

**Social Power, Product Conspicuousness and the Demand for Luxury Brand Counterfeit  
Products**

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**Social Power, Product Conspicuousness and the Demand for Luxury Brand Counterfeit****Products****Abstract**

The aim of this article is two-fold: 1) to achieve a better understanding of the psychological determinants of the demand for luxury brand counterfeit products (LBCP) through exploring the effects of social power; 2) to extend power literature by identifying boundary conditions of the relationship between social power and compensatory consumption identified by Rucker and Galinsky (2008, 2009). Findings from three experiments demonstrate that social power holds key insights into understanding consumers' purchase propensity for LBCP; product conspicuousness moderates the effects of social power on purchase propensity for status products; these moderation effects are only observed when the status products are LBCP but not genuine products. This article, therefore, contributes to the literature regarding the demand for counterfeits as well as the social power and compensatory consumption literature.

**Keywords:** social power, luxury brand counterfeit products, conspicuous product of a brand, luxury brand genuine products, status products, purchase propensity.

## Introduction

Counterfeiting branded products has become a significant activity in the last three decades (Bian & Moutinho, 2009). It has affected almost every product category; luxury brands have been particularly targeted (Grossman & Shapiro, 2001). The International Chamber of Commerce (2004) estimates that luxury brands are losing as much as \$12 billion every year to luxury brand counterfeit products (LBCP). Many consumers knowingly purchase LBCP (Bian & Moutinho, 2011; Nia & Zaichkowsky, 2000). Thus, consumers' demand for LBCP is one of the leading causes for an upsurge in the growth of the counterfeiting phenomenon (Bian & Veloutsou, 2007; Gentry, Putrevu, Shultz, & Commuri, 2001).

LBCP producers rely on consumers' desire for genuine luxury brands conveying desirable status (Hoe, Hogg, & Hart, 2003; Penz & Stöttinger, 2005). Recent research suggests that social power has a significant effect on consumers' reactions to status products (Rucker & Galinsky, 2008, 2009). LBCP represent status and social power is one of the most omnipresent psychological forces in consumers' social world (Rucker, Dubois, & Galinsky, 2011). The research reported here, thus, contends that social power underpins consumers' purchase propensity for LBCP.

Based on insights from the literature on social power and impression management theory the following proposition is derived: consumers' purchase propensity for LBCP is informed by differences in psychological states of social power and on levels of product conspicuousness (readily displayed versus more privately consumed). The present research demonstrates for the first time that product conspicuousness moderates the effects of social power on LBCP purchase propensity. It therefore extends knowledge regarding motivations underlying consumers' demand for LBCP as well as providing empirical evidence when low

social power does not necessarily lead to compensatory consumption (e.g. using status products to compensate for feeling socially powerless – see Rucker & Galinsky, 2008, 2009).

### **Literature review and development of hypotheses**

#### **Product conspicuousness of a brand and LBCP consumption**

This research focuses on an important but largely under-researched brand management phenomenon which is that luxury brands tend to offer both highly conspicuous and relatively less conspicuous products under the same brand to serve the different needs of consumers. Indeed, although luxury brands are often purchased and consumed for the purpose of signaling consumers' social standing (Bearden & Etzel, 1982; Dolich, 1969), it is not uncommon for a luxury brand to provide highly conspicuous products as well as products less or even non-conspicuous. For example, Dolce & Gabbana (D&G) has extremely conspicuous (e.g. jackets) as well as less conspicuous products (e.g., underwear) in its product portfolio. The branded products for more public use are usually highly conspicuous and communicate the positive image associated with the brand. The branded products for private use are often less conspicuous or even invisible to the general public, thus are less likely to serve an external signaling purpose (except to intimate associates), although they might be used to enhance self-worth. We introduce a new construct, "product conspicuousness of a brand", to reflect this variation in visibility of branded products to public observers. We define product conspicuousness of a brand as the extent to which a branded product is visible to non-intimate associates and is subject to public observers' scrutiny.

As a part of branding strategy, a large number of luxury brands produce highly conspicuous products for public use as well as less conspicuous branded products for private use. Comparing a Calvin Klein T-shirt and a pair of Calvin Klein socks, the first is highly

conspicuous, while the second is less visible to the public, and does not attract great attention from public observers. The product conspicuousness of a brand concept clarifies how the relative visibility of a branded product reflects the different intentions of the owner and, thus, provides practical implications on how visibility of branded products can be managed to cater for the distinctive needs of consumers. Consuming highly conspicuous (but not less conspicuous) branded products represents one of the means of conspicuous consumption, the behavior of those who purchase unnecessary luxuries as a means of displaying their wealth and status (Veblen, 1994/1899).

According to UK Trading Standards officials and our observations of the counterfeit market, both highly conspicuous and less conspicuous LBCP are widely available in the market place. Impression management theory (Singer, Brush, & Lublin, 1965; Diener, 1979) suggests individuals act differently when their behavior is identifiable compared with when it is anonymous. It is therefore logical to predict that consumers' propensities to consume LBCP may vary with the levels of product conspicuousness. Although a great deal of research exists on the determinants of LBCP purchase behavior (Bian & Mountinho, 2011; Wilcox, Kim & Sen, 2009; Staake, Thiesse, & Fleisch, 2009), there is little understanding of consumers' demand for LBCP as a function of product conspicuousness and consumers' psychological states of social power. We predict that the product conspicuousness of a brand informs the discrepancy in LBCP purchase propensity between high and low power individuals.

### **LBCP consumption**

The present research investigates non-deceptive counterfeiting, where individuals intentionally purchase counterfeits (Grossman & Shapiro, 1988). The choice of the non-deceptive counterfeiting context is appropriate since an individual's psychological orientation

in terms of social power might shape his/her purchase tendency of LBCP in the non-deceptive counterfeiting context but not with other forms of counterfeiting (because they might believe the product is genuine).

Prior research has identified many determinants of non-deceptive LBCP purchase behavior (e.g. person, product aspects, culture context, and social context - see Eisend & Schuchert-Güler, 2006). The person category is more relevant to the present study. Our review of the literature reveals two main research issues:

1) Despite its ubiquitous nature and profound impacts on individuals' cognitive process and consumption behavior, little knowledge exists regarding the effect of psychological states on LBCP consumption patterns. An exception is Wilcox *et al.* (2009), who suggest consumers' preferences for LBCP are greater when their luxury brand attitudes serve a social-adjustive rather than a value-expressive function.

2) The findings of previous research are far from conclusive. For example, a stream of research reports that individuals who knowingly purchase LBCP and who have more favorable attitudes toward LBCP tend to have lower social status (e.g., Penz & Stöttinger, 2005; Tom, Garibaldi, Zeng, & Pilcher, 1998; Wee, Tan, & Cheok, 1995; Bloch, Bush, & Campbell, 1993). However some research suggests that individuals of high social status also purchase LBCP and typically spend more on counterfeit branded clothing relative to low social status individuals (e.g., Prendergast, Chuen, & Phau, 2002; Phau, Prendergast, & Chuen, 2001).

The research reported, here, reconciles these seemingly conflicting perspectives by noting for the first time how psychological states (low versus high) of social power shape individuals' desire for LBCP, and exploring the moderating effects of product conspicuousness on the relationships between social power and purchase propensity for status products, LBCP versus genuine brands, respectively. Some LBCP are highly conspicuous

(e.g., jackets and T-shirts), whereas others are less conspicuous products (e.g., socks and underwear). We predict that consumption of highly conspicuous LBCP and less conspicuous LBCP is driven by distinct psychological processes.

### **Social power and consumption**

Social power is defined as the capacity to control one's own and others' resources and outcomes (Magee & Galinsky, 2008). This concept is important for a holistic understanding of consumer behavior (Rucker & Galinsky, 2009). However, it is only in very recent years that marketing researchers have started exploring how social power affects consumption patterns (Rucker & Galinsky, 2008, 2009) and individuals' spending on self versus others (Rucker et al., 2011).

Rucker and Galinsky (2008) suggest that status luxury goods are particularly valued by the powerless as they offer a potential means of increasing power. They observed that powerless individuals set higher reservation prices for status goods relative to their powerful counterparts. Rucker and Galinsky (2009) examined how experiencing high versus low power creates distinct motives that produce unique consumption patterns. The authors report that high power leads to a greater preference for luxury products that are viewed as offering functional benefits. In contrast, the powerless prefer luxury products that signal status to others. These findings can be interpreted as evidence that consumers resort to status products to deal with perceived powerlessness, that is, consumers use status products to signal social standing to compensate for a low psychological state of power.

Given the fact that LBCP are status products (as long as consumption of them is not identified by others) the central premise of this research is that social power should also provide further explanation for the demand for LBCP. Nevertheless, important questions

remain unanswered: how self-perception of social power affects the demand for LBCP; and how this relationship may vary as a function of product conspicuousness.

### **Social power and purchase propensity for high versus less conspicuous LBCP**

How can individuals' demand for conspicuous and less conspicuous LBCP be influenced by perceived states of social power and powerlessness? This research presents two competing predictions. According to the approach and inhibition theory of power (Keltner, Gruenfeld, & Anderson, 2003), low power individuals experience greater social constraints and more threats and punishments; thus, they are more cognizant of others in their social realm, and more likely to comply with social norms (Brauer, 2005). High power individuals experience fewer social constraints and are less influenced by others' opinions (Galinsky, Magee, Gruenfeld, Whitson & Liljenquist, 2008). As a result, they show evidence of an activated approach system and are less guided by social norms because they focus more on their internal desires (Anderson & Galinsky, 2006; Maner, Gailliot, Butz, & Peruche, 2007; Brauer, 2005; Guinote, 2007; Guinote, Judd, & Brauer, 2002). Indeed, Piff, Stancato, Côté, Mendoza-Denton and Keltner (2012) report that whereas low power individuals are willing to commit to socially desirable behavior, high power individuals are less willing to comply with social norms, preferring instead to be true to their own attitudes and values across situations. To this end, one might assume that individuals of high social power show greater purchase propensity for LBCP given that it is an illicit form of purchase that contravenes various social norms.

We assert, however, that product conspicuousness moderates the effects of social power on LBCP demand because the very nature of the social power and consumption relationship is altered under conditions of product conspicuousness. Prior research has not broached the topic as to how product conspicuousness affects the relationships between



social power and compensatory consumption via status products (e.g., Rucker & Galinsky, 2008, 2009). Research on the effects of power and the impression management literature hints at what the LBCP consumption patterns of socially powerful versus powerless individuals might be for conspicuous LBCP as opposed to less conspicuous LBCP.

Consumers' purchasing motives tend to vary significantly, depending on the levels of product visibility (Batra, Homer, & Kahle, 2001; Bearden & Etzel, 1982). Compared with less conspicuous LBCP, highly conspicuous LBCP are more visible and thus subject to public scrutiny. Classic impression management research (e.g., Singer et al., 1965) shows individuals are more likely to adhere to social norms, or what constitutes appropriate behavior, when their behavior is identifiable than when it is anonymous. Individuals also engage in more socially desirable behaviors when their behaviors are more widely known to others (Diener, 1979). In contrast, when behaviors are private or anonymous, people's inhibitions about performing deviant behaviors are relaxed (Singer et al., 1965). Indeed Ratner and Kahn (2002) document that individuals incorporate more product choice variety in public than in private in order to make a favorable impression on others. On the basis of these considerations, when faced with less conspicuous LBCP, neither high nor low power individuals are particularly motivated to engage in socially desirable behaviors; thus, high power individuals may show the same level of LBCP purchase propensity as do low power individuals. When exposed to highly conspicuous LBCP, in contrast, high power individuals may express a greater LBCP purchase tendency than low power individuals because: 1) LBCP consumption is perceived as being socially undesirable; and 2) high power individuals are less likely to comply with social norms and engage in socially acceptable behaviors relative to low power individuals (e.g., Keltner et al., 2003; Van Kleef et al., 2008; Lammers, Stapel & Galinsky, 2010; Piff et al., 2012). The following proposition is therefore derived: an important determinant of whether power leads to LBCP consumption is product

conspicuousness. Specifically, when faced with highly conspicuous LBCP, high power individuals show a greater LBCP purchase propensity, but when exposed to less conspicuous LBCP, high power individuals will indicate the same level of LBCP purchase propensity as do low power individuals.

### **Overview of the present research**

We conduct three experiments to assess two main hypotheses: 1) High power individuals are more likely to purchase highly conspicuous LBCP than their low power counterparts; and 2) High and low power individuals will indicate the same level of purchase propensity for less conspicuous LBCP. In addition, this research also investigates if the observed effects are LBCP specific by contrasting the results with those for legitimate comparable products, specifically luxury brand genuine products.

Using specific brands as stimuli, experiment 1 explores the interaction effects of social power and product conspicuousness on individuals' purchase intentions of LBCP. In experiment 2, we replicate the interaction effects of social power and product conspicuousness on purchase consideration likelihood (an up-stream variable of the decision-making process) of LBCP. Experiment 2 is also designed to rule out some of the more threatening confounds associated with using different product categories of a specific brand as stimuli, as in experiment 1, which are likely to differ in product involvement. Experiment 3 is designed to investigate the potential moderation effects on demand for genuine products as opposed to LBCP and to rule out the possibility of perceived price being a potential confound.

### **Experiment 1**

Experiment 1 tests the hypothesis that individuals have greater intent to purchase conspicuous LBCP when in a state of high social power; however, high and low power individuals show no difference in purchase willingness of less conspicuous LBCP.

## **Method**

**Participants and design.** The participants comprised 80 British undergraduate and postgraduate students (aged between 18 and 32). They (47 females, 33 males) were randomly assigned to conditions in a 2 (power: high, low) x 2 (product conspicuousness: high, less) between-subject design. Participants voluntarily took part in the research.

**Procedure.** Participants first completed a recall task designed to manipulate social power. They were then given instructions for an ostensibly unrelated study interested in examining individuals' demand for LBCP. They were told that the research aimed at helping the researchers to understand individuals' purchase behavior of LBCP. Because participants might have different preferences for product features (e.g., size, design, or color etc.), which would consequently affect their consumption propensity, we decided to use product descriptions (e.g., D&G jackets) but not to present product images to guard against differences in product features preference. Participants indicated their purchase willingness for either highly conspicuous or less conspicuous LBCP of selected brands. The order of administration of brands was rotated across participants. They were then asked to answer questions concerning their perceived level of social power and perceived level of conspicuousness of LBCP stimuli. Participants were then debriefed and thanked before being dismissed.

**Product and brand selection.** We conducted a two-stage pretest using 40 undergraduate students. We first pretested and identified a number of typical highly conspicuous and less conspicuous products that were the most relevant to the respondents.

We then pretested several brands and selected two luxury brands as stimuli: D&G and Calvin Klein. These brands were chosen because they are on the list of the most counterfeited brands (Poulter, 2006), and are well-known, long-established and, thus, familiar to the target respondents. Importantly, in their product portfolios these brands have both highly conspicuous and less conspicuous products, which were used as stimuli in the present study: D&G jackets (highly conspicuous) versus D&G underwear (less conspicuous); Calvin Klein T-shirts (highly conspicuous) versus Calvin Klein socks (less conspicuous).

**Independent variable.** Social power was manipulated via an episodic recall task adopted from Rucker and Galinsky (2008). Specifically, respondents were either instructed to recall and write about an incident in which they had power over other people or an incident in which someone else had power over them (for detailed instruction, see Rucker & Galinsky, 2008).

**Dependent variable.** Purchase intention was assessed using a 3-item 7-point scale (1 = not at all, 7 = extremely) adapted from Spears and Singh (2004): “I have the intention of buying these products”, “I will buy these products”, and “I would probably buy these products”. These items were aggregated ( $\alpha > .90$  in all conditions).

**Social power.** In order to ensure that the manipulation of power induced different states of power, immediately after the purchase intention questions participants were asked to respond to two 7-point scale questions (1 = extremely, 7 = not at all) adopted from Anderson and Galinsky (2006): “Even if I voice them, my views have little sway” and “My ideas and opinions are often ignored”. These items were averaged ( $r = .64, p < .01$ ).

**Product conspicuousness of LBCP stimuli.** Participants rated the product conspicuousness of the LBCP stimuli on a 7-point scale (1 = extremely non-conspicuousness, 7 = extremely conspicuousness): “To what extent do you think that the counterfeit D&G jackets/Calvin Klein T-shirts/D&G underwear/Calvin Klein socks are visible to the public?”

## Results and discussion

**Manipulation check.** There was a significant main effect of power manipulation on social power ( $F(1,76) = 45.38, p < .001, \eta^2 = .37$ ). Participants reported feeling more powerful in the high power condition ( $M = 4.48; SD = 1.06$ ) than in the low power condition ( $M = 3.01, SD = .90$ ). These results confirmed that power manipulations were successful in affecting relative states of social power.

The D&G jackets were rated significantly more conspicuous ( $M = 6.20, SD = .52$ ) than the D&G underwear ( $M = 1.98, SD = .28; F(1, 76) = 2047.77, p < .001, \eta^2 = .96$ ). The Calvin Klein T-shirts ( $M = 6.13, SD = .34$ ) were rated significantly more conspicuous than the Calvin Klein socks ( $M = 2.03, SD = .16; F(1, 76) = 4820.98, p < .001, \eta^2 = .98$ ). Product conspicuousness manipulations were successful.

**LBCP purchase intention.** The analysis first sought to examine whether it was permissible to aggregate across the products within each level of product conspicuousness for the purpose of analysis. A series of repeat measures ANOVAs were run to test whether the specific LBCP interacted with the power manipulation. Neither of these analyses produced a significant product x power interaction,  $ps > .10$ , which indicates that the individual LBCP within each level of conspicuousness did not respond differently to the power manipulation, lending us confidence to aggregate across products to create an overall mean for highly conspicuous LBCP and an overall mean for less conspicuous LBCP.

A 2 (social power: high, low) x 2 (product conspicuousness: high, less) ANOVA was run to test our hypotheses. No main effect was observed. There was a significant power x product conspicuousness interaction ( $F(1, 76) = 5.17, p < .05, \eta^2 = .06$ , Figure 1). This indicates that participants in high power and low power conditions were affected differently by highly conspicuous LBCP and less conspicuous LBCP. Simple contrast revealed, for the

highly conspicuous LBCP, that high power individuals showed a significantly higher level of purchase intention ( $F(1, 76) = 4.48, p < .05, \eta^2 = .11; M = 3.00, SD = 1.91$ ) compared with low power individuals ( $M = 2.02, SD = .81$ ). For the less conspicuous LBCP, high power ( $M = 2.25, SD = 1.52$ ) and low power individuals ( $M = 2.92, SD = 1.99$ ) indicated the same level of purchase intention ( $F(1, 76) = 1.44, p > .10, \eta^2 = .04$ ).

### Figure 1

Experiment 1 findings demonstrate for the first time that the relationship between social power and compensatory consumption of status luxury products (Rucker & Galinsky, 2008, 2009) is broken. Specifically, the effects of social power on LBCP consumption propensity are moderated by product conspicuousness. As we predicted, high power individuals were more inclined to purchase conspicuous LBCP relative to their low power counterparts. In contrast, high and low power individuals' purchase intention of less conspicuous LBCP did not vary significantly.

## Experiment 2

To illustrate the predicted relationships, in experiment 1 we manipulated product conspicuousness using different product categories of two selected luxury brands. Although we view the use of different product categories of specific brands as stimuli as a strength speaking to the ecological validity, it remains possible that the participants' demand for highly conspicuous and less conspicuous LBCP varied on some dimensions besides product conspicuousness. One could argue that socks and underwear are not as involving as jackets and T-shirts, thus, failure to exercise a significant effect of social power on LBCP purchase intent could be due to differences in levels of product involvement rather than product conspicuousness. To provide a more unequivocal test of the hypotheses, participants in experiment 2 evaluated the same product; however, the product was portrayed as being either

highly conspicuous LBCP or less conspicuous LBCP. Experiment 2 also controlled for the possible effects of brand on consumption propensity for highly conspicuous versus less conspicuous LBCP by not specifying brand names. Consideration likelihood, an up-stream variable of the decision-making process, was measured in experiment 2 as the outcome variable. Thus, experiment 2 served to converge on the findings of experiment 1.

## **Method**

**Participants and design.** Participants comprised 60 British undergraduate and postgraduate students (aged between 18 and 37). They (31 females, 29 males) were randomly assigned to conditions in a 2 (power: high, low) x 2 (product conspicuousness: high, less) between-subject design. Participants voluntarily took part in the research.

**Products.** T-shirts were used as stimuli in experiment 2. The conspicuous T-shirt was described as: A T-shirt that you (participant) wear in summer, which is highly visible to others and subject to the public's scrutiny. The less conspicuous T-shirt was phrased as: A T-shirt that you wear under a jacket in winter, which is almost invisible to others and attract little attention from the public.

**Procedure.** The procedure of experiment 2 was identical to that of experiment 1. Participants first completed the recall task used in experiment 1. Participants were then given instructions for an ostensibly unrelated study. Participants were asked to imagine that they were to purchase a T-shirt for themselves to wear either in summer or to wear under a jacket in winter. They were then asked to indicate how likely it was they would consider purchasing LBCP T-shirts.

**Independent variable.** As with experiment 1, social power was manipulated via an episodic recall task adopted from Rucker and Galinsky (2008).

**Dependent variables.** Consideration likelihood was measured using a 2-item 7-point scale (1 = strongly disagree, 7 = strongly agree) adopted from Troye (1983): “I would consider buying counterfeit luxury branded T-shirts” and “Counterfeit luxury branded T-shirts are acceptable to purchase”. These items were averaged ( $r = .60, p < .01$ ).

**Social power and product conspicuousness.** To check the manipulations participants were asked the extent to which they felt powerful followed by the level of perceived product conspicuousness on a 7-point scale (1 = not at all, 7 = extremely) immediately after the LBCP consideration measure.

## Results and discussion

**Manipulation check.** There was a significant main effect of power manipulation on reported feelings of social power ( $F(1, 56) = 8.21, p < .01, \eta^2 = .13$ ), in that participants reported feeling more powerful in the high power condition ( $M = 4.14; SD = .99$ ) than in the low power condition ( $M = 3.26, SD = 1.34$ ). Product conspicuousness manipulation was also successful ( $F(1, 56) = 1406.95, p < .001, \eta^2 = .96$ ), in that participants reported higher levels of product conspicuousness of a T-shirt worn in summer ( $M = 6.20; SD = .41$ ) than a T-shirt worn under a jacket in winter ( $M = 2.20, SD = .41$ ).

**LBCP consideration likelihood.** A 2 (power: high, low) x 2 (product conspicuousness: high, less) ANOVA was undertaken to test our hypotheses. No main effect was observed. There was a significant power x product conspicuousness interaction on participants' LBCP purchase considerations ( $F(1, 56) = 8.72, p < .01, \eta^2 = .14$ , Figure 2). For the highly conspicuous LBCP, participants in the high power condition ( $M = 3.82, SD = .54$ ) indicated a significantly higher level of purchase consideration ( $F(1, 56) = 8.22, p < .01, \eta^2 = .23$ ) than low power participants ( $M = 3.25, SD = .55$ ). In contrast, for the less conspicuous LBCP, participants in the high power condition ( $M = 3.60, SD = .43$ ) and low power



condition indicated the same level of purchase consideration ( $M = 3.80$ ,  $SD = .49$ ;  $F(1, 56) = 1.40$ ,  $p > .10$ ,  $\eta^2 = .05$ ).

### Figure 2

The results suggest that participants randomly assigned to high and low power conditions behaved similarly to the participants in experiment 1 and differences in product involvement and brand did not account for the findings of experiment 1.

### Experiment 3

Experiments 1 and 2 established that states of psychological social power inform consumption propensity for LBCP; they also identified product conspicuousness as an important boundary condition of social power and compensatory consumption of LBCP. Specifically, the first two experiments found that product conspicuousness moderates the effects of social power on purchase propensity for LBCP. In stark contrast to Rucker and Galinsky (2008, 2009) who show that high power causes a decreased preference for status products, whereas low power increases preferences for status product, the findings of experiments 1 and 2 suggest that low power actually decreases purchase propensity for status products when they are LBCP and highly visible to the public. These findings raise an intriguing question: Will we observe different effect of social power for genuine products to the effect of social power for LBCP? Experiment 3 attempts to answer this question by comparing the effect of social power on purchase propensity for conspicuous LBCP with its effect for conspicuous genuine products. To achieve this end, we included type of product (counterfeit vs. genuine) as a factor in our design. Experiment 3 also sought to rule out the possible difference in perceived price as a potential confound. As with experiment 2, consideration likelihood was measured in experiment 3 as the outcome variable. Thus, experiment 3 served to converge on the findings of experiments 1 and 2.

## Method

**Participants and design.** Participants comprised 187 postgraduate students (aged between 18 and 42). They (121 females, 66 males) were randomly assigned to conditions in a 2 (power: high, low) x 2 (product conspicuousness: high, low) x 2 (product type: genuine, counterfeit) between-subject design. Participants voluntarily took part in the research.

**Products.** As with experiment 2, T-shirts were used as stimuli in experiment 3. The conspicuous T-shirt was described as: A T-shirt that you (participant) wear in summer, which is highly visible to others and subject to the public's scrutiny. The less conspicuous T-shirt was phrased as: A T-shirt that you wear under a jacket in winter, which is almost invisible to others and attracts little attention.

**Procedure.** The procedure of experiment 3 was similar to that of experiments 1 and 2. Participants first completed a power manipulation task. Participants were then given instructions for an ostensibly unrelated study. They were asked to imagine that they were to purchase a T-shirt for themselves to wear either in summer or to wear under a jacket in winter. They were asked to indicate their consideration likelihood of either LBCP or genuine T-shirt and their perceived price for the product. As with experiment 2 no specific brand name was mentioned. On completion of the questionnaire, participants were debriefed, thanked, and excused.

**Independent variable.** Differing from experiments 1 and 2 social power was manipulated using a role play priming approach (adapted from Chen, Lee-Chai, & Bargh, 2001). Participants were put in pairs. Data collection took place in a professor's office. The office setting and manipulation procedure was similar to Chen et al. (2001). As with Chen et al. (2001) the guest participant was casually guided to sit in the guest chair (low power), the professor participant was guided in an offhand manner, through words and gestures, to sit in

the professor's chair (high power). The only two changes we made are: 1) the experimenter led the guest participant in to the office first and told him/her to wait for the professor to come. 2) Once both were seated, each participant was asked to write down how they felt in their position and was then given a pack containing the questionnaire. The purpose of this arrangement was to highlight the difference in social status (the low power do the waiting) and consequently to enhance the manipulation effect, as well as to serve the purpose of manipulation check.

**Dependent variables.** Consideration likelihood was measured using the two-item scale used in experiment 2 ( $r = .65, p < .01$ ). The scores were aggregated and averaged. Perceived price was assessed using a 7-point scale (1 = under £10, 7 = above £70, with an interval of £10) immediately after the consideration likelihood measure. There is no evidence that a T-shirt for public use was considered more expensive than those for private use in both LBCP ( $M_{public} = 2.31, SD_{public} = 1.40; M_{private} = 2.36, SD_{private} = 1.23$ ) and genuine product conditions ( $M_{public} = 5.04, SD_{public} = 1.37; M_{private} = 4.64, SD_{private} = 1.70; ps > .10$ ), which rules out the possible difference in perceived price as a potential confound, thus, lending us confidence to interpret our results.

**Social power.** To check the power manipulations narrative descriptions were coded by two-independent coders with respect to whether they reflected high power or low power on a 7-point scale (1 = not at all, 7 = extremely). The coders agreed on over 86% of the initial judgments, and disputes were resolved via discussion with a third coder. Four cases which did not note any aspect of power were treated as power manipulation being unsuccessful and given a score of 4 (the neutral point). These cases were not discarded as there is no evidence that these respondents were aware of the purpose of this study. Moreover, exclusion of these four cases has no significant effect on results.

## Results and discussion

**Manipulation check.** There was a significant main effect of power manipulation on reported feelings of social power ( $F(1, 179) = 311.12, p < .001, \eta^2 = .64$ ), in that participants reported feeling more socially powerful in the high power condition ( $M = 4.73; SD = .64$ ) than in the low power condition ( $M = 3.24, SD = .50$ ). The role play power manipulations were successful in affecting relative states of social power in the selected population.

**Consideration likelihood.** A 2 (social power: high, low) x 2 (product conspicuousness: high, less) x 2 (product type: genuine, counterfeit) ANOVA showed a significant three-way interaction on purchase consideration ( $F(1, 179) = 5.79, p < .05, \eta^2 = .03$ ) suggesting that the predicted two-way interaction between social power and product conspicuousness was moderated by product type (genuine vs. counterfeit).

Two separate 2 (social power: high, low) x 2 (product conspicuousness: high, less) ANOVAs were run for genuine product and LBCP. Consistent with experiments 1 and 2 results, there was a significant social power and product conspicuousness interaction on LBCP purchase consideration ( $F(1, 83) = 12.71, p < .01, \eta^2 = .13$ , Figure 3). For the highly conspicuous LBCP, participants in the high power condition ( $M = 3.91, SD = .42$ ) indicated a significantly higher level of purchase consideration than low power participants ( $M = 3.32, SD = .36; F(1, 83) = 25.93, p < .001, \eta^2 = .38$ ). In contrast, for the less conspicuous LBCP, participants in the high power condition ( $M = 3.42, SD = .48$ ) and low power condition indicated the same level of purchase consideration ( $M = 3.50, SD = .47; F(1, 83) = .23, p > .10, \eta^2 = .01$ ).

Figure 3

The social power and product conspicuousness interaction on purchase consideration of a genuine product was not significant ( $F(1, 96) = 2.49, p > .10, \eta^2 = .03$ , Figure 4). For the highly conspicuous genuine product, high power participants ( $M = 4.28, SD = 1.20$ ) and low

power participants ( $M = 4.54$ ,  $SD = 1.31$ ) showed the same level of purchase consideration ( $F(1, 96) = .53$ ,  $p > .10$ ,  $\eta^2 = .01$ ). For the less conspicuous genuine product, although participants in the high power condition ( $M = 3.96$ ,  $SD = 1.78$ ) indicated a higher level of purchase consideration than low power participants, the difference was not significant ( $M = 3.26$ ,  $SD = 1.71$ ;  $F(1, 96) = 2.01$ ,  $p > .10$ ,  $\eta^2 = .04$ ).

#### Figure 4

Experiment 3 findings demonstrate that effect of social power for genuine luxury products differs to the effects of social power for LBCP. Specifically, high power individuals were more inclined to purchase conspicuous LBCP relative to their low power counterparts. In contrast, high and low power individuals' purchase propensity for conspicuous genuine products did not vary significantly. Experiment 3 also ruled out the possible difference in perceived price as a potential confound.

### Discussion

The three experiments provide the first evidence that social power states affect LBCP consumption. Specially, the relationship between social power and LBCP consumption is moderated by product conspicuousness. The present research suggests that individuals experiencing a state of high power are more prone to highly conspicuous LBCP than their low power counterparts. In contrast, high and low power individuals show the same level of purchase propensity for less conspicuous LBCP. The results are consistent, regardless of whether social power was induced via recalling respondents' own experiences (experiments 1 and 2) or via role play priming (experiment 3). These results also emerged both for purchase intention (experiments 1) and purchase consideration (experiments 2 and 3) across specific brands (experiment 1) and product categories in general (experiments 2 and 3). The present research, thus, provides important and converging evidence that social power and product

conspicuousness interactively affect consumers' demand for LBCP. Experiment 3 further reveals that the interaction effect of social power and product conspicuousness is LBCP specific and is not observed with genuine products. These findings provide empirical support to the theoretical reasoning behind this research.

### **Contributions to understanding the function of social power**

The present paper extends research on the effect of social power on consumers' preferences for luxury status products (e.g., Rucker & Galinsky, 2008, 2009) by investigating if social power differences also affect consumers' demand for LBCP. Focusing on the effect that social power has on caring for social norms associated with LBCP consumption, this research reveals that high power individuals are more likely to purchase conspicuous LBCP while low power individuals only show purchase tendency to less visible LBCP (do not indicate status). These results are in stark contrast to Rucker and Galinsky (2008, 2009) who show low power increases preferences for status products to compensate the aversive state of low power. Whilst we acknowledge the desire for status of low power individuals (Rucker & Galinsky, 2008, 2009), the present research provides the first empirical evidence that the social concerns of the low power can actually outplay their desire for status when faced with socially undesirable consumption. These findings paint a dynamic portrait of the role of social power in consumption, opening up a series of research questions for future research; for example, does the desire for status co-exist with social concern or completely diminish under certain circumstances and are there any other concepts that might outplay the desire for status of the low power?

Whilst prior research in social psychology and psychology documents the direct effects of social power on undesirable behavioral propensities (e.g., Anderson & Galinsky, 2006; Piff et al., 2012), the present research is one of the few which qualifies our

understanding of the effects of social power on ‘undesirable’ consumption behavior. This represents a new process in the social power and behavior literature. Future research could explore the path from social power to propensity to engage socially objectionable or even illicit consumption behavior, for example, drug use and alcohol abuse.

### **Contributions to understanding LBCP demand**

Understanding the determinants of consumers’ demand for LBCP is of great importance and interest to researchers, legitimate producers and policy makers and legislators. The present research advances our knowledge of consumption propensity for LBCP by identifying some of the salient psychological motivations underlying consumers’ demand for LBCP. This research goes beyond the previously identified determinants (factors related to individual, product, culture and social context) of LBCP purchase behavior (Eisend & Schuchert-Güler, 2006) to demonstrate that consumers’ purchase propensity for LBCP varies predictably and systematically with their psychological states of social power. A more comprehensive delineation of the psychological motives underlying LBCP consumption is a fruitful direction for future research.

The second contribution of the present research in advancing our theoretical understanding of consumer responses to LBCP is that it significantly qualifies the effects of product conspicuousness on LBCP consumption propensity. Until the present research, few prior studies had distinguished product conspicuousness in the study of LBCP purchase motives, despite the fact that both highly conspicuous and less conspicuous LBCP are widely available in the market place and, more importantly consumers' purchasing motives tend to vary significantly, depending on the level of visibility of the product (Batra et al., 2001; Bearden & Etzel, 1982). This approach opens new avenues of enquiry for researchers, for example, to consider the interplay between other psychological constructs and product

conspicuousness. One possibility is enquiry into the rationalization processes that facilitate this norm breaching behavior and the exact nature of any pleasure/satisfaction from consuming non-genuine status products.

### **Implications and limitations**

This research has important implications for the methods that luxury brand marketers might employ to reduce the demand for LBCP. The present research reveals that high power individuals are more prone to highly conspicuous LBCP than low power individuals, given that high power individuals care less for social norms. Based on this understanding, this research suggests that marketers should consider how the brand meaning they depict influences conspicuous LBCP consumption. Marketing campaigns highlighting the social risk associated with conspicuous LBCP may discourage the consumption of low power individuals, but will not lead to fruitful results with high power individuals as they are relatively immune from social pressure (e.g. Galinsky et al., 2008; Van Kleef et al., 2008; Lammers et al., 2010). These findings are also of use to the policy maker and could inform the design of social marketing campaigns that seek to reduce counterfeit purchase.

In addition to highly conspicuous LBCP, a large percentage of LBCP are less conspicuous. This research demonstrates that high power individuals show the same level of less conspicuous LBCP as do low power individuals. Given that individuals of high social power are the primary target consumers of luxury brands our findings alert marketers of luxury brands that much more needs to be done in curbing consumers' demand for less conspicuous LBCP. Anti-counterfeiting campaigns should set high power individuals as their primary target for less conspicuous LBCP. Communication messages might need to be tailored to flag up sub-quality as the core deficiency of LBCP and highlight that LBCP compromise self-worth since individuals of high social power have greater preference for



quality (Rucker & Galinsky, 2008, 2009) and care more about themselves (Anderson & Galinsky, 2006). As difficult as it might be, luxury brands should also constantly improve product quality to ensure that superior quality is what differentiates them from less conspicuous LBCP.

The present research is not free from limitations. For example, behavioral intention and purchase consideration are substitutes for actual behavior and this must be acknowledged without ambiguity. Moreover social norm against types of LBCP (highly conspicuous vs. less conspicuous) was not controlled in the present research. Although there is no evidence suggesting that social norm against counterfeit consumption varies with levels of product conspicuousness, controlling social norm will lend further confidence in interpreting research results.

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Figure 1. LBCP purchase intention as a function of power and product conspicuousness

(Experiment 1)

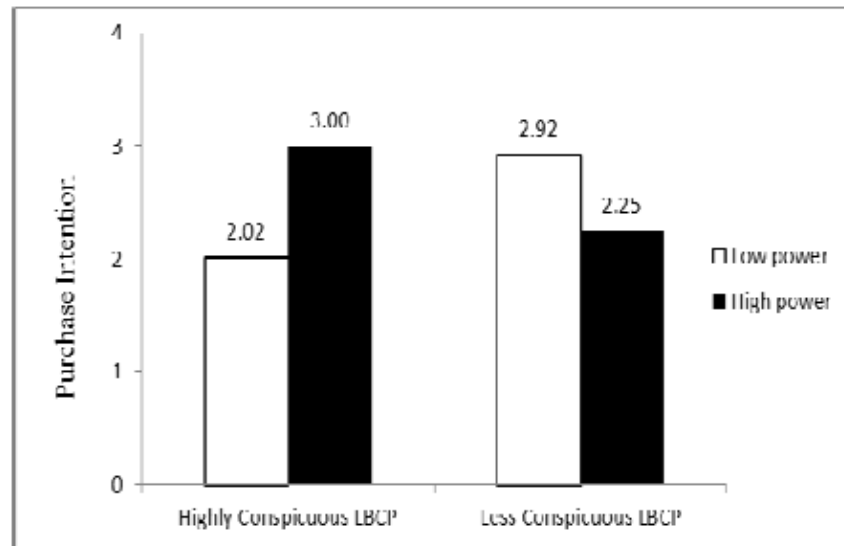


Figure 2. LBCP purchase consideration as a function of power and product conspicuousness  
(Experiment 2)

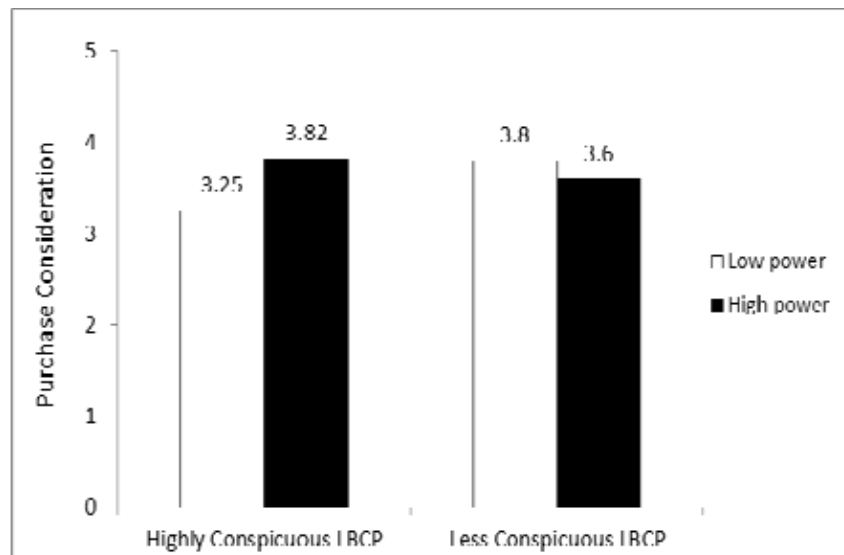




Figure 3. LBCP product purchase consideration as a function of power and product conspicuousness (Experiment 3)

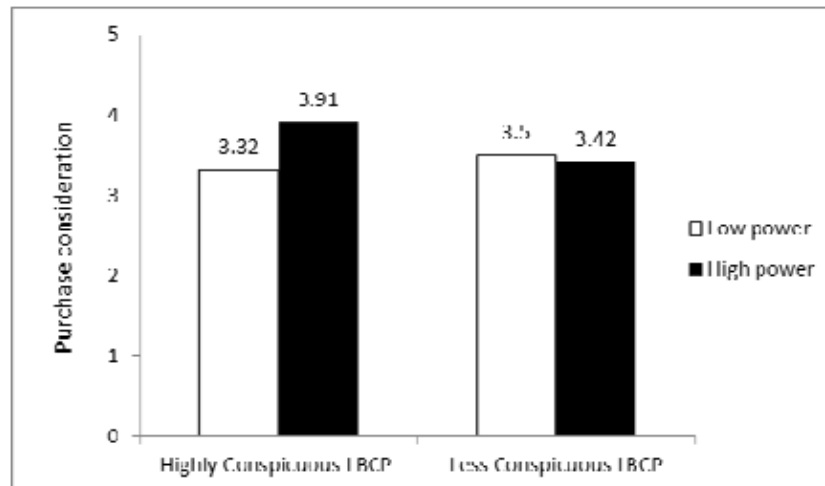


Figure 4. Genuine product purchase consideration as a function of power and product conspicuousness (Experiment 3)

