

# A Comprehensive Review of Counterfeit Luxury Brands Scenario in India

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**Abstract – Counterfeiting is affecting the global economy at a very serious level. Counterfeit products affect the employment as medium and small industries are heavily affected, destroy the market of original products, and degrade the goodwill of the concerned industries. As a whole, it is a loss to an economy. Right from FMCG to Jewellery, handbags to shoes, electric cords to television, counterfeits leave no sector untouched. This paper uses secondary data approach. The result of this study reveals that authentic luxury brands associated with high reputation and prestige are often susceptible to counterfeiting. The authentic luxuries branded products are closely associated with high price. These research outcomes support the theory of luxury brand associations.**

**Keywords: Luxury Brands, Counterfeits, Global Economy, India.**

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## I. INTRODUCTION

A brand is a product that has high market demand and that is manufactured or supplied by a reputed or quite well-known organization. Sometimes, the name of an organization itself becomes a brand. A brand can be a product, service, or idea that is accepted as distinct in several features from other similar products, services, and ideas. So, a brand is easily communicated and normally marketed. Branding is a process of developing and spreading the brand name. Branding can be applied to the entire corporate identity or to a particular product, service, or concept. A brand is normally protected from others with trademark or service mark. Usually government agency established specifically for this proposes handles the process of the trademark. Once, a company applies for a trademark, the appropriate authority confirms that no one has been using a similar trademark or brand name. Once confirmation is made, the company is given legal permission to use the trademark and brand name. It is when, the name of the company or its product, service, or idea comes with a "TM" symbol.

Counterfeit products are those products that bear the identical trademark of the original products or bear a look-alike trademark that is tough to distinguish from the original products. Moreover, counterfeits are the reproduction of a trademark brand that has no or feeble physically distinguishable features. This includes packaging, labeling, color, and several other aspects. The aim here is to pass the product in the market as the original product. The counterfeit enjoys the brand goodwill without having to pay a single

penny for building or preserving that brand goodwill. The difference between counterfeit products and original ones remain so narrow that even the regular experienced retailers get fooled on many occasions.

Counterfeiting popular luxury brands with a large market base and loyal customers is an ever-growing industry. In 1985, Business Week called counterfeiting as the "fastest growing" industry of the world. The exact nature and volume of the industry are tough to comprehend as this industry mostly operates on a "grey market" (Betts, 2004). The problem of counterfeit goods of luxury brands has become more pressing with the emergence of ecommerce. With professional looking websites, good customer service, easy delivery systems, the counterfeit merchandisers are the real threat to the actual luxury products. The luxury brands are losing customers and revenues almost daily. They have nothing in hand except alerting the visitors and customers that buying or selling a counterfeit product is an illegal activity or quality is compromised or the "product" could be a serious threat to health, etc.

The suppliers of counterfeit products have recognized the enormous power of online selling. In fact, seeing the huge online market, the counterfeit products manufacturers and suppliers have gained more enthusiasm. The internet helps them to reach any parts of the world. They are shipping products anywhere to reach overseas customers enabling them to get products at much lower prices than original products. At the same

time, they do not face any problem of selective consumption as their products are available at lower prices. A Google search on "Rolex Watch" instantly shows 17 900 000 hits (December 3<sup>rd</sup>, 2011) but too few among these hits are linked to actual merchandise. There is nothing new in counterfeiting but with the new and upgraded ways of reaching customers making this market voluminous with time. The internet is full of counterfeits, replicas, copies, and otherwise knockoffs of luxury brands. A search with the keywords "Louis Vuitton bags" on Google provides 777 000 000 hits (December 3<sup>rd</sup>, 2011). Most of the suppliers here offer counterfeit products abbreviating such products as "replicas".

Different categories of counterfeit products are available in the market; the lawmakers have passed different laws to regulate this market. This research work is concerned only with trademarked counterfeit products. So, in this thesis, whenever the term "counterfeit product" or "counterfeit products" are used, only trademarked counterfeit products are considered. To get a clear idea of the harmful effects of counterfeit products and the crime related to marketing these products, we first need to understand what counterfeit products are and what kinds of brands are actually counterfeited?

Counterfeit products can be defined as identical or look-alike copies of trademark products that are made available in the marketplace for taking advantage of the popularity of specific branded products. According to Lai and Zaichkowsky (2015), counterfeit products are 100% direct copy of a high-valued brand but mostly inferior quality (Lai and Zaichkowsky, 2015). Such products are marketed convincing the customers that they are getting the same benefits at lower prices. However, all counterfeit products are not marketed in this way; innumerable counterfeit products are available in the market that is sold as the original ones and customers are convinced that they are getting the actual brand, there are two types of counterfeit products: deceptive counterfeit products and non-deceptive counterfeit products.

Phau, (2018) states that in the case of non-deceptive counterfeit products, customers know that the products do not belong to the original brand and those are of inferior quality. In the case of deceptive counterfeit products customers act in good faith and they do not understand that they are actually buying a copy of the original (Financial Express, 2018).

Counterfeit products are manufactured and marketed in order to take advantage of the popularity of a high-valued brand. In this thesis, the research on counterfeit products is narrowed considering the counterfeits of luxury brands only. This decision is taken because a large part of the counterfeit products' market is occupied by trademarked luxury brands. More a company invests in enhancing their goodwill and value in the luxury brand market more

likely the brand will be counterfeited (Commuri, 2009).

In general, luxury brands are high-valued and high-priced but several brands can fit in the same category if the term "luxury" is curtailed. So, luxury brand requires more developed definitions to set aside the general categories of brands that can easily fit in today's "luxury category". Researchers have identified four basic criteria of luxury brands: (1) a luxury brand always possesses an artistic content (2) Luxury brand design is a result craftsmanship (3) A luxury brand is known internationally (4) A luxury brand contains a unique, recognizable, individual design (Chevalier and Mazzalovo, 2008). Moreover, a luxury brand always has a limited edition, limited distribution, and top-class after sale service.

Most research works accomplished in this area have primarily focused on the demands of counterfeit products (Gistri, et. al., 2009). Now, it is the high time that the problem of counterfeiting is viewed from other angles especially how this practice has been damaging the image and market of the genuine brands (Hieke, 2010).

Nia and Zaichowsky (2000) found that the suppliers and key people in the channels of distribution of counterfeit products claim that genuine luxury brands do not lose customers or markets due to counterfeit products (Nia and Zaichowsky, 2000). According to the researchers, these people claim that counterfeit products have a different market and different customer base, people who buy these products cannot afford the original products due to its high price. Even if this claim is accepted that the luxury brands do not lose customers due to counterfeit products, the damage to the goodwill cannot be overruled. This is the area, if not the demand needs any focus, that requires genuine focus and researchers need to explore how the values connected to a luxury brand deteriorate due to the existence of counterfeit products.

Normally, the distribution of luxury products remains limited. Manufacturers keep the supply restricted in order to keep the demand high. However, due to the easy availability of counterfeit products, the distribution systems sometimes go beyond the control of the marketers of genuine luxury brands. In addition, the reputation of genuine brands suffers heavy damage due to the presence of low-quality counterfeit products. Reputation is one of the key aspects of luxury brands that no marketers of this category of products want to lose (Kapferer and Bastien, 2009).

While buying luxury products, consumers give importance to the brand more than the product or products (Husic and Cicic, 2009). This is the brand that makes the products as valuable to the customers as the brand name is associated with some sorts of lifestyles and aristocracy. Because of

this reason, the counterfeit product marketers show interest in copying this category of products. The counterfeit marketers try to give customers a sense that they are using a premium quality product.

The luxury brands don't enjoy a large market due to high prices. Marketers here reach to selective customers through specific channels. The customers of these products represent a special group in society and the customers who cannot afford to buy these luxury products envy those who can. Counterfeit products just try to grab that market. People who aspire luxury products but could not buy them for high prices get interested in these counterfeit products. The counterfeit products marketers enable everyone to own luxury products regardless of their economic background (Maldonado and Hume, 2005).

The demands of lower quality and lower price fake products have been increasing worldwide. It has become a serious matter of concern for most of the countries worldwide (Mathew, 2010). From shoes to health products, counterfeit product manufacturers have not kept any industry untouched.

There is nothing new regarding counterfeiting in India. A report published by the United States Trade Representative (USTR) has mentioned Palika Bazaar and Nehru Place in New Delhi, Manish Market, Heera Panna, Lamington Road, and Fort District in Mumbai, Burma Bazaar and Richie Street in Chennai, and Chandni Chowk in Kolkata as the markets of counterfeit products. In fact, India is one of the countries on the "Priority Watch List" of the USTR "Special 301" report. Though India keeps vigilance on the international protocols and follows the Intellectual Property Rights (IPR) compliance measures, the market watchers keep focussing on Indian market regularly (Veloutsou and Bian, 2008). Two major effects of rapidly expanding counterfeit products' market are deteriorating employment growth and closing of medium and small scale firms.

Secondary data has been collected for studies different purpose. It does not have high importance fulfilling the research purpose yet contributes to an understanding better for the problem with in-depth research knowledge. For instance, the data is collected from the statistical units of the government, newspapers and different Organizations of trade, is advantageous as it eliminates both time and cost overhead. Such data is reliable and also accurate as collected owing to experience and the skills from several institutes of statistics. Secondary data's negative aspect is related to purpose of data collection and fails to correspond with conducted research turning irrelevant.

Here, collection of secondary data is done. It was mainly done to generate higher understanding of the luxury brands and their counterfeits.

## **II. LITERATURE REVIEW**

The continuing and ever-expanding problem of buying and selling of counterfeit products pose a serious threat to the brand owners, retailers, and actual brand oriented customers (Grossman, 2016). Unlike counterfeit pharmaceutical and automobile products, counterfeit fashion products do not pose any physical harm to the customers but the images of the genuine brands deteriorate. The counterfeit products tarnish the brand reputation and brand equity leading to loss of customers' trust and confidence in the original brand (Pappu, et. al., 2005). The owners of these brands are now seeking different ways to tackle the growing incidents of counterfeiting. This has become a social issue now as it affects consumer confidence and destroys brand equity to a great extent (Aaker, 2011).

### **A. Counterfeit Goods**

Not all consumers buy counterfeit goods knowingly. That is to say that not all customers indulge in this illegal practice willingly (Keller, 2013).

According to Keller (2013), there are two types of counterfeiting: deceptive counterfeiting and non-deceptive counterfeiting (Radder and Huang, 2008). Deceptive counterfeiting can be described as a condition in which the customers are not aware that they are buying a counterfeit product. The customers, in this case, don't have sufficient skill to differentiate between an original product and counterfeit product. According to Swami, Chamorro-Premuzic & Furnham, (2017) deceptive counterfeiting is mostly observed automobile parts, electric and electronic parts, medical devices, and pharmaceutical products markets. The luxury brand products market shows the other side of counterfeiting, i.e. non-deceptive counterfeiting. In this market, the customers are fully aware of the fact that they are buying a counterfeit product (Business Today, 2018). Radder and Huang (2008) explain that customers are well aware of the market availability of fake fashion apparel, perfumes, watches, leather goods, and designer sunglasses and hundreds of other items (Heine, 2012). The researchers argue that these fake products are sold at a cost that is a fraction of prices of genuine brands. These counterfeit products are not sold from the official retail outlets of the brands or normally where these genuine brands are available. So, it cannot be said that customers buy these products unknowingly. Heine (2012) also present a question that why a customer knowingly buy a counterfeit product? One possible reason that the researchers present is that maybe these counterfeit products provide good value for money (KPMG International, 2011). However, the researchers are not satisfied with this explanation as customers can easily buy various other legitimate brands at those prices and even at lower prices. They propose an alternative explanation

that the logo and design of a counterfeit product seem more valuable to these customers than mere features. These designs or logos are status symbols in the society that these customers want to own. Ranchod, (2017) present that the risk associated with buying these goods is much lower than the risk associated with buying counterfeit goods that are technical in nature or medical goods. Counterfeit category products sometimes offer comparable product qualities as genuine brands. The buyers of these products are not at any risk of physical harm, or open to any 'serious' risk. The customers of these products, however, open to social risk as these products carry high social visibility and social status (Veloutsou & Bian, 2018).

Vikram, (2018) explain that fighting this serious market threat has taken different forms but some are found to be effective while others are not. There are supply-side remedies such as high-tech product labeling and brand awareness. However, many researchers ask to focus on the demand-side of counterfeiting with ethical consumer decision making (Swami, et. al., 2017).

### B. Customer-based Brand Equity

As far as brand equity is concerned, there are two main approaches: (1) the financial approach (2) the customer-based approach (Eisend and Guler, 2006). The first one that is the financial approach is popular among the companies who are interested in evaluating the value of a brand in terms of currency such as in dollars or pounds. The financial approach can be defined as the incremental cash flows which accumulate to branded products over and above the cash flows which that could be expected from the sale of products of the same category but unbranded. Aaker (2011) argues that a mixed approach could be better than following any specific approach (Keller, 2013). He argues that a mixed approach that states the significance of brand equity for both the company and customer could be more useful. According to Aaker (2011) "Brand Equity is a set of brand assets and liabilities linked to a brand, its name, and symbol that add or subtract from the value provided by a product or service to a firm and/or to that firm's customers".

The brand equity from a customer's point of view is measured with the help of a customer-based approach. Keller (2013) is the proponent of this approach. He states this as "the differential effect of brand knowledge on consumer response to the marketing of the brand" (Radder and Huang, 2008).

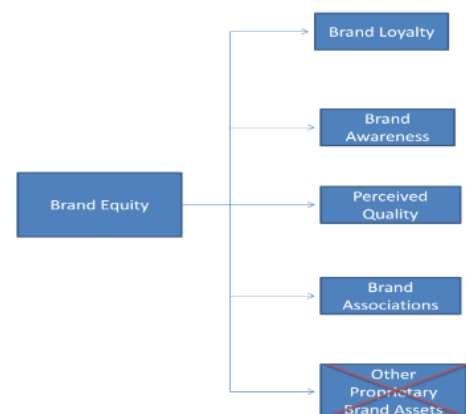
In this research paper, brand equity is viewed from a customer's angle and not from a company's angle

These two approaches of brand equity possess distinctive significance. In this research paper these both approach will be referred to as Customer-Based brand Equity (from now on called CBBE).

Aaker (2011), a researcher, broadly accepted, in the domain of CBBE, along with being effectively cited with different researchers (Keller, 2013). As per Aaker (2011), the assets of brand along with the liabilities are associated with the brand could be differing in terms of context and has been segregated in five separate categories as, Brand Awareness, Brand Loyalty, Brand Associations, Perceived Quality, and significant other assets of proprietary Brand. Four of the above can be thought of from the customers viewpoint and the final item of the Brand Asset cannot be sought in terms of users Persephone as it has brands patent and trademark that are not user specific and hence not an interest area.

Keller (2013) is another researcher that has been both cited and accepted in research areas. Appears to be affected by the conception of Aaker (2011) CBBE and is seen to rely on the idea of Brand Knowledge. The concept of Brand Knowledge is drafted on two elements that are CBBE's foundation (Radder and Huang, 2008). The stated ideas are Brand Image and Brand Awareness, where the former is made on the Brand Associations and so thought to be the synonym of Aaker's (2011) Brand Association items.

Combining the ideas of both Aaker (2011) and of Keller (2013) four terms indicating the point of interest is: Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty and Brand Images. The below given figure reflects the ideas of Brand Equity, as per (2011), that emphasizes on four items that can be viewed from perspective of customers' and not firms. Each item's short representation and the way they create consumer equity follows:



**Figure 1: Dimensions suggesting the Brand Equity Based on Customer (Taken from Aaker, 2011)**

### C. Brand Loyalty

Brand loyalty owns a crucial impact on CBBE. The establishment of brand loyalty appears when a consumer would buy products from a brand without



evaluation of the product with respect to the quality, prices and significant other features and only for the name of brand (Aaker, 2011). Such a purchase behavior exhibited by the user happens when the user has positive belief for the brand and hence leads to repetition in purchase behavior of the product, reducing the possibility of brand switching (Bhushan, et. al., 2013).

#### **D. Brand Awareness**

Brand Awareness takes place when the user gets to know of a brand on hearing, thinking and seeing the same repetitively leading to the establishment of brand in the users mind who can then relate to the same (Bose and Das, 2013).

The Brand Awareness has been divided in two different subgroups; Brand Recall and Brand Recognition (Keller, 2013). The term Brand Recognition is the ability of the consumer to delve into prior exposures and also brand experiences, here the logo or name acts as cues in memory of the consumer (Nakassis, 2010). As per Aaker (2011), giving brand a known feeling which the users choose to buy is Brand Recognition

Brand recall takes place when the brand has an image already set up in the user mind and the same relates to it while being exposed to a product (Sarkar and D'Silva, 2013). Being the brand that a user picks up for the first choice on deciding to buy a product is a huge asset for the firm and is what they look upto.

#### **E. Brand associations**

The term brand association refers to anything that is associated with the brand memory which is alternatively the brand perception. This additionally owns a good impact on the equity of brand.

#### **F. Perceived quality**

The term Perceived quality is a perception the users have on the quality and the superiority of the service or the product as offered by the company to serve a purpose.

#### **G. Brand Associations**

The terms Brand Associations gets formed in the users mind. Such associations further are divided on the basis of association type that has been created in customer's mind (Turunen and Laaksonen, 2011). On the idea of purchasing expensive brands, there exist items which are in connection with brand association. Because the luxury brand has been associated with greater prices and better quality of the same (Ranchod, 2017) and hence has been divided into several subjects. Several researchers use various items while measuring the Brand Associations which gets segregated as the luxury

depending Turunen and Laaksonen (2011) definition. Such items are both Status symbols and Expensive (Vikram, 2018).

### **III. LUXURY BRAND SCENARIO IN INDIA**

The "Luxury brands or the Luxury fashion brands in India are seen as images that were formed in customers minds and has the link with the price level, aesthetics, quality, rarity, and extraordinariness (Aaker, 2011)." all of the potential luxury brands must be assessed in terms of the luxury's constitutive characteristics:

- Price: A brand provides products that are the highly expensive categories products.
- Quality: A brand provides long lasting top-of-the-line products that do not get disposed even if it is used for long time and can be repaired offering value for money spent.
- Aesthetics: A brand appears as a chic and a vain dandy, that never leaves the house but in an elegant style. Whenever the brand gets viewed it is a melting pot of elegance and beauty.
- Rarity: On contrary to the brands of mass-market they restrict the production and never reveal the exact number of sales. They are hard to get and not always available.
- Extraordinariness: A brand owns a mind and a style of with the products offering a "kick" and a surprise giving users the "expected unexpected."
- Symbolism: A brand is known "the best from the best for the best"; and the charisma covers the entire room, irrespective of whether the same is conspicuous or understated by nature, being swollen with pride deep inside.

As per Business Today (2018), maximum international luxury brands and organizations have already entered the Indian luxury market with some of them arriving soon. Indian market is a lucrative field for all these luxury brands across the globe due to its diversity, energy and excitement. On the other hand, becoming successful in the realm of luxury brands depends on its capability to comprehend the complex dynamics of the Indian market, as well as how smartly these brands devise their planning to provide a rich, exclusive and advantageous brand experience for Indian customers. India has been a cradle of diverse cultures with its rich ancient history, customs and heritage and all these aspects make Indian market

a unique and intricate one to explore. During 2006, in “Cult of Luxury Brands: Inside Asia's Love Affair with Luxury” by Chadha and Husband, the authors stated that every nation is different for its indigenous and enchanting uniqueness. It is important for the luxury retail industry to know and follow five exclusive features so that they can provide a better service to the Indian market and its consumers (Business Today, 2018).

### ***Evolving Indian market***

When it comes to the Indian luxury retail industry, it is in its budding condition until now and the past decade has witnessed both rises and falls. Due to these fluctuations, assessing and estimating the respective market is a daunting job. In spite of visualizing India as a sleeping giant due to an ample number of scopes, several individuals do not think the same and believe that the Indian market potentialities are exaggerated. Nevertheless, the size or dimension of the Indian market is quite big and it is a big opportunity to explore in the long run. Among the luxury commodities, watches, designer handbags, fashion accessories, premium beauty/personal care items, electronics, shoes and garments as well as automobile and real estate are the primary things (Business Today, 2018).

### ***Regulations***

The luxury retail market in India has seen some crucial cash oriented restrictions from November 2016 to 2018 due to several aspects. Demobilization in November 2016m cash restriction up to 2 lakh, PAN Card issues and finally the launching of Goods and Services Tax are the causes behind this. Although, apart from the initial obstruction with respect to the development of Indian luxury, these schemes might be beneficial for the long-term aspect. Currently, the Indian government has made cent per cent approval for Foreign Direct Investment (FDI) through the automatic pathway of single-brand retail trade and it has mitigated the obligatory regional sourcing rules. It would make international retail brands flexible by increasing the accessibility of customers to these brands (Business Today, 2018).

### ***Diverse characteristics of Indian consumer***

There are a lot of dissimilarities between a customer from India and a customer from China or a Western customer. As good price and negotiation are primary buying aspects for Indian customers. This is reciprocated in their searching for value and information with respect to the costs when it comes to buying global brands. Due to higher import prices in India, luxury items are bought at cheaper price from Singapore, Dubai and London. Experimental attitude is increasing among Indian customers and the traditional mode of purchasing is getting a backseat. Be it style, colours, customers are growing awareness about the brands and their logo-

representation regardless of their age. In the case of the male customers, branded shoes with evident logo are popular. In the case of female customers, the scene is different as they do not view the shoes to be valuable, although sunglasses, as well as premium clutches and handbags, have more visibility. Brands are meant to boast and Indian customers have higher regards for expense and perception. The qualitative aspect, artistry and workmanship are the vital aspects from a selling perspective; however, these are not determinants for customers in India. The reputation and image of the buyers in terms of brands while paying the amount is the most vital point, especially the perception of the brand in India can make or break the brand's business (Business Today, 2018).

### ***Great demand for affordable luxury brands***

Several cost-effective luxury brands such as Michael Kors, Kate Spade, Coach and Charles as well as Keith are doing great as they have enticed the younger generation of customers in India. International products at a cheaper price are always welcome and these brands have followed the rule by heart. As per Business Today (2018), this part is increasing swiftly with a competitive rate of 40% annually by defeating other sections.

### ***Luxury space constraint***

The real estate sector in India is majorly controlled and maximum luxury brands usually establish their stores in supermalls or hotels by means of a collaborative venture with regional distributors. Currently, only a handful of luxury malls in India can provide space for these premium brands and these are mainly metropolis oriented. Three metro cities specifically, Mumbai, Delhi and Bangalore are the hubs of these luxury brands. In spite of being quite developed in terms of population and increasing resource and money, Tier 2 and Tier 3 cities are not yet capable of doing this. Although, it is important for the premium retailers to understand that wealth is not just accumulated in the hands of metro-people. Nowadays, small cities have the ability to pf revenue generation with financially rich people who can purchase these brands' items. The high streets have been congested and cluttered and the surrounding environment doesn't cater to the required atmosphere of these luxury brands. Moreover, establishing a luxury store on these high streets is expensive that repel retailers to launch stores in these localities (Business Today, 2018).

Due to the inherent complexity of the Indian market and its customers, luxury retailers and brands must realize the worth of consciousness and selectiveness for creating value in this ambience. If they are not able to identify different aspects of customers with respect to their criteria, likelihood and preferences for premium products, it can cost

them detachment in understanding customer's attitude for luxury items (Business Today, 2018).

#### **IV. COUNTERFEIT MARKET INDUSTRY THE WORLD AS WELL AS IN INDIA**

According to Veloutsou & Bian, (2018), the industry of counterfeit market, a rapid growth is seen to occur Nationwide. And so it is imperative to seek different solutions that would prevent sealing the product counterfeit (Phau, 2018). Several literary studies identify factors which contribute to counterfeit purchasing and are:

The thing in consideration states that the demand of counterfeit products, owns the reason that they are cheap and affordable (Radder and Huang, 2008). But, the studies reveal that high income users also seek purchasing counterfeit products, reflecting that price is not just the factor that leads to counterfeit products demand. Few researchers identifies factors that are not related to price and lead to counterfeit brands demand that comprises of characteristics as quality, exclusivity, and appeal; self-identity, price benefits, brand image, store reputation, individual psychographics; demographic variables; cost advantage, social visibility; prosecution risk; and fashion content and brand status

In context of India, though several studies have been done on drug counterfeiting (Commuri, 2009), Currency counterfeit (Turunen and Laaksonen, 2011), western brand counterfeit (Gistri, et. al., 2009), counterfeiting product and rights of intellectual property; few study rely on the theoretical framework of the counterfeiting product. Further, as the domestic market of India gets flooded with luxury brands counterfeit, it becomes interesting to seek factors that influence the demand of Indian market counterfeit luxury brands.

According to the Financial Express survey (2018), the counterfeit market of luxury items is no less than a separate industry now. These products affect the customers and the revenue generation of state administrations. On Tuesday, a senior minister from West Bengal has requested the police and the state organizations to be aware of reducing the menace of counterfeit market culture (Financial Express, 2018).

As Mr Sadhan Pande, the Consumer Affairs minister of West Bengal told the media that commodities such as tea or cigarettes of bigger brands have been counterfeited and tuned out to be a large sector on its own. He expressed his concern over the seriousness of the issue and whether the Central government is stressing on these aspects. These are menaces as it impacts the revenue, especially the indirect taxes (Financial Express, 2018). Besides, the customers are being cheated in the name of luxury brands. His concern was prominent when he was giving a speech at a Conference on Combating

Counterfeiting and Smuggling, conducted by FICCI CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) (Financial Express, 2018). The smuggling and counterfeiting are deleterious for the economy and it is urgent to take strict actions on the part of the government authorities and the police.

As mentioned above, tea and cream etc. are the main products to be counterfeited in the name of big brands due to cheaper prices, while narcotics like cannabis, cigarettes as well as fake currencies are smuggled from neighbouring nations through borders. Several overseas brands of cigarettes without any cost mentioned are found in specific Kolkata markets and are sold at unregulated manner. Even, Nepal and Bhutan are suffering from the same issue. The minister assured to take strict actions against this malpractice (Financial Express, 2018).

In this conference, Deepankar Aron, Additional Director General of Directorate of Revenue Intelligence, Kolkata zone voiced the same when he admitted that his organization has captured counterfeit items alongside the smuggled goods of Rs 350 crore other than gold and narcotics during the past monetary year. A huge amount of tobacco commodities (worth Rs 110 core) with 110 kgs of gold (having a value of Rs 430 core) have been confiscated and captured in the past 12 months (Financial Express, 2018).

#### **V. CONCLUSION**

The above paper analyzes an extensive counterfeit review of Indian luxury brands. The paper also clears the fact that counterfeit perception of consumer is related to poor quality and is not associated with the status or owner prestige. Counterfeits are reproducing the brand, which is identical or similar to original articles. The above comprises of labeling, packaging, and trademarking, which intentionally surpasses the genuine item. The problem added to buying and also selling of the counterfeit products adds threat to the brand retailers, owners, and end user. The outcomes suggest that original luxury brands have good reputation being prestigious and the product of genuine luxury link with high price. The supports the association theory of the luxury brand as discussed in literary review.

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