Empirical Study of Investigating Factors Affecting Deceptive Consumer towards Counterfeit Cosmetics -

Case study: Khan al Saboun-Bader Hassoun and Sons Lebanon

Dr. Moustafa Al Atat

Faculty of Business Administration, Beirut Arab University, Beirut Lebanon.

*E-mail: moustafaalatat@hotmail.com

Abstract

Counterfeit products are a dangerous threat that impacts businesses and consumers. In many sectors counterfeit products are very harmful to human health and sometimes lead to death. We have two categories of consumers who purchase counterfeited products, non-deceptive consumers and deceptive consumers. Non-deceptive consumers previously knew that the products they would buy were counterfeited products. Another kind is deceptive consumers those consumers who cheated by counterfeiters, they bought the products and thought that it is authentic products, in fact it is counterfeited. Deceptive consumers are very harmful cases in purchasing counterfeited products. Especially, in the sectors of drugs, food supplements, and cosmetics.

This study focuses on analyzing the factors that impact on deceptive consumers. The factors that make them prone to be cheated from counterfeited products, of a well-known, luxury brand, Khan al Saboun- Bader Hassoun and Sons- cosmetics products in Lebanon.

In this study, the qualitative approach was utilized by following the phenomenological method and consisted of a focus group with deceptive consumers. In order to have a deeper understanding of the factors that lead them to be deceptive consumers of counterfeited products. Then we used the content analysis method to analyze the data collected from the focus group.

As a result, we concluded the factors that impact the deceptive consumers and make them prone to purchase counterfeited products of luxury cosmetics brand in Lebanon. These factors are: Consumer's past purchase experience, Word of mouth and Market influence, and Consumer awareness. However, Demographic and psychographic characteristics, Product attributes, Price of the products, Social benefits, Perceived risk and ethics are factors that do not impact deceptive consumers during their purchasing.

Key words: Counterfeit products; Deceptive consumers; Combat counterfeit products.

1. Introduction

Counterfeit products are a fake replication of authentic products. Counterfeiters have the ability to copy the attributes of the authentic products. The attributes of a counterfeited product are characterized by utilizing the same name, shape, logo, design, and general aesthetic. The whole practice revolves around the infringement and pirating of the original brand. Counterfeit products are produced with the intention of taking advantage of the superior value of the authentic product (Chacharkar, 2013).

On the other hand, we have two types of consumers using counterfeit products deceptive and non-deceptive consumers.

- Deceptive consumers who are cheated and purchase counterfeit products from the market and think that it is authentic products. This type of consumer of counterfeit products does not know the fact that they have invested in a counterfeited product. Even they cannot distinguish between genuine and counterfeit products. Honestly, consuming counterfeit products in the case of deceptive consumers, impacts authentic companies, especially if

the consumer has a bad experience or some harmful side effects on them. What poses the greatest risks are drugs, cosmetics, food supplements, and fake car parts that are harmful and may potentially lead to critical illness and death.

In a previous study of the researcher concluded the factors that influence deceptive consumers during their purchasing in the case of cosmetics and food supplements. The factors are lack of consumer awareness, market influence, word of mouth, materialism and brand, and past purchase experience (Atat, 2024)

- Non-Deceptive consumers are those consumers who previously knew that they were purchasing counterfeit products, many factors get consumers' intentions to purchase counterfeit products. Also, in a previous study of the researcher, concluded the common and dominant factors that impact non-deceptive consumers within different regions and various product categories were derived. These include the following factors: person demographic and psychographics, lack of consumer awareness, market influence, social influence, word of mouth, perceived risks, materialism and brand, ethics, key product factors, price consciousness, and purchase experience (Atat, 2020).

Our aim in this study is to empirically investigate the factors that impact deceptive consumers and lead them to purchase counterfeited cosmetic products of specific luxury cosmetics brand Khan al Saboun-Bader Hassoun and Sons, Lebanon.

2. Literature Review

2.1 Counterfeit products from manufacturing to selling

Counterfeiters have the ability to copy 100% of the authentic products. 1% of consumers can distinguish between counterfeit products and authentic ones and 10 % of suppliers. Companies that produce authentic products work hard on a daily basis to produce good quality products to meet consumer's requirements. Authentic companies while manufacturing their products, follow many production strategies to meet the quality required under managerial controlling systems. However, counterfeit products are not manufactured under the same conditions and standards as authentic and original products.

The counterfeiters illegally copy authentic products, regardless of the components of the products, whether they include the required ingredients, meet the specifications, or if it's produced within the high process and controlled system to assure their quality (ECC, 2017). Not only will there be no guarantee that the counterfeit product will be good quality, but also be no observation in regards to the contamination of bacteria, harmful ingredients, or not the products include the correct ingredients. As previously mentioned, the most dangerous products to counterfeit are those under the categories of drugs, cosmetics, or food supplements.

2.2 The market of counterfeit products

The greed exuded by counterfeiters push them to enter many industries, regardless of the human health, they are just looking for the profit that they can do. According to the World Health Organization (WHO), the specifications and quality of counterfeited drugs are unpredictable, counterfeited drugs may contain the incorrect portions of active ingredients, incorrect or the absence of a vital active ingredients, and may contain contaminants. WHO (2017), in their reports, mentioned many side effects of using different counterfeited drugs in different regions.

Some of the drugs that are subjected to counterfeiting as well as some of the cases reported from using it include:

- Many of counterfeited antibiotics, antimalarial, hormones and steroids, anticancer, and antiviral drugs detected in many markets.
- Fake paracetamol syrup with di-ethylene glycol impacts on the hundreds of children in Bangladesh. They suffered from kidney failure, and many died (WHO, 2019)
- Counterfeit of cancer fight medication, bevacizumab (Avastin) that does not contain the active components of the drug (Health Care Provider Alert: Another Counterfeit Cancer Medicine Found in United States | FDA, 2018).

In China, 192,000 persons died in 2001 from fake drugs (Fackler, 2002).

In North America, many counterfeited drugs were detected in the market. Atorvastatin, erythropoietin, growth hormone, filgrastim, gemcitabine, and paclitaxel. (Cockburn, Newton, Agyarko, Akunyili, & White, 2005).
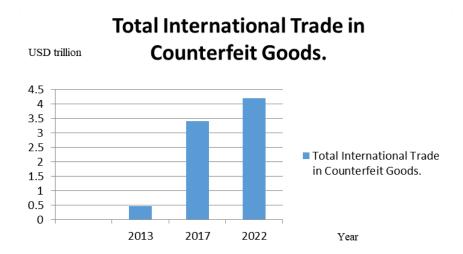
Many other sectors are subjected to counterfeit products in different regions. Some of the industries that are subjected to counterfeiting are:

- The tobacco industry estimates that 3 percent of cigarettes sold each year throughout the world are counterfeited. Philip Moris International reported that: "one in 10 cigarettes sold on the black market have serious consequences for consumers, and costs governments up to USD 50 billion a year; equivalent to over one million packs a day".

- According to the World Customs Organization in Interpol (Menzies, 2010), counterfeited car spare parts are thought to cost the auto industry USD12 billion a year.

- The International Federation of Spirits Producers (IFSP) reported that the spirits industry loses an estimated USD 500 million – USD 700 million each year due to counterfeiting (Limited, 2019).

- Commercial music piracy of physical formats accounted for an estimated USD 4.5 billion in illegal sales worldwide in 2003. Pirate products accounted for an estimated 35 percent of music CDs sold in 2003 (Global Music Report, 2017).

- The European fashion market loses an estimated 10 percent of its sales per year due to counterfeiting (Bain, 2015).

The BASCAP, Business Action to Stop Counterfeiting and Piracy reported that the numbers are still increasing, even with the efforts of the private sector and governments to combat this crime. In addition, they stated that counterfeiting and piracy are essentially a multi-billion-dollar business that continues to grow. They estimated that in 2022, the global impact of counterfeiting and piracy could reach a staggering USD 4.2 trillion. In 2017, they reported that the Global International Trade in Counterfeiting was worth USD 3.4 trillion (Counterfeiting & Piracy (BASCAP) - ICC - International Chamber of Commerce, 2019). Other studies published by the Organization for Economic Cooperation and Development (OECD) and the European Union Intellectual Property Office (EUIPO) in the year 2016 indicated that the value of international trade in counterfeit and pirated products stood at a whopping USD 461 billion in 2013. Figure 1 shows how this illegal trade is not only increasing at a striking rate but also has a huge impact on the total global economy.

Figure 1: Chart represents the yearly increase in total International Trade of counterfeit goods.

Source: Work of researcher according to data from International Chamber of Commerce (ICC, 2019); Organization for Economic Cooperation and Development (OECD) and the European Union Intellectual Property Office (EUIPO) in the year 2016.

The counterfeiting industry is one which is increasing in size as a result of its establishment through online channels. The increased exposure in various platforms which connects both the counterfeiter and the consumer is what has essentially made these products more accessible. The internet has essentially proved to be the greatest link between the seller and buyer. Despite the fact that such efficient accessibility has proved to increase sales revenue for authentic brands, this platform has also catalyzed the buying and selling of counterfeited products in

a more reserved manner, and tracking down such fraudulent behavior has become a more complex endeavor. This can be demonstrated by the fact that between March and August 2016, 562 cases regarding counterfeiting were reported to the network of European Consumer Centers (ECC, 2017).

2.3 Combating counterfeit products

There are various strategies that could be potentially implemented and established in order to effectively combat the fraudulent act of counterfeiting products. To begin with, a legal union of businesses, consumers, and governments must be established in conjunction with each other in order to decipher the root cause of this crime and potential methods in order to resolve it in its entirety. There are various instances where combating this issue has proven to be successful due to the coalition of various public-private partnerships (Kubic, 2011). Moreover, consumers are considered to be the most important stakeholder in this instance and therefore should have the potential to play the most important role in combatting the illegal practice of counterfeiting (Meraviglia, 2018), through increasing consumer awareness.

Counterfeited products are a global threat that infiltrates a multitude of industries. As previously mentioned, in order to combat this illicit trade, it is of utmost importance to increase a sense of consumer awareness regarding this product violation. There are two types of individuals who consume counterfeit products; these are formally known as non-deceptive consumers and deceptive consumers.

In the case of non-deceptive consumers, it is of great importance that organizations aim to increase their consumer's loyalty toward genuine products. Consumers' loyalty towards genuine products will reduce their intention to find alternative products and willingness to discover counterfeit products; this will be through studying the factors behind consumer's intentions of demanding and purchasing counterfeiting products. In this context, there are various studies that both detect and test the factors that influence non-deceptive consumer's intentions toward counterfeit products.

In addition, many factors help and create a good circumstances to let counterfeit products distributed in markets. Singh and Kumar (2017) mentioned seven factors that cause counterfeit products to be dominant in markets within rural India. These factors are; unavailability of original products, which is the absence of genuine products in the rural market that allows counterfeiting one to sell their products. In improved marketing of counterfeited products, the counterfeiters are intricately aware of the needs and the behavior of the consumers in the market and therefore sell counterfeit products at lower prices even if they are of bad quality. Demonstration effects, consumers especially the young generation who are influenced by friends and neighbors invest in the counterfeited product with the intention of mimicking their famous idols. Lack of law enforcement, the majority of governmental exertion towards counterfeited products within the rural markets is primarily due to the complaints in regards to the harmful nature of the counterfeit products. Despite the fact that every country has implemented strict law enforcement against combating counterfeit products, there is a lack of governmental entities implementing these laws. Low literacy rates and low education levels within the rural market play a role in making them more prone to counterfeit products, for example, the overall literacy rate in India is 74.04 percent (Census, 2011). Low-income consumers, despite their interest in owning famous brands, do not have the luxury of paying high prices for genuine products; therefore, the only alternative is to purchase counterfeit products. The under-developed infrastructure of the rural area presents a challenge for the companies of authentic brands to invest in these regions. The general quality of infrastructure of the rural market is very poor; this includes problems such as damaged roads, poor electricity, and water supply as well as its very substandard telecommunication circuit. Distribution and logistics, the process of reaching certain villages in India is considered to be extremely challenging during certain seasons; therefore, it's hard for organizations to make good and easy distribution channels in such countries. Lack of awareness, most of the consumers in the rural market, do not have the substantial knowledge or awareness to purchase authentic products, especially because most of the authentic brands are unavailable in these markets (Singh & Kumar, 2017).

Moreover, many factors encourage counterfeiters to continue their illegal business. Khan (2012) identifies the six variables that prompt family businesses to not produce their own brand, but rather depend solely on counterfeit products instead. These variables are "additional marketing spending associated with branding, lack of knowledge on how to create brands, perception of weak demand for domestic brands, perceived risk of branding, fear of competition as a brand and absence of incentive of additional profitability".

2.4 The Impacts of Counterfeit Products on Consumers

The first question to be posed is what are the effects the consumer experiences through the purchase of counterfeited products? In other words, what are the positive or negative impacts of counterfeit products on consumers? The effects of counterfeit products on consumers differ between deceptive and non-deceptive

consumers (Grossman & Shapiro, 1986). To understand this situation, the researcher has integrated various scenarios of the impacts of consuming counterfeiting products by both deceptive and non-deceptive consumers.

Negative impacts of counterfeit products on Deceptive consumers:

The first negative impact revolves around the consumer purchasing the counterfeit product with the belief that they are in fact investing in an authentic product instead. Naturally, the come to discover that they have been deceived and will be left unsatisfied and disappointed with their purchase (Staake, Thiesse, & Fleisch, 2009). This negative experience will adversely affect them and their perception of counterfeit products especially if they spent a substantial amount of money. Although, this practice is most common within the drug and spare care parts sector, this of course applies to the purchase of any products, not just confined to luxury products. Upon purchasing and using the counterfeited product, the consumer is left underwhelmed and perhaps feels that the product hasn't reached his or her expectations. More dangerously, in some cases, these products could be harmful and pose a substantial risk to consumer's health (Chakraborty, Allred, & Bristol, 1996). Even if the quality of the counterfeit products resembles the authentic one, the deceptive consumers also will be unsatisfied because they will inherently feel cheated. Consumers in this situation feel that they jeopardize their social status if others know that they purchased counterfeit products, particularly those who invest in luxury brands

Positive Impacts of Counterfeit Products on Deceptive consumers:

In some cases, deceptive consumers use the counterfeited products but are unable to identify that it is a counterfeited version; on the contrary, they think that they have invested in an authentic product. Upon discovering that the product is not up to standard, they blame the manufacturers for the genuine product and accuse them of producing products of inferior quality (Commuri, 2009). In addition to this, the accountability of both negative and positive experiences of the product is not fairly assigned; for example, if the consumer were to hypothetically have a positive experience with the product, they would naturally assume that the brand is responsible for this, similarly, if the consumer were to have a negative experience, they would hold the authentic brand responsible. By default, this will impact negatively on the reputation of the owners of the authentic brand. In addition, if the deceptive consumer experiences the expected result and quality with the counterfeit product, they will naturally assume that the manufacturer of these products produces high-quality stock.

Negative impacts of counterfeit products on Non-Deceptive consumers:

This is when the products are of poor quality and the performance of the product is below the expectations of the consumer. Consequently, the consumers feel that they have wasted their money by purchasing these counterfeit products and will end up blaming themselves because they made the conscious choice to invest in these products knowing full well that they are both inferior in quality and cheaper than the authentic product.

Moreover, when non-deceptive consumers purchase counterfeit products only to have other people discover the fact that is a counterfeit, it leaves the consumer feeling sentiments of embarrassment and shyness as well as possibly jeopardizing their social status, (Kwong, Yau, Lee, Sin, Tse, 2003; Sari, Soediro, & Rochman, 2018; Tang, Tian, & Zaichkowsky, 2014)

Positive impacts of counterfeit products on Non-Deceptive consumers:

To begin with, when non-deceptive consumers purchase the counterfeit products of a luxury brand, but at a much cheaper price point and of acceptable quality, they feel as though they saved a substantial amount of money (Cordell, Wongtada, & Kieschnick, 1996). Those who find luxury brands appealing but essentially do not have the means to invest in the price of an authentic product, usually turn to the purchase of the counterfeited alternative. Non-Deceptive consumers feel as though those counterfeit luxury products will help them to improve their social status and their belonging to a social group (Jiang & Cova, 2012).

Sometimes counterfeit products are found in markets where there is an unavailability of authentic products and this will give an advantage to non-deceptive products to purchase these products.

From the side of increasing consumer's awareness towards counterfeit products, we will investigate the factors that impact on consumers in the case of deceptive consumers and make them prone to the cheating of counterfeiters. We chose a company that works in luxury brand cosmetics and its products are subjected to

counterfeiting. In addition, explore the data that could be obtained after doing this study to conclude with suggestions that increase consumer awareness and protect them from purchasing counterfeit products.

3. Methodologies

3.1 Deceptive consumers and counterfeit products

As we previously mentioned deceptive consumers are those consumers cheated by counterfeiters. They purchased counterfeited products and they thought it is authentic. Mostly many consumers who use these products will not be satisfied and they will blame the authentic company for the quality and effectiveness of the product.

In a previous study, the researcher concluded the factors that influence deceptive consumers during their purchasing in the case of cosmetics and food supplements which they are lack of consumer awareness, market influence, word of mouth, materialism and brand, and past purchase experience (Atat, 2024). To go deeply into this study the researcher aims to analyze these factors of deceptive consumers for a well-known company (Khan al Saboun) that works in the field of cosmetics.

This company produces luxury cosmetics. It has a famous brand Khan al Saboun which has been established since 1480. Khan Al Saboun, a legendary Lebanese brand with over 600 years of history, originated in tripoli ancient souks, where artisans perfected the craft of natural soap-making using local ingredients like olive and essential herbs. The brand, revitalized by Dr. Bader Hassoun, has preserved traditional methods while evolving into a global symbol of luxury and purity.

After we discussed with Dr. Bader Hassoun, the process and the importance of this study he agreed and was very interested in studying the factors that impact deceptive consumers of Khan al Saboun. In addition, Dr. Bader Hassoun has a long experience in manufacturing, he knows well about every organic material he uses in manufacturing. However, counterfeiters are looking to purchase cheap raw materials and sometimes it could be very harmful to humans. Dr. Bader Hassoun informed us that some chemical products in cosmetics and even in soaps could lead to death when counterfeiters use them in their manufacturing.

Today, Khan Al Saboun offers a range of exquisite skin care products, celebrated worldwide for their quality and authenticity. Khan Al Saboun earned many certificates that assure the quality of producing luxury end products such as Organic system, Iso 9001:2015

3.2 Research Design

In our study, we are going to deeply understand the factors that impact deceptive consumers to purchase a counterfeit cosmetic of a specific brand. In other words, we should find the factors that play a major role and make them prone to cheating or counterfeiting.

We will follow the exploratory research design to develop a better understanding of why these deceptive consumers are deceived. The exploratory research design is used when we want to deeply understand a situation happened and to describe something for something not clear(Creswell, 2014)

3.3 Research Method

The researcher follows the qualitative approach due to the study characteristics and investigation of the phenomena of deceptive consumers of counterfeit products. This study cannot follow the quantitative approach especially since we have a small sample size of consumers that represent the population, a quantitative study requires a large sample size of the population and depends on numerical data and mathematical analysis.

In order to achieve the aim of this study, we follow the phenomenological method to describe the individual experience (deceptive consumers) in regard to counterfeit products. The phenomenological methods are used to deeply understand and investigate individual experience, perception, perspective, and the actions that lead to a situation or phenomenon.

In other words, this study is to investigate the factors that lead deceptive consumers to be prone to and cheated by purchasing counterfeit products from a specific cosmetics brand. Upon studying the sample of individuals' experience the results and findings can be generalized upon different individuals having the same experience and being subjected to the same situation (Creswell, 2014).

3.4 Data Collection Method

To understand what happened with a small sample of individuals (deceptive consumers) and study the reasons that make them prone to be cheated by counterfeiters. The researcher followed the focus group data collection

method. A Focus group is a technique for collecting data from a group to understand the situation they faced. Especially they all have the same experience in purchasing counterfeit products and they think it is authentic. A focus group is a suitable method that is helpful for participants to discuss perceptions, ideas, opinions, and thoughts (Krueger & Casey, 2000).

The focus group will help to discuss and generate a deep understanding of the individual experience (deceptive consumers) upon purchasing counterfeit products and that they are deceived in the market. Participants in a group will increase their sense of cohesiveness (Peters, 1993)

This will help them to feel safe in sharing information and their importance in participating in this focus group (Vaughn, Schumm, & Sinagub, 1996) in regard to the cases they faced through discussing their problem (Duggleby, 2005). The interactions between participants are valuable and cultivate good results (Morgan, 1988).

Open-ended questions are structured to let participants answer in their own words. The researcher can respond directly to the participants and ask them various questions regarding the case that should be studied. In addition, the focus group is to gather ideas, opinions, perceptions, attitudes, and beliefs of participants. Collecting the data through the focus group to analyze it and to detect how these deceptive consumers behave and make decisions that lead them to be cheated and purchase from this cosmetic brand.

3.5 Sampling Method

The participants of this research are deceptive consumers of a specific brand Khan al Saboun. These are individuals who are deceived by counterfeiters in different markets. These participants are from different regions they have different demographic characteristics. With the help of marketing and sales manager in khan al Saboun Mr. Amir Hassoun we contacted deceptive consumers who cheated in the market and purchased counterfeit products of Khan al Saboun. The sampling method followed was convenience sampling to select several participants with special characteristics that they are deceptive consumers.

Many consumer complaints were coming to Khan al Saboun management that these consumers were not satisfied from the effectiveness of the products. Moreover, some side effects occurred when using it. After the quality control department in Khan al Saboun did their investigation about these cases they obtained that these consumers cheated in the market and purchased counterfeited products of Khan al Saboun. So the auditor department in Khan al Saboun had the contacts of these deceptive consumers. From this point, we contacted these deceptive consumers to ask them to participate in the focus group. Eight of Ten of the deceptive consumers agreed to participate in the focus group especially after we informed them about the importance of participating in such a study that will help others not to be cheated by counterfeiters. We felt that these deceptive consumers were interested in such a study that they felt some of their rights could be returned after they felt dissatisfied from cheated in the market.

3.6 Preparing of the Focus Group

As we mentioned before the focus group will help us understand the situation of deceptive consumers of specific brands. From the literature part, with the researcher's experience combating counterfeit products, questions were prepared and structured to ask the participants during the focus group. The focus group with the help of Khan Al Saboun Marketing and sales department. We educated the participants about the harmful impacts of using counterfeit products, especially in the case of deceptive consumers. We also inform the participants about the procedure and process of manufacturing the authentic products of Khan Al Saboun. The high quality followed from raw material to manufacturing and the sale authentic products of Khan al Saboun. Then we discussed with them the bad experience of using counterfeit products and how the counterfeiters manufacture the counterfeit products with low quality and may not contain the main ingredients. The worth case if the counterfeit products also contain harmful substances that may impact on consumers health and have side effects.

3.7 Group Composition

We contacted the 10 deceptive consumers of Khan al Saboun, and 8 of them agreed and were interested in participating in the focus group. They are all subjected to the prone of counterfeiting but they have different demographic and psychographic characteristics such as sex, age, marital status, education level, and income level. The participants were already cheated by counterfeiters and later they complained to the authentic company because they thought that it was an authentic products. After the auditor's investigation of these complaints they concluded that they cheated in the market they purchased these counterfeited products. We have a level of homogeneity in this focus group, as all participants have experienced the same in the market.

3.7.1 Interview Protocol and Logistics

The researcher form a team of three people to help achieve the aim of this study, a single moderator and two assistants from the auditing department of the company. The auditor department's responsibility in the company is to protect its brands and customers from any issues or counterfeit products. The auditor department is also responsible for following up on the consumer's complaints and trying to find solutions to achieve consumer satisfaction.

A Focus group was scheduled with the participants and logistics for the meeting were prepared well. A document to present it to participants was prepared regarding counterfeit products. We took participants a tour in the company to inform them about the high quality of authentic Khan al Saboun products. The focus group was recorded and other materials needed were prepared.

The researcher gathered the demographic characteristics of participants, these data will be used during the analysis of the data stage.

3.7.2 Interview Protocol and Logistics

We create a research team of three people, the researcher and two assistants from the quality control and auditing department of the company. Quality control and auditing department in the company responsible to follow up the consumers complaints and combating counterfeit products.

a focus group was scheduled with the participants. All logistics and tools for the meeting were prepared well and a recorder in order to record the focus group.

Many points were important to inform participants (deceptive consumers) via phone, as following:

The importance of their role in this research

The goals of this study.

They will be expected to inform the researcher of the situation they faced by through being deceived by counterfeiters.

Inform them that through their involvement in this focus group they will help generate greater awareness of how counterfeits cheat on consumers.

- Before starting the focus group, they will have a chance to visit the authentic manufacturer of the brand.

- They will be offered a gesture of appreciation in the form of an authentic product to replace the counterfeited on they invested in

- They must not feel shy to share their cases and experience as they subjected to counterfeiting in their participation.

- Participating in such research is a volunteer job; this research may benefit consumers and organizations from the cheating of illegal and unethical trade.

Before the meeting with participants, the researcher gathered the demographic data of participants in a table. Besides, the seats were prepared for the name of each participants and signs printed before meeting with welcome letter in participating in the focus group.

Table 1: Participants Profile Demographic Characteristics.

Name	Sex	Age	Nationality	Purchased the item from	Last Education	Income Level per year
Rita	Female	26	Lebanon/Baabda	Shop in village	Bachelor Degree in Pharmacy	22000$
Ahlam	Female	32	Lebanon/ Bekaa	e-commerce	Bachelor Degree in Business Management	25000$
Iman	Female	40	Lebanon/Beirut	e-commerce	Bachelor Degree in Arts	12000$
Amani	Female	36	Lebanon/ Beirut	e-commerce	Master Degree in education	16000$
Hoda	Female	42	Lebanon/ Tripoli	Shop in Village	Master Degree in Finance	18000 $
Giselle	Female	28	Lebanon/ Jbeil	Shop in Village	High School	18000$
Ahmad	Male	26	Lebanon/ South	Shop in Village	High School	12000$
Rami	Male	30	Lebanon/South	e-commerce	Bachelor Degree in Graphic Design	15000$

Source: Work of research team.

participants were deceptive consumers cheated in market for Khan al Saboun. From the demographic characteristics in the above table, we can notice the diversity among participants with 75 percent of them being female, and 25 percent being male. Their ages ranged between 26 -44 years old as well as being from different regions, having different educational background, and different income level.

As previously scheduled the focus group was conducted in a meetings room of the company. It was recorded and lasted 2 hours and 30 minutes. The Note-Based analysis method was implemented as a source of focus group data. During the focus group, the moderator and assistants were taking notes. The notes were gleaned and reviewed in order to ensure no valuable information is missing. As well as reviewing the notes that were collected, the researcher also made sure there was nothing missing.

3.7.3 Questions Development

Based on the previous studies in the literature review with the research experience in combating counterfeit products helps in preparing questions that used in the focus group. These open-ended questions (Appendix A) from general to specific organized well and asked to the participant during the focus group, to deeply understand the case they subjected in the market which it is counterfeiting.

3.8 Data Analysis

The data was collected from the focus group. Analyzing the data well is the most important part in the study. The valuable information and the answering the questions prepared before allow us to understand the experiences that the participants faced (deceptive consumers) Analyzing the data will allow for the creation of themes of the case that participants faced during their purchasing. The analyzed data should be systematic, sequential, verifiable, and continuous (Krueger & Casey, 2000).

In the focus group and during the discussion, there may be a different point of view, the target is to generate a general theme that talks about common participants' experience with counterfeit products.

Analyzing the data using the content analysis method after collecting the data from the focus group through group interaction, recorded speech, observation of their behavior, and various forms of nonverbal communication.

The steps of content analysis:

Collect all the data from the focus group.

- Arrange the data in an orderly manner based on the questions we prepared.

- Categorizing and compressing the huge amount of data. Information of a similar nature is automatically grouped together.

- Highlight the selected phrases (quotes) and main ideas collected from the focus group, merging similar quotes together and re-arranging them in order to manage the data.

- Check the validity of data in order to make sure it is not flawed, meet the required research method as we planned before, and see if the method we followed produces accurate data.

The final step is the conclusion of the analysis. The data collected from the focus group conducted with the participants is gathered and analyzed. In addition to this, there is consideration of the different views which lead to the creation of various themes.

The following questions were imposed:

What major themes emerged?

What do we understand about the phenomena of deceptive consumers?

Based on the cases that participants faced, what are their viewpoints and experiences toward counterfeit products?

All the data that was collected through the discussions made by the focus group has been allotted below the previously prepared questions.

3.9 Interpretation of Data

The data was collected from the focus group and after analyzing it, many points became clear to the research about the deceptive consumers of specific cosmetics brands.

The deceptive consumers from different Lebanese regions who were cheated by counterfeiters. The participants with different demographical and psychographic characteristics and different genders, age, incomes and education level. This mean that demographic and psychographic characteristics is not a factor that effects consumer's decision during purchasing counterfeit products.

Demographic and psychographic characteristics are not factors that impact deceptive consumers during their purchasing.

The deceptive consumers (participants in the study) didn't notice or distinguish that the products they purchased were counterfeit. The counterfeiters have the ability to copy the product as an authentic one to cheat consumers.

Product attribute is not a factor that impacts on deceptive consumers during their purchasing.

In the case of deceptive consumers counterfeiters put the price of counterfeit products the same as authentic ones to cheat consumers. The price of counterfeit products is close to or the same price of the authentic products.

The price of the products is not a factor that impacts deceptive consumers during their purchasing.

In the case of deceptive consumers of cosmetics products, consumers are not looking to have social influence or increase social status that they use luxury brands as in eyeglasses, accessories, and clothes… the use of cosmetics whether it is luxury or not does not increase social influence for consumers.

Social benefits from a product are not a factor that impacts deceptive consumers during their purchasing.

Deceptive consumers did not know that the products they purchased were counterfeited, they thought they were buying authentic products. This allows us to consider that perceived risk and ethics do not impact deceptive consumers during their purchasing.

Perceived risk and ethics are not factors that impact deceptive consumers during their purchasing.

6 Participants purchased the products from online websites. 2 participants asked someone to purchase it. None of them were purchased from an authorized branch of Khan al Saboun. Purchasing from online store is more easily for them. Especially if the authorized branches are far from their locations. They have a little past purchase experience.

Consumer's past purchase experience impacts consumers during their purchasing.

Participants heard about Khan al Saboun products through advertisements, friends, and families, they were interested in buying them. They are influenced by others about the effectiveness of these cosmetics. However,

the stores (online- and unauthorized branches) were their choice to buy from. 5 of the participants did not get good results from using counterfeited products, and 3 of the participants got harmful impacts on their skin by using counterfeit products.

Word of mouth and Market influence impacts on consumers during their purchasing.

No one of the participants was informed before that Khan al Saboun products were subjected to counterfeited. However, Khan al Saboun did many ads to aware consumers from being counterfeit. We can argue that a small population may not see this awareness from the company. For this reason, we found a small number of deceptive consumers for Khan al Saboun. These participants did not know that there are counterfeited products of Khan al Saboun in some markets. Even, there is no technology or method used by the company to help them to know that the products they were purchasing are counterfeited.

Consumer's awareness impacts on consumers during their purchasing.

The researcher concluded the factors that (not) impact on deceptive consumers during their purchasing of a luxury cosmetics brand in Lebanon. Deeply understanding these factors will help the researcher and the company for further actions to prevent consumers not to being prone to the cheating of counterfeiters. The factors that impact deceptive consumers are: Consumer's past purchase experience, Word of mouth and Market influence, and Consumer awareness. Other factors such as Demographic and psychographic characteristics, Product attributes, Price of the products, Social benefits, Perceived risk and ethics are factors that do not impact deceptive consumers during their purchasing**.**

4. Conclusions and Recommendation

4.1 Conclusion

As we mentioned in the study, we have two categories of consumers that purchase counterfeit products. The Non-deceptive consumers and deceptive consumers. Non-deceptive consumers have the option to buy or not counterfeited products, because they previously know that these products are counterfeited. However, in the case of deceptive consumers, these consumers are prone to the cheated of counterfeiting, they do not know that the products they purchase are counterfeited. What poses the greatest risk are those counterfeited products which may result in health implications for the consumer, this includes drugs, food supplements, cosmetics, and spare car parts. Especially if it contains harmful substances and may not include the main ingredients needed for users.

Many previous studies assured that consumer awareness is the main part of combating this crime. Due to many factors counterfeited products founded in many markets across different sectors. Especially, due to the lack of most of governmental role in combating counterfeit products. To combat counterfeit products companies should increase their efforts in the right way toward consumer's intention of purchasing counterfeit products. For these reasons, the researcher aims in this study to increase consumer awareness in the case of deceptive consumers by finding the factors that (do not) impact deceptive consumers to purchase counterfeit products. Analyzing these factors will help us to recommend actions that increase consumer awareness to not be prone to counterfeit products in markets.

Both companies and consumers are suffering significantly from counterfeit products. There must be a united effort among communities to combat this issue. In addition to conducting more studies that help and empower consumers and companies to fight counterfeit products, it's important to focus on the harmful impacts these products have on both groups.

4.2 Recommendation

Studies show the huge numbers of selling counterfeit products in many markets. Interest and importance of combating this crime differ from one company to another and from consumer to another. However, increasing consumer's awareness regarding counterfeit products and it is impacts on our society will help to increase their intentions toward counterfeit products. Consumer awareness is the most important part of combating this crime. The union of governments and organizations to increase consumer awareness will help combat counterfeit products.

In our study, we concluded the factors that (do not) impact deceptive consumers of luxury brands so our recommendations will focus on these concluded factors especially those that impact deceptive consumers. This will help to build and develop managerial strategies to help consumer's awareness of this brand and not to be prone to the cheating of counterfeit products in the market.

Consumer's past purchase experience, when consumers have a good purchase experience, he/she will ask to buy authentic products from their source looking for good quality and price. Companies should create memorable interactions with customers. Besides, set a clear vision on how we can enhance consumers loyalty towards the authentic products of the brand. In addition, there is not a technological system that helps these consumers to distinguish if the product they are buying is authentic or counterfeited. Consumer's deceptiveness depends on their awareness, knowledge, and experience (Eisend, Schuchert-Güler, 2006).

Advertising plays a major role in letting consumers know about products. Due to counterfeit brands in markets companies should advertise to their legal branches that are selling authentic products. Combating counterfeit products comes from consumer's side first. So companies should not advertise only their products and brand, they should inform consumers where to buy their products. Word of mouth and Market influence increase consumer's intention to buy a specific brand but there is a lack of informing consumers where to buy the authentic products of these brands as this appears clear to us from the deceptive consumers in our study of Khan Al Saboun cosmetics.

As we mentioned before we reached a small number of participants in our study that are deceptive consumers of Khan al Saboun. This is due to that the company informs consumers about its legal branches. However, this is not enough to guarantee that all consumers purchase authentic products. Khan Al Saboun did many advertising to inform consumers about counterfeit products of their brand. Still, these efforts should be increased to aware more consumers, especially regarding online stores that sell counterfeit products.

Organizations should increase their innovation to have a technology that could be used by consumers to help them distinguish between authentic and counterfeit products. Khan al Saboun Company tries to use a new technology that will help consumers in this section. Especially they know how they are affected by the counterfeit products of their brands in markets. So we recommend to Khan al Saboun management to quickly find a suitable technology that can help consumers to distinguish authentic products from counterfeited ones of their brand. Consumer awareness is a very important factor that impacts on consumers not to be prone to the cheating of counterfeit. In addition, we recommend that the company should increase its distribution of authentic products to reach more consumers interested in Khan al Saboun. Increasing the distribution of authentic products will help to increase consumer's opportunity not to buy counterfeited products., The lack of availability of genuine products increases the opportunity to deceive consumers (Pujara & Chaurasia, 2012).

Our recommendations are based on the factors that impact deceptive consumers in purchasing counterfeited products, and they were prone to this kind of cheating in the market for a specific cosmetics brand Khan al Saboun. The auditor department in Khan Al Saboun was interested in this study to base on it to build an organizational strategy to combat counterfeiting products of their brand in markets.

4.3 Limitations and Future Research.

Limitations of the study

This study was based on a limited number of deceptive consumers of a cosmetic brand. This limitation is due to the difficulties of contacting deceptive consumers not all deceptive consumers would contact authentic companies. Even many deceptive consumers may not know that they cheated by counterfeiting.

Future Research.

For the future research, we recommend testing the factors that we obtained in this study and the impacts on deceptive consumers to purchase counterfeit products, with other studies of deceptive consumers in the same sector subjected to counterfeit, cosmetics products.

Another study could be to test and compare the factors affecting deceptive consumers of cosmetics products, with other deceptive consumers in other sectors.

5. Appendices

Appendix A: Open-ended question from general to specific that prepared before the focus group to ask participants about the case we study- Deceptive consumers of cosmetics brand.

    a)   Opening Question

- Tell me about your educational background and your work?

    b)   Introductory Questions

- Have you heard before about counterfeit products?

- Did you buy before a counterfeited products for any brand, and you know it is counterfeited before buying?

- In our case, is it the first time you prone to counterfeiting?

- Did you have a bad experience from using the counterfeit products of our brand?

- Was it harmful to you using the counterfeit products?

  c)   Transition Questions

- What was the attributes (name and characteristics) of the counterfeited product you purchased?

- Was the counterfeited product you purchased with a good packaging?

- What was the price of the counterfeited product you purchased?

- Did you previously know the price of the product you purchased?

- What was your intentions to buy this products?

- Did you heard about this products from ads or anyone else?

- Where did you bought this products from website or from a store?

- Is it the first time you purchase from this website or store?

- Have you purchased a product from this brand before?

- Do you know the locations of authorized shops of this brand before?

- Did you doubt that the product you purchased was a counterfeit? If yes, what are the factors that made you doubt that the product you purchased may be counterfeited?

References

Al Atat, M. (2020). Review of Factors Affecting Non-Deceptive Consumers of Counterfeited Products in Different Regions across Sectors. *Management Studies and Economic Systems*, *5*(3–4), 85–104. https://doi.org/10.12816/0059073

Al Atat, M. (2024). Analysis of factors affecting deceptive consumers of counterfeited cosmetics and food supplements products in Lebanon. European Modern Studies Journal, 8(3), 637–658. https://doi.org/10.59573/emsj.8(3).2024.40

Census India (2011). Retrieved from http://www.census2011.co.in/

Chakraborty, G., Allred, A., & Bristol, T. (1996). Exploring consumers' evaluations of counterfeits: The roles of country of origin and ethnocentrism. *Advances in consumer research.* 23. 379-384.

Cockburn, R., Newton, P. N., Agyarko, E. K., Akunyili, D., & White, N. J. (2005). The Global Threat of Counterfeit Drugs: Why Industry and Governments Must Communicate the Dangers. PLoS Medicine, 2(4), e100. doi:10.1371/journal.pmed.0020100

Commuri, S. (2009). The Impact of Counterfeiting on Genuine-Item Consumers' Brand Relationships. *Journal of Marketing,* 73(3), 86–98. doi:10.1509/jmkg.73.3.086

Cordell, V. V., Wongtada, N., & Kieschnick, R. L. (1996). Counterfeit purchase intentions: Role of lawfulness attitudes and product traits as determinants. *Journal of Business Research,* 35(1), 41–53. doi:10.1016/0148-2963(95)00009-7

Duggleby, W. (2005). What About Focus Group Interaction Data? *Qualitative Health Research*, 15(6), 832–840. doi:10.1177/1049732304273916

Eisend, M. & Schuchert-Güler, P. (2006). "Explaining counterfeit purchases: a review and preview", *Academy of Marketing Science Review,* Vol. 12 No. 6, 1-25.

European Consumer Centers ECC (2017), The impact of counterfeiting on online consumer rights in Europe Retrieved from: https://www.ecc.fi/globalassets/ecc/ajankohtaista/julkaisut/counterfeiting-2017.pdf

Fackler, M. (2002). San Francisco Examiner: China's fake drugs kill thousands | Falun Dafa - Minghui.org. Retrieved from http://en.minghui.org/html/articles/2002/7/31/24700p.html

Grossman, G., & Shapiro, C. (1986). Foreign Counterfeiting of Status Goods. doi:10.3386/w1915

Health Care Provider Alert: Another Counterfeit Cancer Medicine Found in United States | FDA. U.S. Food and Drug Administration. (2018). Retrieved from https://www.fda.gov/drugs/counterfeit-medicine/health-care-provider-alert-another-counterfeit-cancer-medicine-found-united-states

Jiang, L., & Cova, V. (2012). Love for Luxury, Preference for Counterfeits –A Qualitative Study in Counterfeit Luxury Consumption in China. *International Journal of Marketing Studies,* 4(6). doi:10.5539/ijms.v4n6p1

Khan, T. R. (2012). Family Businesses that Produce Counterfeits: What is Stopping them from Creating their Own Brand? Procedia Economics and Finance, 4, 304–311. doi:10.1016/s2212-5671(12)00345-0

Krueger, R. A., & Casey, M. A. (2000). Focus groups: A practical guide for applied researchers (3rd ed.). Thousand Oaks, CA: Sage.

Kubic, T. T. (2011). Enforcement efforts and partnership with industry: A needed strategy addressing counterfeit drugs. *Journal of Commercial Biotechnology,* 17(3). doi:10.5912/jcb460

Meraviglia, L. (2018). Technology and counterfeiting in the fashion industry: Friends or foes? Business Horizons, 61(3), 467–475. doi:10.1016/j.bushor.2018.01.013

Morgan, D. L. (1988). Focus groups as qualitative research. Newbury Park, CA: Sage.

Peters, D. A. (1993). Improving quality requires consumer input. *Journal of Nursing Care Quality,* 7(2), 34–41. doi:10.1097/00001786-199301000-00006

Pujara, T., & Chaurasia, S. (2012).Understanding the Drivers for Purchasing Non-Deceptive Pirated Products: An Indian Experience. *IUP Journal of Marketing Management*, 11(4), 34–50.

Singh, A., & Kumar, R. (2017). Counterfeit products: A serious problem of rural market. Clear International Journal of Research in Commerce & Management, 8(11), 58–62. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=126707135&site=ehost-live

Staake, T., Thiesse, F., & Fleisch, E. (2009). The emergence of counterfeit trade: a literature review. *European Journal of Marketing,* 43(3/4), 320–349. doi:10.1108/03090560910935451

Vaughn, S., Schumm, J. S., & Sinagub, J. (1996). Focus Group Interviews in Education and Psychology. doi:10.4135/9781452243641

WHO (2017) World Health Organization. 1 in 10 medical products in developing countries is substandard or falsified. http://www.who.int/news-room/detail/28-11-2017-1-in-10-medical-products-in-developing-countries-is-substandard-or-falsified

WHO (2019) WHO launches taskforce to fight counterfeit drugs (2019). Retrieved from https://www.who.int/bulletin/volumes/84/9/06-010906/en/

Author Biography:

Dr. Moustafa Al Atat is a researcher and business professional specializing in consumer behavior and anti-counterfeiting strategies. He holds a Doctorate in Business Administration from Beirut Arab University (2020) and a Master's in Business Administration from the Lebanese International University (2014).

Dr. Al Atat has published several peer-reviewed articles on the prevention of counterfeit products, with a particular focus on consumer behavior—both deceptive and non-deceptive—and the role of technology in

shaping purchasing decisions. He is the Chief Executive Officer of Original Brands MA, a company dedicated to developing innovative, technology-driven solutions to combat counterfeiting. Since 2014, he has also served as Director Manager of a leading company in the cosmetics industry. In addition, he provides strategic management consultancy to organizations across various sectors.