. Weeden & K. Boluk (Eds.), *Managing ethical consumption in tourism* (pp. 153-165). Florence, KY, USA: Taylor and Francis.
- Marron, D. B., & Steel, D. G. (2000). Which countries protect intellectual property? The case of software piracy. *Economic Inquiry*, 38(2), 159-174.
- MaRS. (2014). The marketing mix in marketing strategy: Product, price, place and

- promotion. Retrieved 13 April 2016 from <https://www.marsdd.com/mars-library/the-marketing-mix-in-marketing-strategy-product-price-place-and-promotion/>
- Mathieson, A., & Wall, G. (1982). *Tourism: Economic, physical and social impacts*. London: Longman.
- McCabe, D. L., Dukerich, J. M., & Dutton, J. E. (1991). Context, values and moral dilemmas: comparing the choices of business and law school students. *Journal of Business Ethics, 10*, 951-960.
- McCabe, S., Li, C. S., & Chen, Z. (2016). Time for a Radical Reappraisal of Tourist Decision Making? Toward a New Conceptual Model. *Journal of Travel Research, 55*(1), 3-15.
- McDonald, G., & Pak, P. C. (1996). It's all fair in love, war, and business: cognitive philosophies in ethical decision making. *Journal of Business Ethics, 15*, 973-996.
- McEachern, A. (2015). Do Loyalty Programs Work For Luxury Brands? Retrieved 13 May 2016 from <https://www.sweettoothrewards.com/blog/does-luxury-brand-loyalty-work/>
- McKercher, B. (2015). Tourism: The quest for the selfish. In T. V. Singh (Ed.), *Challenges in Tourism Research* (pp. 87-96). Bristol: Channel View Publications.
- McKercher, B., Weber, K., & du Cros, H. (2008). Rationalising Inappropriate Behaviour at Contested Sites. *Journal of Sustainable Tourism, 16*(4), 369-385.
- Meng, B., & Choi, K. (2016). Extending the theory of planned behaviour: testing the effects of authentic perception and environmental concerns on the slow-tourist decision-making process. *Current Issues in Tourism, 19*(6), 528-544.
- Miller, G., Rathouse, K., Scarles, C., Holmes, K., & Tribe, J. (2010). Public understanding of sustainable tourism. *Annals of Tourism Research, 37*(3), 627-645.
- Mintel. (2011). Eco-Accommodation in Europe. Retrieved 24 September 2015 from www.mintel.com
- Morewedge, C. K., & Kahneman, D. (2010). Associative processes in intuitive judgment. *Trends in cognitive sciences, 14*(10), 435-440.
- Moskowitz, G. B., Skurnik, I., & Galinsky, A. D. (1999). The history of dual-process notions, and the future of preconscious control. In S. Chaiken & Y. Trope (Eds.), *Dual-process theories in social psychology* (pp. 12-36). New York: The Guilford Press.
- Moutinho, L. (1987). Consumer behaviour in tourism. *European Journal of Marketing, 21*(10), 5-44.

- Mudrack, P. E., & Mason, E. S. (2013). Ethical Judgments: What Do We Know, Where Do We Go? *Journal of Business Ethics*, 115(3), 575-597.
- Murdock Jr, B. B. (1962). The serial position effect of free recall. *Journal of experimental psychology*, 64(5), 482.
- Newholm, T., & Shaw, D. (2007). Studying the ethical consumer: A review of research. *Journal of Consumer Behaviour*, 6(5), 253–270.
- Nia, A., & Zaichkowsky, J. L. (2000). Do Counterfeits Devalue the Ownership of Luxury Brands? *Journal of Product & Brand Management*, 9(7), 485-497.
- Nisan, M., & Kohlberg, L. (1982). University and cross-cultural variation in moral development: A longitudinal and cross-sectional study in Turkey. *Child Development*, 53, 865-876.
- Norum, P. S., & Cuno, A. (2011). Analysis of the demand for counterfeit goods. *Journal of Fashion Marketing and Management: An International Journal*, 15(1), 27-40.
- Nunes, J., Hsee, C. K., & Weber, E. U. (2004). Why are People so Prone to Steal Software? The Effect of Cost Structure on Consumer Purchase and Payment Intentions. *Journal of Public Policy and Marketing*, 23(1), 43-53.
- O'Connor, J. (2018). Fake goods and counterfeit brands in Thailand not yet a thing of the past but maybe soon. Retrieved 21 September 2018 from <https://www.thaiaaminer.com/thai-news-foreigners/2018/05/13/fake-goods-on-public-sale-are-not-a-thing-of-the-past-in-thailand-yet-but-they-could-be-soon/>
- O'Fallon, M. J., & Butterfield, K. D. (2005). A review of the empirical ethical decision-making literature: 1996–2003. *Journal of Business Ethics*, 59(4), 375-413.
- OECD. (2016). About the OECD. Retrieved 20 April 2016 from <http://www.oecd.org/about/whatwedoandhow/>
- Oh, H., & Hsu, C. H. (2001). Volitional degrees of gambling behaviors. *Annals of Tourism Research*, 28(3), 618-637.
- Olson, W. (2012). Flood of Chinese counterfeit parts put US aircraft at risk. Retrieved 13 April 2016 from <http://www.stripes.com/news/flood-of-chinese-counterfeit-parts-put-us-aircraft-at-risk-report-says-1.177919>
- Oppermann, M. (2000). Tourism destination loyalty. *Journal of Travel Research*, 39(1), 78-84.
- Oppewal, H., Huybers, T., & Crouch, G. I. (2015). Tourist destination and experience choice: A choice experimental analysis of decision sequence effects. *Tourism Management*, 48, 467-476.

- Pearce, P. L., & Lee, U.-I. (2005). Developing the travel career approach to tourist motivation. *Journal of Travel Research*, 43(3), 226-237.
- Pearce, P. L., & Packer, J. (2013). Minds On The Move: New Links From Psychology To Tourism. *Annals of Tourism Research*, 40, 386-411.
- Peng, L., Wong, A. H. K., & Wan, L. C.-Y. (2012). The effects of image congruence and self-monitoring on product evaluations: a comparison between genuine and counterfeit products. *Journal of Global Marketing*, 25(1), 17-28.
- Penn, W., & Collier, B. (1985). Current research in moral development as a decision support system. *Journal of Business Ethics*, 4, 131-136.
- Petty, R. E., & Cacioppo, J. T. (1979). Issue involvement can increase or decrease persuasion by enhancing message-relevant cognitive responses. *Journal of personality and social psychology*, 37(10), 1915-1926.
- Petty, R. E., & Cacioppo, J. T. (1984). The effects of involvement on responses to argument quantity and quality: Central and peripheral routes to persuasion. *Journal of personality and social psychology*, 46(1), 69-81.
- Petty, R. E., & Cacioppo, J. T. (1986). The elaboration likelihood model of persuasion. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 19, pp. 123-205). New York: Academic Press.
- Petty, R. E., Cacioppo, J. T., & Haugtvedt, C. (1992). Involvement and persuasion: An appreciative look at the Sherifs' contribution to the study of self-relevance and attitude change. In D. Granberg & G. Sarup (Eds.), *Social judgement and intergroup relations: Essays in honor of Muzifer Sherif* (pp. 147-175). New York: Springer-Verlag.
- Petty, R. E., Cacioppo, J. T., & Kasmer, J. A. (2015). The role of affect in the elaboration likelihood model of persuasion. In L. Donohew, H. E. Sypher, & E. T. Higgins (Eds.), *Communication, Social Cognition, and Affect (PLE: Emotion)* (pp. 117). London and New York: Psychology Press.
- Petty, R. E., Harkins, S. G., & Williams, K. D. (1980). The effects of group diffusion of cognitive effort on attitudes: An information-processing view. *Journal of personality and social psychology*, 38(1), 81-92.
- Petty, R. E., Schumann, D. W., Richman, S. A., & Strathman, A. J. (1993). Positive mood and persuasion: Different roles for affect under high-and low-elaboration conditions. *Journal of personality and social psychology*, 64(1), 5-20.
- Petty, R. E., & Wegener, D. T. (1999). The elaboration likelihood model: Current status and

- controversies. In S. Chaiken & Y. Trope (Eds.), *Dual-process theories in social psychology* (pp. 41-72). New York: The Guilford Press.
- Philipp, J. (2014). Thinking of Buying a Counterfeit Bag? After Reading This, You Will Think Twice. Retrieved 13 April 2016 from <http://www.theepochtimes.com/n3/452164-shift-in-approach-to-counterfeits-shown-in-new-un-campaign/>
- Pike, S., & Ryan, C. (2004). Destination positioning analysis through a comparison of cognitive, affective, and conative perceptions. *Journal of Travel Research*, 42(4), 333-342.
- Poddar, A., Foreman, J., Banerjee, S., & Ellen, P. S. (2012). Exploring the Robin Hood effect: Moral profiteering motives for purchasing counterfeit products. *Journal of Business Research*, 65(10), 1500-1506.
- Posner, M. I., & Snyder, C. R. R. (1975). Attention and cognitive control. In R. L. Solso (Ed.), *Information processing and cognition: The Loyola Symposium* (pp. 55-85). New York: Wiley.
- Prendergast, G., Hing Chuen, L., & Phau, I. (2002). Understanding consumer demand for non-deceptive pirated brands. *Marketing Intelligence & Planning*, 20(7), 405-416.
- Prince, S. A., Adamo, K. B., Hamel, M. E., Hardt, J., Gorber, S. C., & Tremblay, M. (2008). A comparison of direct versus self-report measures for assessing physical activity in adults: a systematic review. *International Journal of Behavioral Nutrition and Physical Activity*, 5, 56.
- Quintal, V. A., Lee, J. A., & Soutar, G. N. (2010). Risk, uncertainty and the theory of planned behavior: A tourism example. *Tourism Management*, 31(6), 797-805.
- Radón, A. (2012). Counterfeit luxury goods online: an investigation of consumer perceptions. *International Journal of Marketing Studies*, 4(2), 74-79.
- Rajagopal, & Castano, R. (2015). Understanding Consumer Behavior and Consumption Experience. In E. Y. Li (Ed.), *Advances in Marketing, Customer Relationship Management, and E-Services (AMCRMES)*. USA: IGI Global.
- Rand, D. G., & Epstein, Z. G. (2014). Risking Your Life without a Second Thought: Intuitive Decision-Making and Extreme Altruism. *PLoS One*, 9(10), e109687.
- Reber, A. S. (1993). *Implicit learning and tacit knowledge*. New York: Oxford University Press.
- Reidenbach, R. E., & Robin, D. P. (1988). Some initial steps toward improving the measurement of ethical evaluations of marketing activities. *Journal of Business*

- Ethics*, 7(11), 871-879.
- Reidenbach, R. E., & Robin, D. P. (1990). Toward the development of a multidimensional scale for improving evaluations of Business Ethics. *Journal of Business Ethics*, 9(8), 639-653.
- Ren, C. (2011). Non-human agency, radical ontology and tourism realities. *Annals of Tourism Research*, 38(3), 858-881.
- Ren, D. (2018). Why American companies refuse to make China their main innovation hub. Retrieved 19 September 2018 from <https://www.scmp.com/business/companies/article/2142473/why-american-companies-refuse-make-china-their-main-innovation>
- Rest, J. (1979). *Development in judging moral issues*. Minneapolis: University of Minnesota Press.
- Rest, J. R. (1986). *Moral development: Advances in research and theory*. New York: Praeger.
- Rodríguez Molina, M. Á., Frías-Jamilena, D.-M., & Castañeda-García, J. A. (2013). The moderating role of past experience in the formation of a tourist destination's image and in tourists' behavioural intentions. *Current Issues in Tourism*, 16(2), 107-127.
- Ross, E. L. D., & Iso-Ahola, S. E. (1991). Sightseeing tourists' motivation and satisfaction. *Annals of Tourism Research*, 18(2), 226-237.
- RSG. (2018). Global Brand Counterfeiting Report 2018. Retrieved 21 September 2018 from <https://www.researchandmarkets.com/reports/4438394/global-brand-counterfeiting-report-2018>
- Rubio, N. (2005). Jackie Chan Fronts Anti-Counterfeiting Campaign. Retrieved 21 September 2018 from <https://www.inta.org/INTABulletin/Pages/JackieChanFrontsAnti-CounterfeitingCampaign.aspx>
- Sönmez, S., Apostolopoulos, Y., Yu, C. H., Yang, S., Mattila, A., & Yu, L. C. (2006). Binge drinking and casual sex on spring break. *Annals of Tourism Research*, 33(4), 895-917.
- Samson, A., & Voyer, B. G. (2014). Emergency purchasing situations: Implications for consumer decision-making. *Journal of Economic Psychology*, 44, 21-33.
- San Martín, H., Collado, J., & Rodríguez del Bosque, I. (2013). An exploration of the effects of past experience and tourist involvement on destination loyalty formation. *Current Issues in Tourism*, 16(4), 327-342.
- Sashkin, M., Rosenbach, W. E., & Sashkin, M. G. (1997). Development of the power need

- and its expression in leadership and management with a focus on leader-follower relations. In L. S. Estabrook (Ed.), *Leadership as legacy: Proceedings of the twelfth scientific meeting of the A.K. Rice Institute*. Jupiter, FL: A.K. Rice Institute.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students* (5th ed.). London: Prentice Hall.
- Savin-Baden, M., & Major, C. (2013). *Qualitative research: The essential guide to research and practice*. London, New York: Routledge.
- Scanlon, T. M. (1982). Contractualism and utilitarianism. *Utilitarianism and beyond*, 103, 110.
- Schmoll, G. A. (1977). *Tourism promotion*. London: Tourism International Press.
- Schneider, H., Krieger, J., & Bayraktar, A. (2011). The Impact of Intrinsic Religiosity on Consumers' Ethical Beliefs: Does It Depend on the Type of Religion? A Comparison of Christian and Moslem Consumers in Germany and Turkey. *Journal of Business Ethics*, 102(2), 319-332.
- Schuchert-Güler, P., & Eisend, M. (2003). *Non-Price Determinants of German Consumers' Inclination to Purchase Counterfeit Products*: Freie Univ.
- Schumann, P. L. (2001). A moral principles framework for human resource management ethics. *Human Resource Management Review*, 11(1-2), 93-111.
- SCMP. (2016). Hong Kong customs officers arrest nine people and seize HK\$5million of fake goods in raid at Mong Kok market. Retrieved 13 May 2016 from <http://www.scmp.com/news/hong-kong/law-crime/article/1903920/hong-kong-customs-officers-arrest-nine-people-and-seize>
- Selanniemi, T. (2003). On holiday in the liminoid playground: Place, time, and self in tourism. In T. G. Bauer & B. McKercher (Eds.), *Sex and Tourism: Journeys of Romance, Love, and Lust* (pp. 19-31). New York: The Haworth Hospitality Press.
- Sharma, P., & Chan, R. Y. (2016). Demystifying deliberate counterfeit purchase behaviour: Towards a unified conceptual framework. *Marketing Intelligence & Planning*, 34(3), 318-335.
- Shetty, R. (2004). Fake Milk Powder Causes Baby Death. Retrieved 13 April 2016 from <http://www.cbsnews.com/news/fake-milk-powder-causes-baby-death/>
- Shiffrin, R. M., & Schneider, W. (1977). Controlled and automatic human information processing: II. Perceptual learning, automatic attending, and a general theory. *Psychological review*, 84, 127-190.
- Sikula, A. S., & Costa, A. D. (1994). Are women more ethical than men? *Journal of Business*

- Ethics*, 13, 859-871.
- Sims, R. L. (1999). The development of six ethical business dilemmas. *Leadership & Organization Development Journal*, 20(4), 189-197.
- Singhapakdi, A., Vitell, S. J., & Kraft, K. L. (1996). Moral intensity and ethical decision-making of marketing professionals. *Journal of Business Research*, 36(3), 245-255.
- Sirakaya, E., & Woodside, A. G. (2005). Building and testing theories of decision making by travellers. *Tourism Management*, 26(6), 815-832.
- Sirgy, M. J. (1982). Self-concept in consumer behavior: A critical review. *Journal of consumer research*, 287-300.
- Sirgy, M. J., & Su, C. (2000). Destination image, self-congruity, and travel behavior: Toward an integrative model. *Journal of Travel Research*, 38(4), 340-352.
- Sloman, S. A. (1996). The empirical case for two systems of reasoning. *Psychological bulletin*, 119(1), 3-22.
- Smallman, C., & Moore, K. (2010). Process Studies of Tourists' Decision-making. *Annals of Tourism Research*, 37(2), 397-422.
- Smith, E. R., & DeCoster, J. (2000). Dual-process models in social and cognitive psychology: Conceptual integration and links to underlying memory systems. *Personality and Social Psychology Review*, 4, 108-131.
- Solomon, M. R. (1996). *Consumer behavior* (3rd ed.). Engle-wood Cliffs, NJ: Prentice-Hall.
- Sonenshein, S. (2007). The role of construction, intuition and justification in responding to ethical issues at work: The sensemaking-intuition model. *Academy of management review*, 32, 1022-1040.
- Sparks, J. R., & Siemens, J. C. (2014). Judgment Difficulty and the Moral Intensity of Unethical Acts: A Cognitive Response Analysis of Dual Process Ethical Judgment Formation. *Ethics & Behavior*, 24(2), 151-163.
- Sperber, D., Cara, F., & Girotto, V. (1995). Relevance theory explains the selection task. *Cognition*, 57, 31-95.
- Spink, J., Moyer, D. C., Park, H., & Heinonen, J. A. (2013). Defining the types of counterfeiters, counterfeiting, and offender organizations. *Crime Science*, 2(1), 1-10.
- Stanovich, K. E. (1999). *Who is rational?: Studies of individual differences in reasoning*. Mahwah, NJ: Erlbaum.
- Stanovich, K. E. (2009). Distinguishing the reflective, algorithmic, and autonomous minds: Is it time for a tri-process theory. In J. Evans & K. Frankish (Eds.), *In Two Minds: Dual Processes and Beyond* (pp. 55-88). Oxford England: Oxford University Press.

- Stanovich, K. E., & Toplak, M. E. (2012). Defining features versus incidental correlates of Type 1 and Type 2 processing. *Mind & Society, 11*(1), 3-13.
- Stanovich, K. E., West, R. F., & Toplak, M. E. (2014). Rationality, intelligence, and the defining features of Type 1 and Type 2 processing. In J. W. Sherman, B. Gawronski, & Y. Trope (Eds.), *Dual-Process Theories of the Social Mind* (pp. 80-91). New York: The Guilford Press.
- Stewart, C. (2005). Brand piracy: A victimless crime? Americans want stricter counterfeiting and piracy laws. Retrieved 12 November 2015 from <http://www.nam.org>
- Strutton, D., Vitell, S. J., & Pelton, L. E. (1994). How consumers may justify inappropriate behavior in market settings: An application on the techniques of neutralization. *Journal of Business Research, 30*(3), 253-260.
- Stumpf, S. A., & Chaudhry, P. E. (2010). Country matters: Executives weigh in on the casues and counter measures of counterfeit trade. *Business Horizons, 53*(3), 305-314.
- Swanson, K. K., & Timothy, D. J. (2012). Souvenirs: Icons of meaning, commercialization and commoditization. *Tourism Management, 33*(3), 489-499.
- Swarbrooke, J., & Horner, S. (2004). *Consumer behavior in tourism*. Burlington, MA: Butterworth-Heinemann.
- Swike, E., Thompson, S., & Vasquez, C. (2008). Piracy in China. *Business Horizons, 51*, 493-500.
- Sykes, G. M., & Matza, D. (1957). Techniques of Neutralization: A Theory of Delinquency. *American Sociological Review, 22*(6), 664-670.
- Tan, B. (2002). Understanding consumer ethical decision making with respect to purchase of pirated software. *Journal of Consumer Marketing, 19*(2), 96-111.
- Thaler, R. H., & Shefrin, H. M. (1981). An economic theory of self-control. *Journal of Political Economy, 89*, 392-406.
- Therkelsen, A. (2010). Deciding on family holidays—role distribution and strategies in use. *Journal of Travel & Tourism Marketing, 27*(8), 765-779.
- Thompson, V. A., Turner, J. P., & Pennycock, G. (2011). Intuition, reason and metacognition. *Cognitive Psychology, 63*, 107-140.
- Timothy, D. J. (1999). Cross-border shopping: tourism in the Canada-United States borderlands. *Visions in Leisure and Business, 17*(4), 4-18.
- Timothy, D. J. (2005). *Shopping tourism, retailing, and leisure*. Bristol: Channel View Publications.

- Tolkach, D., Pratt, S., & Zeng, C. Y. H. (2017). Ethics of Chinese & Western tourists in Hong Kong. *Annals of Tourism Research*, 63, 83-96.
- Tom, G., Garibaldi, B., Zeng, Y., & Pilcher, J. (1998). Consumer Demand for Counterfeit Goods. *Psychology & Marketing*, 15(5), 405-421.
- Trevino, L. K. (1986). Ethical decision making in organizations: A person–situation interactionist model. *Academy of Marketing Review*, 11, 601-617.
- Tsaur, S.-H., Yen, C.-H., & Chen, C.-L. (2010). Independent Tourist: Knowledge and Skills. *Annals of Tourism Research*, 37(4), 1035-1054.
- Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases. *Science*, 185(4157), 1124-1131.
- Tversky, A., & Kahneman, D. (1981). The Framing of Decisions and the Psychology of Choice. *Science*, 211(4481), 453-458.
- Uriely, N., Ram, Y., & Malach-Pines, A. (2011). Psychoanalytic sociology of deviant tourist behavior. *Annals of Tourism Research*, 38(3), 1051-1069.
- Usakli, A., & Baloglu, S. (2011). Brand personality of tourist destinations: An application of self-congruity theory. *Tourism Management*, 32(1), 114-127.
- USCBP. (2014). Intellectual Property Rights Seizure Statistics-Fiscal Year 2014. Retrieved 3 September 2015 from <http://www.cbp.gov/sites/default/files/documents/2014%20IPR%20Stats.pdf>
- USTR. (2013). United States Trade Representative: 2013 Special 301 Report. Retrieved 31 January 2016 from <http://www.mppaa.org/wp-content/uploads/2014/02/2013-Special-301-Report.pdf>
- Van Raaij, W. F., & Francken, D. A. (1984). Vacation decisions, activities, and satisfactions. *Annals of Tourism Research*, 11(1), 101-112.
- van Waterschoot, W., & van den Bulte, C. (1992). The 4P Classification of the Marketing Mix Revisited. *Journal of Marketing*, 56(4), 83-93.
- Velazquez, M. (2002). *Business ethics: Concepts and cases*. Upper Saddle River, New Jersey: Prentice Hall.
- Vigil, V. K. (2008). *MODELS OF AN INDIVIDUAL DECISION MAKING PROCESS RELATED TO ETHICAL ISSUES IN BUSINESS*. Paper presented at the EBEN-UK conference on CSR, Cambridge, UK.
- Wahab, S., Crampon, L. J., & Rothfield, L. M. (1976). *Tourism marketing*. London: Tourism International Press.
- Wang, F., Zhang, H., Zang, H., & Ouyang, M. (2005). Purchasing pirated software: an initial

- examination of Chinese consumers. *Journal of Consumer Marketing*, 22(6), 340-351.
- Wang, K.-C., Hsieh, A.-T., Yeh, Y.-C., & Tsai, C.-W. (2004). Who is the decision-maker: the parents or the child in group package tours? *Tourism Management*, 25(2), 183-194.
- Wang, Y., & Song, Y. (2013). Counterfeiting: Friend or Foe of Luxury Brands? An Examination of Chinese Consumers' Attitudes Toward Counterfeit Luxury Brands. *Journal of Global Marketing*, 26(4), 173-187.
- Wee, C. H., Ta, S. J., & Cheok, K. H. (1995). Non - price determinants of intention to purchase counterfeit goods. *International Marketing Review*, 12(6), 19-46.
- Whipple, T. W., & Swords, D. F. (1992). Business ethics judgement: a cross-cultural comparison. *Journal of Business Ethics*, 11, 671-678.
- Wilcox, K., Kim, H. M., & Sen, S. (2009). Why do consumers buy counterfeit luxury brands? *Journal of Marketing Research*, 46(2), 247-259.
- Wilson, T. D., Wheatley, T., Meyers, J. M., Gilbert, D. T., & Axsom, D. (2000). Focalism: A source of durability bias in affective forecasting. *Journal of personality and social psychology*, 78(5), 821-836.
- WIPO. (2007). World Intellectual Property Organization: About Intellectual Property. Retrieved 10 November 2015 from <http://www.wipo.int/about-ip/en/index.html>
- WIPO. (2016). About WIPO. Retrieved 20 April 2016 from <http://www.wipo.int/about-wipo/en/>
- Woiceshyn, J. (2011). A Model for Ethical Decision Making in Business: Reasoning, Intuition, and Rational Moral Principles. *Journal of Business Ethics*, 104(3), 311-323.
- Wong, J., & Law, R. (2003). Difference in shopping satisfaction levels: a study of tourists in Hong Kong. *Tourism Management*, 24(4), 401-410.
- Woodside, A. G., & Lysonski, S. (1989). A general model of traveler destination choice. *Journal of Travel Research*, 27(4), 8-14.
- WTO. (1994). Agreement on Trade-Related Aspects of Intellectual Property Rights. Retrieved 20 April 2016 from https://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm
- Wu, M.-Y., Wall, G., & Pearce, P. L. (2014). Shopping experiences: International tourists in Beijing's Silk Market. *Tourism Management*, 41, 96-106.
- Yang, L., Wall, G., & Smith, S. L. J. (2006). Ethnic Tourism Development: Chinese

- Government Perspectives. *Annals of Tourism Research*, 35(3), 751-771.
- Zhang, H., Xu, F., Leung, H. H., & Cai, L. A. (2015). The Influence of Destination-Country Image on Prospective Tourists' Visit Intention: Testing Three Competing Models. *Asia Pacific Journal of Tourism Research*, 21(7), 811-835.
- Zimmerman, A. (2013). Contending with Chinese counterfeits: Culture, growth, and management responses. *Business Horizons*, 56(2), 141-148.