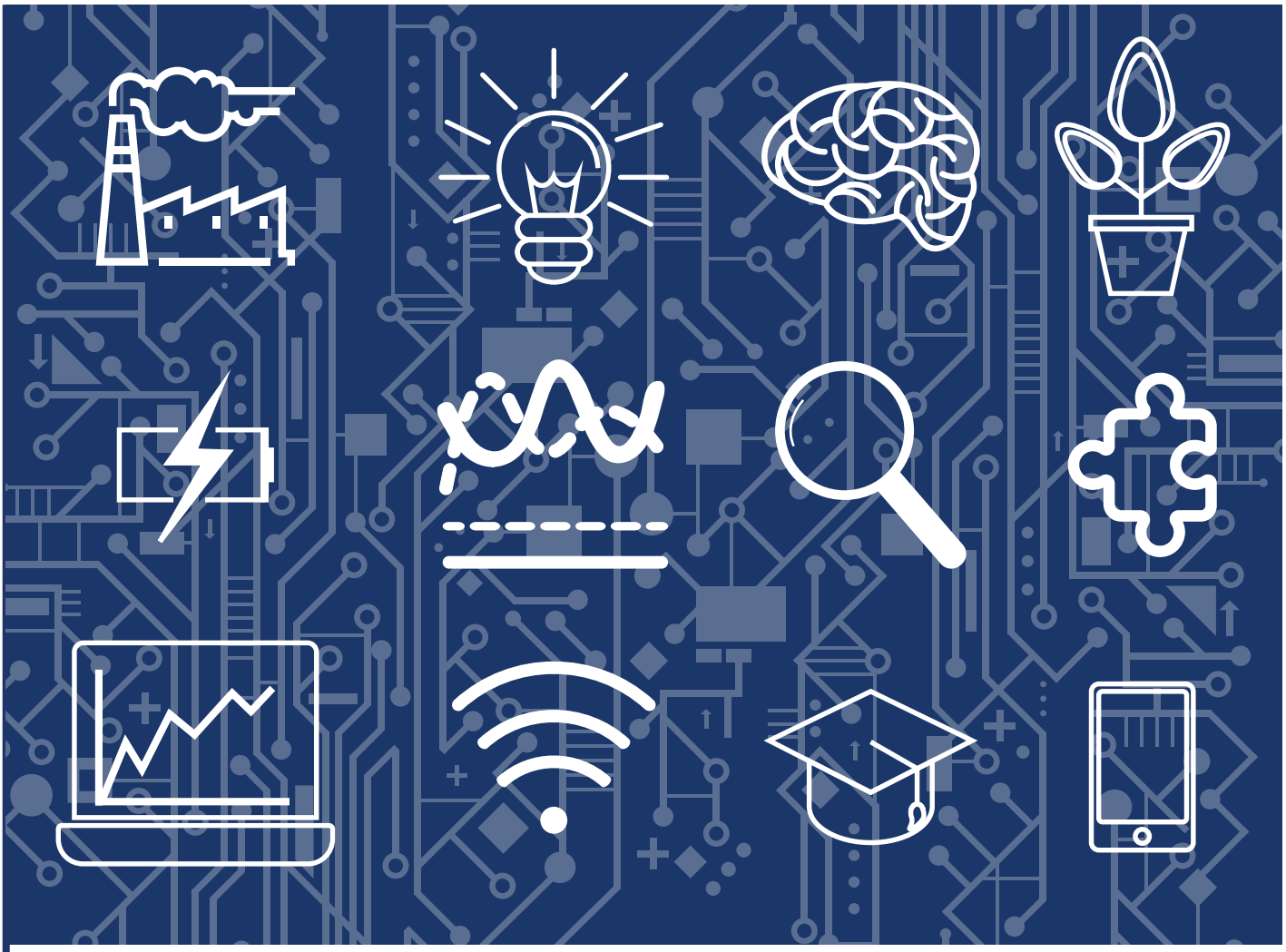
Intellectual Property Office

Influencer Report

The impact of complicit social media influencers on the consumption of counterfeit goods in the UK

November 2021



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The impact of complicit social media influencers on the consumption of counterfeit goods in the UK

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Executive Summary

Intellectual property rights underpin the innovation that drives the free-market economy and enhances the welfare of the public. They are crucial in providing rights owners with the protections they need to invest in creative ideas and the development of their brands. The illicit trade in counterfeit goods directly harms the market, hinders development and undermines public welfare. Globalisation and the digital economy has provided criminal enterprises access to markets across the world. The OECD and EUIPO (2019) estimated that the international trade in counterfeit goods in 2016 was worth $509 billion (OECD & EUIPO, 2019).

An important recent trend is the increased role of social media influencers in facilitating the trade. Influencers are regarded as trusted opinion leaders in their online communities, so their views matter to followers. Some, complicit influencers, promote the illicit wares whilst reassuring potentially susceptible followers that buying counterfeits is both rational and acceptable. This marketplace is highly gendered, and currently dominated by female influencers promoting counterfeit fashion, accessories, jewellery and beauty products to female consumers. There has been no prior research into the impact of influencers on the consumption of counterfeit goods. To address this gap, the Intellectual Property Office (IPO) commissioned the University of Portsmouth to undertake this pilot study based on a quantitative survey of 1,000 female consumers in the UK. This study found that social media endorsements prompted 10% of female participants to purchase counterfeit goods. It identifies four factors which increase the likelihood of counterfeit purchasing: trusted others including complicit influencers, rationalisations, risk blindness and risk appetite.

Key Findings

Knowing buyers

- 17% of female participants are knowing buyers of counterfeits.
- 70% of knowing buyers are aged 16 to 33, generating 77% of demand.
- 20% of knowing buyers are habitual buyers, generating half (53%) of the demand.
- Fashion, accessories, jewellery and beauty products are the most popular product categories.

Impact of social media influencers

- 13% of UK female participants aged 16 to 60 are influenced by SM endorsements in their purchases of counterfeits.
- 3% are counterfeit hunters who use the SM postings to assist in their searches.
- 10% are prompted by SM endorsements to buy counterfeits.
- 7% are knowing responders who are aware the products are counterfeit.
- Over 3% are deceived responders who are unaware the products are counterfeit.

Factors influencing purchasing decisions

- Four key factors influence counterfeit purchasing decisions: trusted others including complicit influencers, rationalisations, risk blindness and risk appetite.
- Younger generations are much more susceptible to the influence of SM personalities, are more likely to construct rationalisations to justify illicit purchases, have a lower risk perception and have a higher risk appetite.

Implications

- Prevention policies should prioritise younger consumers.
- Educational messaging should be tailored to the target age groups.
- Regulators should engage with the influencer marketing to develop social control measures.

Introduction

Purchasing is very often more than just a simple transaction between buyer and supplier. Shopping is a social experience that involves family, friends, sales staff and interactions with other shoppers (Lee et al. 2018). Considering the views of trusted others has always been an important component of this shared experience (Hamilton et al., 2021). The advent of online shopping and social media (SM) has relocated much of this communal activity to the virtual world, where people gather into like-minded communities to share their life stories, gossip, shopping experiences, views and recommendations. Consumers are now able to draw on the recorded experiences and opinions of people they have never met at the touch of a button. As a consequence, even physically remote people are able to exert an instant, powerful influence on a consumer's purchasing intentions (Hamilton et al., 2021).

Those who attract a significant following, earn the respect of their online communities and emerge from this whirl of social media activity as social media influencers, and it seems most are women (The Week, 2021). Some influencers such as Cristiano Ronaldo and Kim Kardashian have enormous followings, mainly due to their celebrity status, but most are so-called micro-influencers with under 20,000 followers (Wielki, 2020). However, the characteristic they all have in common is that they are considered trusted experts within their communities so their opinions matter (Kotler et al., 2017).

The power of these trusted opinion leaders is such that they have become an essential channel for brand marketing (Lin et al. 2018). The prevalence of influencer marketing is such that 19% of Americans buy goods or services as a result of influencer endorsements, rising to 36% for consumers under 25y (Audrezet & Charry, 2019). The value of the industry has accelerated from $1.7 billion in 2016 to $9.7 billion in 2020, nearly half of which involves goods and services such as: fashion, beauty, health, fitness, lifestyle and travel (Influencer Marketing Hub, 2021). This rapid growth has led to the creation of a more organised influencer marketing industry. The number of agencies connecting brand owners with SM influencers has substantially increased from 190 in 2015 to 1,360 in 2020 (Influencer Marketing Hub, 2021), and there are now trade associations and influencer unions emerging to protect collective interests (The Week, 2021).

Criminal enterprises have also recognised the power of social media influencers in marketing their illicit and counterfeit wares. A browse through YouTube reveals innumerable videos presented by young, mainly female content creators that promote counterfeit clothing, accessories and beauty products to followers. Although knowingly purchasing counterfeit goods for personal use is not a criminal offence under UK law, it is normatively deviant behaviour because the products are illegal and liable to seizure, and it helps sustain the annual $509 billion international trade (OECD & EUIPO, 2019). The behaviour of the influencers who endorse counterfeits is clearly illicit in that they are complicit in facilitating the criminal trade, 63% of which originates in China (OECD & EUIPO, 2019). Indeed, the criminal nature of their activities is set out in the Trade Marks Act 1994: offering or exposing for sale counterfeit items with a view to making a gain for oneself or another attracts a maximum penalty of 10 years imprisonment. One British influencer with 4.4 million subscribers on her YouTube channel posted a video promoting counterfeit goods in May 2021 entitled, "I Bought Fake Designer Bags on Wish". The video has been viewed 148,362 times. The comments section below the video encourages followers to engage with the influencer and each other. It contains 553 postings including advice and links to recommended websites for buying the counterfeit items. Some of the comments are poorly disguised postings originating from the criminal enterprise in China which supplies the counterfeit products. This example clearly demonstrates why influencers are an important channel to market for counterfeit suppliers on the other side of the world.

Businesses are becoming aware of the role of deviant influencers in facilitating the illicit trade in counterfeits. Amazon launched a rare lawsuit in 2020 accusing two influencers of using Instagram, Facebook and TikTok to promote counterfeit products listed on Amazon's platform (Palmer, 2020). However, the scale of the problem is unknown. To address this gap, the Intellectual Property Office (IPO) commissioned the University of Portsmouth to undertake this pilot study based on a survey of 1,000 consumers. The primary aim of the study is to estimate the extent to which social media (SM) influencers facilitate the purchasing of counterfeit goods in the UK. The research also aims to identify some of the factors that make some consumers susceptible to the influence of complicit social media influencers. As the social media endorsements of counterfeit products are dominated by female influencers and a female audience, the research population for this pilot study is female participants only.

Research design

The research design involved an anonymous online survey of 1,000 female participants based in the UK. To quantify the level of influence of social media personalities, the questionnaire asked respondents whether they had purchased counterfeit goods in the prior year as a result of influencer endorsements. The survey targeted the female population in order to maximise the efficiency of the pilot study. Industry reports indicate that influencer marketing is highly gendered (Influencer Marketing Hub, 2021; The Week, 2021): a recent study by Klear (2019) found that 84% of influencers who create sponsored posts are female. Preliminary online searches of the YouTube, Instagram and Reddit platforms confirmed that influencer marketing of counterfeit goods is also dominated by female influencers and female consumers. The efficiency of the survey was further optimised by narrowing the sample frame to female participants aged 16 to 60 who use social media at least once per week.

The results cannot therefore be generalised beyond the limits of the sample frame. Furthermore, as the self-report survey inquired into deviant purchasing behaviour, the level of counterfeit purchasing may be underestimated due to social desirability bias (Jann et al., 2019). The survey was administered through the Qualtrics online system and drew on the Qualtrics panel using the representative quotas for age and regional distribution in the Appendix.

The questionnaire was drafted by the research team, peer reviewed by the research staff at the IPO and adjusted accordingly. The survey used the following definition of counterfeit to guide the respondents:

> Counterfeits are items that look identical to a genuine product with or without the official branding/logo, but are not made by the brand and may be of lower quality, for example, a handbag of identical design to a "Chanel" with or without the Chanel logo.

The majority of the questions were multiple choice, single answer questions set out on four point scales, for example: not important at all, somewhat unimportant, somewhat important, very important plus 'don't know' where appropriate. This approach allowed the responses to be categorised into two groups for analytical purposes, negative responses, and positive responses. The findings set out in this report use this binary classification. The analysis is based on simple descriptive statistics, tabulated summaries and charts to identify trends.

Counterfeit purchasing

This section of the report addresses the main aim of the research: the extent to which SM influencers are successful in influencing female consumers' decisions to purchase counterfeit goods.

Key findings

- 17% of female participants have knowingly purchased a counterfeit.
- 70% of those who have knowingly purchased a counterfeit are aged 16 to 33, generating 77% of demand.
- 20% of knowing buyers are habitual buyers, generating half (53%) of the demand.
- Fashion, accessories, jewellery and beauty products are the most popular product categories.
- 13% of female participants aged 16 to 60 have their purchasing behaviour relating to counterfeit products influenced by social media endorsements.
- 3% proactively search for counterfeit items, using the SM posts to assist in their searches.
- 10% are prompted by SM endorsements to buy counterfeits.
- 7% are knowing responders who are aware the products are counterfeit.
- Over 3% are deceived responders who are unaware the products are counterfeit.
- 70% of respondents who purchased at least one SM endorsed counterfeit item are aged 16 to 33.

3.1 Knowing purchasers of counterfeits

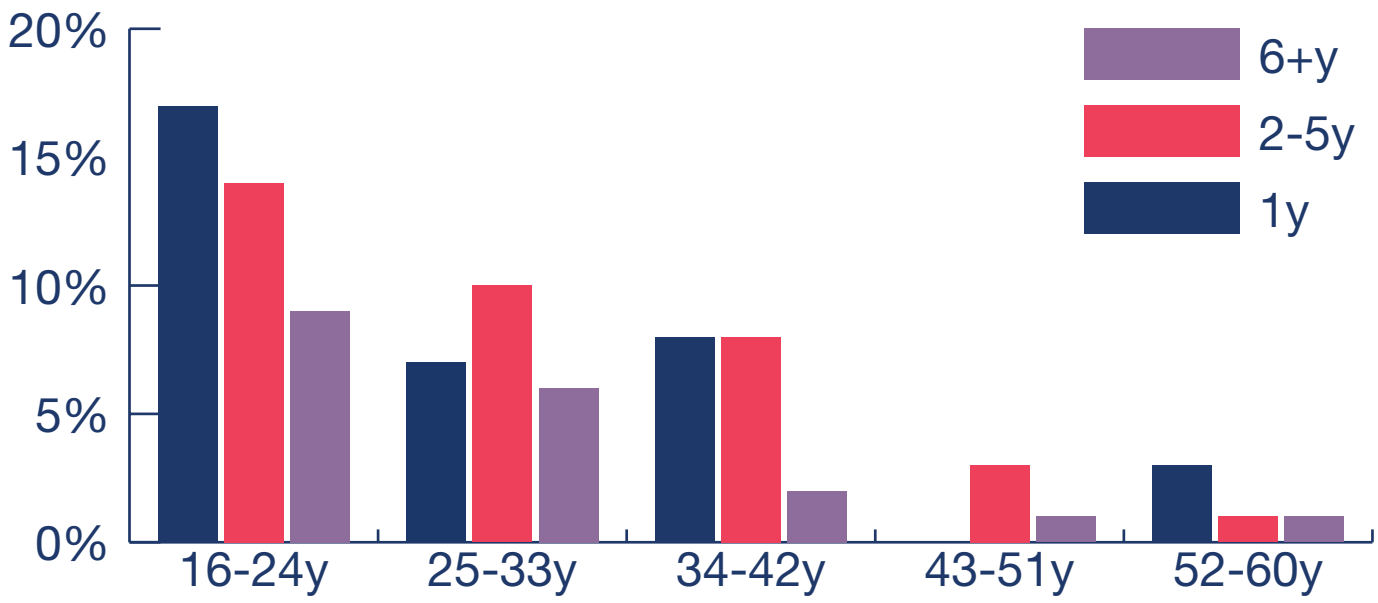
In order to set the context for assessing the impact of SM influencers, the respondents were asked how many counterfeit products they had intentionally purchased in the prior year. Overall, 17% reported that they had knowingly purchased counterfeits (Table 1). The age distribution is concentrated around younger female buyers (Figure 1) with 70% of the knowing buyers in the 16-33 age group. One-third (32%) of respondents in this age group admitted to purchasing counterfeits intentionally in the prior year compared with 9% in the 34-60 age group. This means that the younger participants are about four times more likely to knowingly make illicit purchases than female participants aged over 34.

Table 1: Intentional counterfeit purchasers

Number of products	Number of respondents	% All (n=1,000)	% 16-33y (n=383)	%34-60y (n=617)
None	826	82.6%	68.4%	91.4%
1	67	6.7%	11.7%	3.6%
2 to 5	72	7.2%	12.3%	4.1%
6 to 9	24	2.4%	4.7%	1.0%
10 to 19	7	0.7%	1.8%	0.0%
20 or more	4	0.4%	1%	0.0%
Total counterfeit purchasers	174	17.4%	31.6%	8.6%

Figure 1 Chart Data: Age distribution of intentional counterfeit purchasing

Age range	16-24	25-33	34-42	43-51	52-60
1 year	17%	7%	8%	0%	3%
2-5 year	14%	10%	8%	3%	1%
6+ year	9%	6%	2%	1%	1%



The data also suggests a demand profile based on age and purchasing frequency. A rough estimate of purchasing volumes can be obtained using the frequency category mid-points in Table 1, for example 3.5 is the mid-point of the '2 to 5'. The calculations are set out in Table 2, which shows that:

- 70% of knowing buyers are aged 16 to 33, generating 77% of demand.
- 20% of knowing buyers are habitual buyers, generating half (53%) of the demand.

Table 2: Counterfeit demand matrix

Age range	16-33y	34-60y	Totals combined
Habitual buyer	17% buyers 47% demand	3% buyers 7% demand	20% buyers 53% demand
Occasional buyer	53% buyers 31% demand	27% buyers 16% demand	80% buyers 47% demand
Total buyers	70% buyers 77% demand	30% buyers 23% demand	100% buyers 100% demand

3.2 Types of counterfeit products

The respondents indicated the types of counterfeits they intentionally purchased in the prior year (Table 3). The total adds up to more than 17% because 40% of the counterfeit buyers had purchased products from multiple groups. Clothing and accessories is the most popular product category, followed by jewellery and watches, and beauty and hygiene products. These three product groups account for nearly two-thirds (63%) of counterfeit purchasing. Counterfeit fashionwear is particularly attractive for the 16-33 age group, where 1 in 5 (20%) admitted to buying counterfeit clothing or accessories in the prior year compared to 4% of older consumers.

Table 3: Counterfeit product groups intentionally purchased

Product group	16-33 (n=383)	34-60 (n=617)	All (n=1,000)
Clothing and accessories	20.4%	4.1%	10%
Jewellery and watches	10.2%	2.1%	5%
Beauty and hygiene products	8.9%	1.9%	5%
Sports and sportswear goods	6.5%	1.1%	3%
Electrical products	5.5%	0.6%	3%
Electronics, computers, phones	4.7%	0.2%	2%
Toys	2.9%	0.8%	2%
Alcohol	2.9%	0.6%	2%
Other	0.8%	0.0%	0%

3.3 SM influenced purchasers

The core aim of the research is to determine whether complicit SM influencers impact on consumers' decisions to purchase counterfeits. Overall, 13.3% of the respondents reported that they had purchased counterfeits either deliberately or by mistake following SM influencer endorsements (Table 4).

Table 4: SM endorsed counterfeit purchasers

Number of products	Number of respondents	% All (n=1,000)	% 16-33y (n=383)	%34-60y (n=617)
None	867	86.7%	73.9%	94.7%
1	49	4.9%	8.9%	2.4%
2 to 5	51	5.1%	10.2%	1.9%
6 to 9	28	2.8%	5.7%	1.0%
10 to 19	4	0.4%	1.0%	0.0%
20 or more	1	0.1%	0.3%	0.0%
Total counterfeit purchasers	133	13.3%	26.1%	5.3%

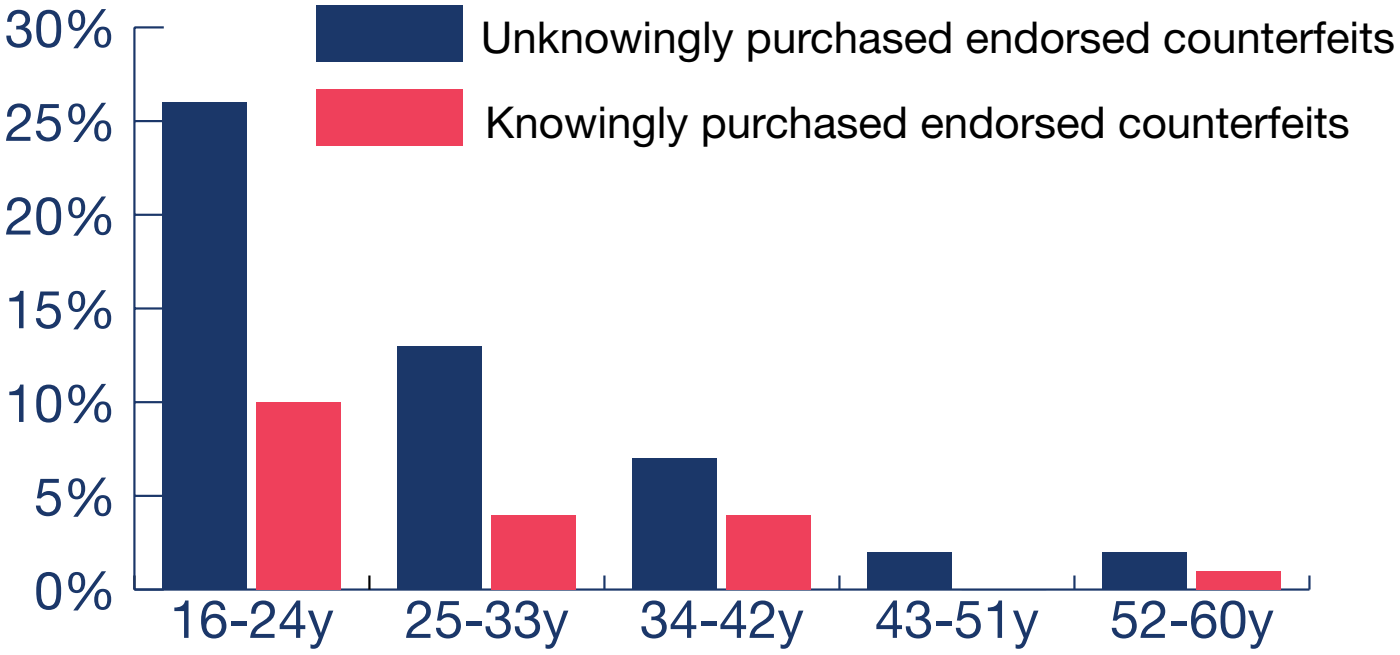
The overall split between knowing and unknowing purchasers is (Figure 2):

- 9.6% knew the products were counterfeit.
- 3.7% were deceived.

The age distribution is again concentrated around younger buyers for both knowing and unknowing purchasers. The 16-33 age group accounts for 75% of the purchasers. The younger demographic is five times (26%) more likely than older consumers (5%) to buy endorsed counterfeits. The 16-24 age group is 10 times (35%) more likely to purchase endorsed fakes than the oldest consumers (3%).

Figure 2 Chart Data: Age distribution of SM endorsed counterfeit purchasing

Age range	16-24	25-33	34-42	43-51	52-60
Knowingly purchased endorsed counterfeits	26%	13%	7%	2%	2%
Unknowingly purchased endorsed counterfeits	10%	4%	4%	0%	1%



3.4 Pathway to the SM endorsement

The pathway leading the respondents to the SM influencers provides an additional clue to the level of their influence. The respondents were asked how they encountered the endorsements broadcast by the SM influencers. The results are set out in Table 5.

Table 5: Endorsement pathway

Pathway	16-33y	34-60y	All Ages
Prompted by endorsements			
Searched for legitimate brand and the endorsement came up	6.5%	1.9%	3.7%
Follow the influencer who posted the endorsement	5.7%	1.0%	2.8%
Newsfeed message from a friend/family interaction with the endorsement	5.5%	1.1%	2.8%
Appeared as a sponsored ad on the social media platform	2.1%	0.3%	1.0%
Other	0.3%	0.2%	0.2%
Total	20.1%	4.5%	10.5%
Counterfeit hunters – planned purchasers			
Searched for fakes/dupes and the endorsement came up	6.0%	0.8%	2.8%
Total	26.1%	5.3%	13.3%

Table 6 reorganises the aggregate results from Figure 2 and Table 5 as a matrix of four categories in two dimensions: consumer (knowing/deceived), SM influencer (assist/prompt). It highlights three types of consumers and the associated interactions with the SM influencers: counterfeit hunters, knowing responders, and deceived responders. The hunters in the sample (2.8%) set out knowingly to buy counterfeit goods and encounter SM endorsements during their online searches. An endorsement has no effect on the hunter's pre-existing intention to buy counterfeits, but the SM posting is a facilitating step on the consumer journey, and it may affect which counterfeit product the buyer selects.

On the other hand, SM influencers are key catalysts in creating the intention to buy counterfeits amongst the responder consumers. Influencer endorsements were successful in prompting 10.5% of the sample to purchase counterfeits. Again, the younger generation of participants is four times more susceptible to the influencers' guile, inducing 1 in 5 (20.1%) to respond positively compared to 4.5% of the over 33y group. Three-quarters of responders are knowing responders (6.8%) who realise the products are counterfeit. The deceived responders (3.7%) are unaware at the time of purchase that the products are counterfeit.

Table 6: Influencer-consumer matrix

SM influencer role	Knowing Consumer	Deceived Consumer	Total
Assist – hunters' planned purchases	2.8%	-	2.8%
Prompt – responders' opportunistic purchases	6.8%	3.7%	10.5%
Total	9.6%	3.7%	13.3%

Factors influencing purchasing decisions

A secondary aim of the study was to develop our understanding of some of the determinants of counterfeit purchasing. The results hitherto clearly show a correlation with age. This section of the report describes the research findings which explore additional determinants. It is organised into three themes: the role of trusted others, attitudes to counterfeits, and risk perception.

Key findings

- Four key factors influence counterfeit purchasing decisions: trusted others including complicit influencers, rationalisations, risk blindness and risk appetite.
- Younger participants are much more susceptible to these influences.
- Overall, 13% of female participants are more likely to buy influencer endorsed counterfeits.
- One-third approve rationalisations that justify buying counterfeits.
- 22% believe counterfeits are not a health and safety threat.
- 18% believe counterfeits do not harm businesses and jobs.
- The risk appetite of the 16-24 age group (51%) is over twice that of the 52-60 age group (19%).

4.1 Trusted others

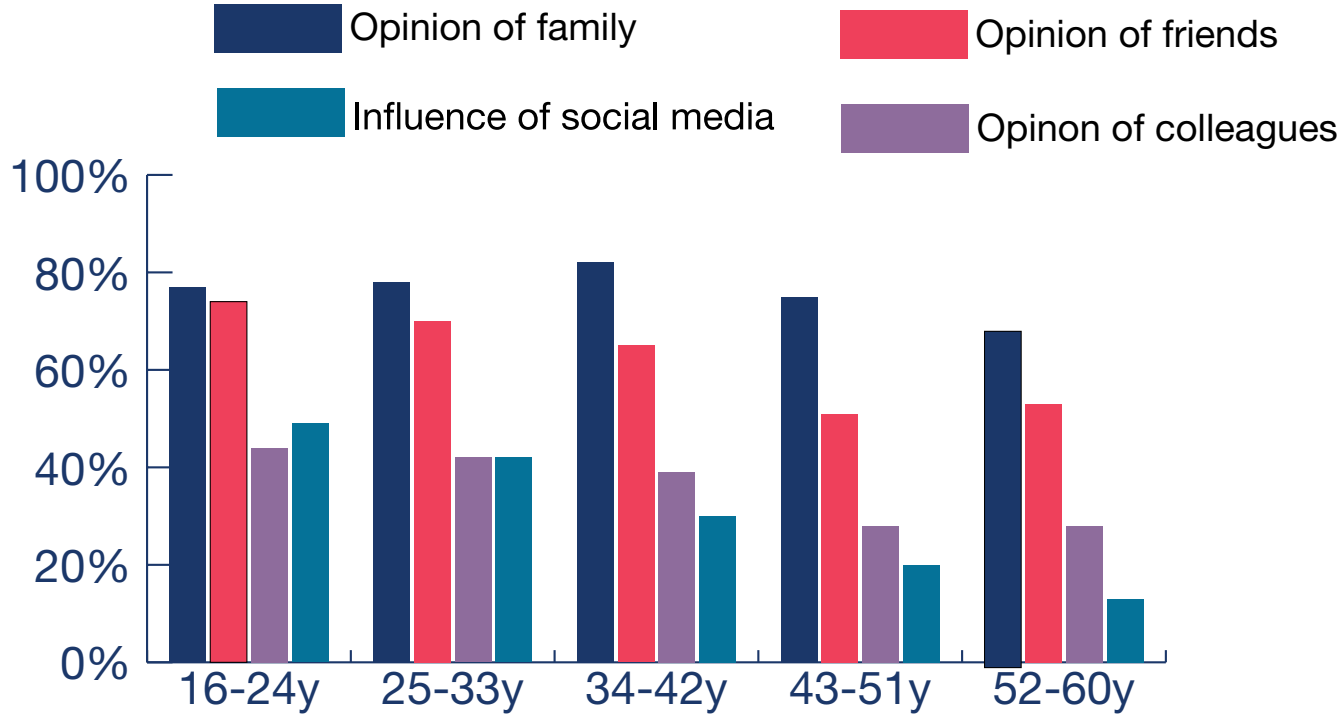
Importance of trusted others

In order to understand the influence of trusted others, the respondents indicated the importance of family, friends and colleagues on their purchasing decisions. They also recorded the extent to which social media content helped inform their decisions. This variable represents the broad influence of social media including online networks and SM influencers.

The results indicate that the family has the most social influence across all age groups (important to 76% overall) followed by friends (62% overall). Although the respondents report that social media is the least influential, it still has a substantial impact in helping female participants with their purchasing decisions (30% overall). However, the most important result is that participants from the younger age groups are more susceptible than those from the older groups to the influence of others (Figure 3). The decline in the role of trusted others is most striking in relation to social media: the 16-24y group is 4 times more susceptible than the 52-60y group to the influence of social media.

Figure 3 Chart Data: Importance of trusted others

Age Ranges	16-24	25-33	34-42	43-51	52-60
Opinion of family	77%	78%	82%	75%	69%
Opinion of friends	74%	70%	65%	51%	53%
Opinon of colleagues	44%	42%	39%	28%	28%
Influence of social media	49%	42%	30%	20%	13%



The opinions of others is likely to be reinforced when a consumer receives the same message from different trusted sources. From Table 5, a quarter of those who were prompted to buy counterfeits were led to the SM endorsements by friends or family. These findings explain why social media has become such an important marketing tool, especially in targeting the younger audience.

Trust in social media influencers

The trust relationship between consumers and social media influencers is quantified in Figure 4 using two trust dimensions and two intention dimensions:

Trust dimensions

Verification – belief that SM influencers must have tried the endorsed products
Safety – belief that endorsed products must be safe.

Intention dimensions

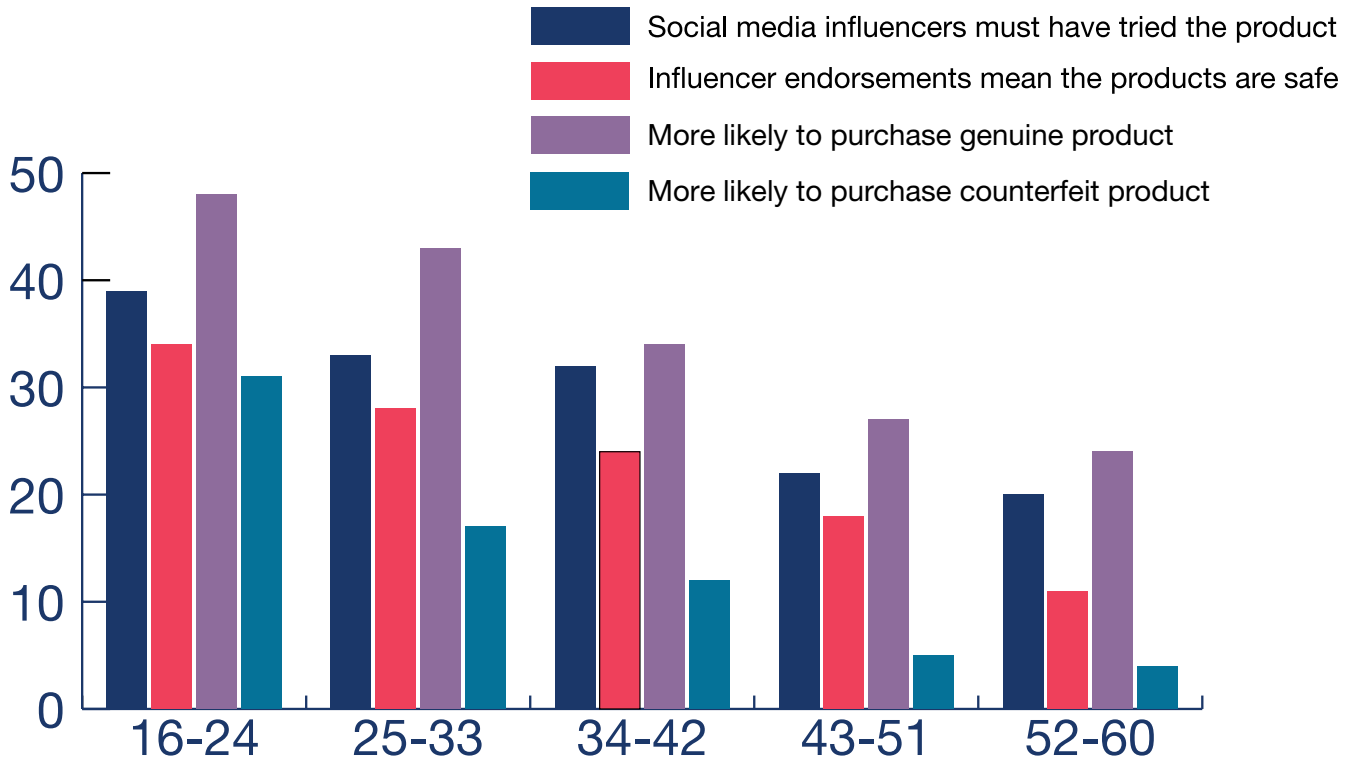
Genuine products – more likely to buy genuine products because of the endorsement
Counterfeit – more likely to buy counterfeit products because of the endorsement.

Figure 4 implies that more trust in the integrity of influencers leads to an increase in intentions to purchase endorsed goods across all age groups. Overall, 35% of female participants are more likely to buy genuine products that are endorsed by SM influencers, and 13% are more likely to buy counterfeit products that are endorsed by influencers. Younger age groups trust the integrity of SM influencers far more than the older age groups, which makes them more susceptible to deviant endorsements. The 16-24y group is the most susceptible with 31% reporting that they are more likely to buy endorsed counterfeits. The 52-60y group is the least influenced with just 4% saying they are more likely to buy fakes.

The most concerning aspect of the data is that a quarter (23%) of respondents believe promotions by SM influencers are an endorsement of safety, rising to 34% in the 16-24y group. This safety result provides an important insight into the low risk perception associated with counterfeits, especially within the younger age groups.

Figure 4 Chart Data: Trust in SM influencers

Age Range	16-24	25-33	34-42	43-51	52-60
Social media influencers must have tried the product	39%	33%	32%	22%	20%
Influencer endorsements mean the products are safe	34%	28%	24%	18%	11%
More likely to purchase genuine product	48%	43%	34%	27%	24%
More likely to purchase counterfeit product	31%	17%	12%	5%	4%



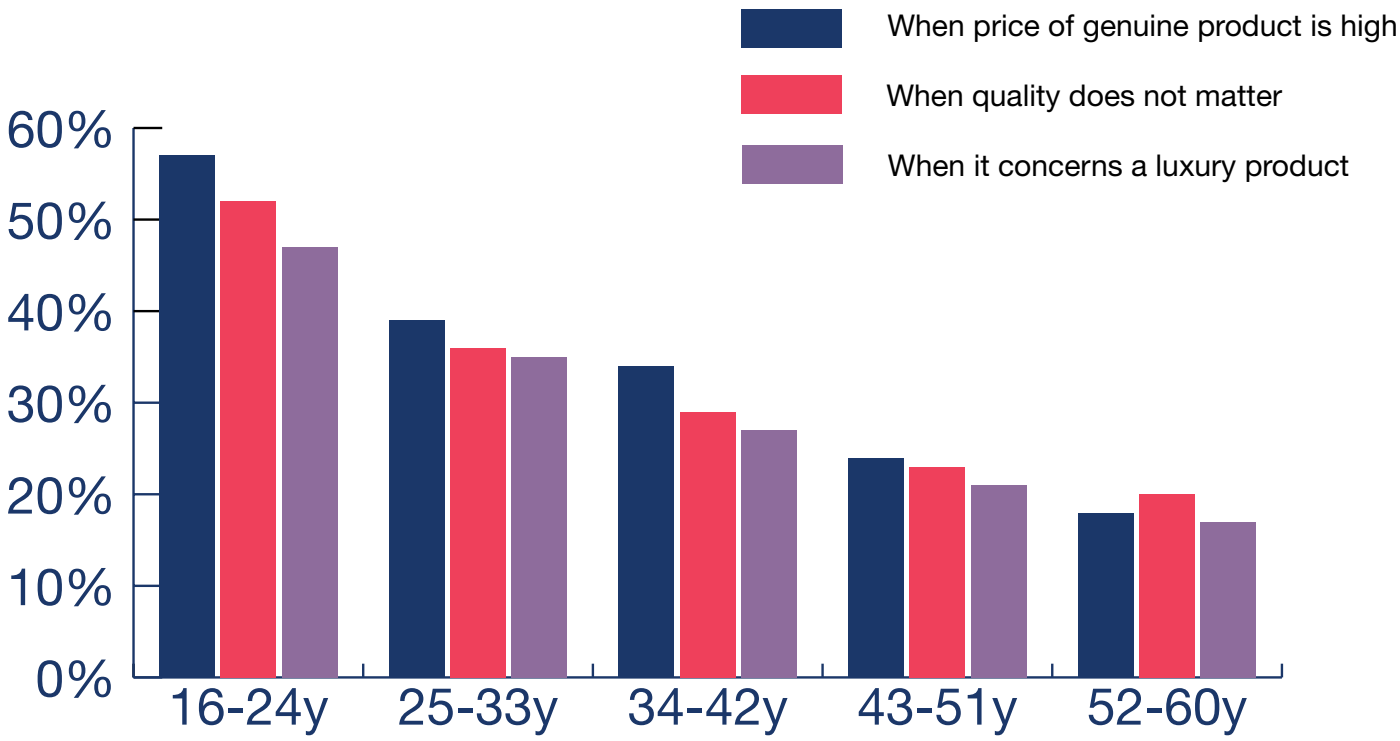
4.2 Attitudes to counterfeits

Rationalisations: acceptability of buying counterfeits

The role of rationalisations in lubricating the pathway to deviant behaviour has been well documented by psychologists (Jones, 1908). They are the excuses individuals construct to justify their irrational or deviant behaviour to themselves and to others (Shepherd & Button, 2018). In the present research, the respondents rationalise that purchasing counterfeits is acceptable when it concerns luxury products, high prices and quality does not matter. In combination, they reflect the denial of victim rationalisation identified by Sykes and Matza (1957) which involves offenders externalising the cause of their deviance by blaming their victims. About one-third of the respondents are saying the trade in counterfeits is the manufacturers' fault for overpricing high brand products when quality is not important. This attitude to quality also mirrors the perception of safety risk associated with counterfeits. The age distribution for these rationalisations follows the previous profiles with around 50% of the 16-24y group approving the rationalisations compared with about 20% of the 52-60y group.

Figure 5 Chart Data: Acceptability of buying counterfeits

Age range	16-24	25-33	34-42	43-51	52-60
When price of genuine product is high	57%	39%	34%	24%	18%
When quality does not matter	52%	36%	29%	23%	20%
When it concerns a luxury product	47%	35%	27%	21%	17%



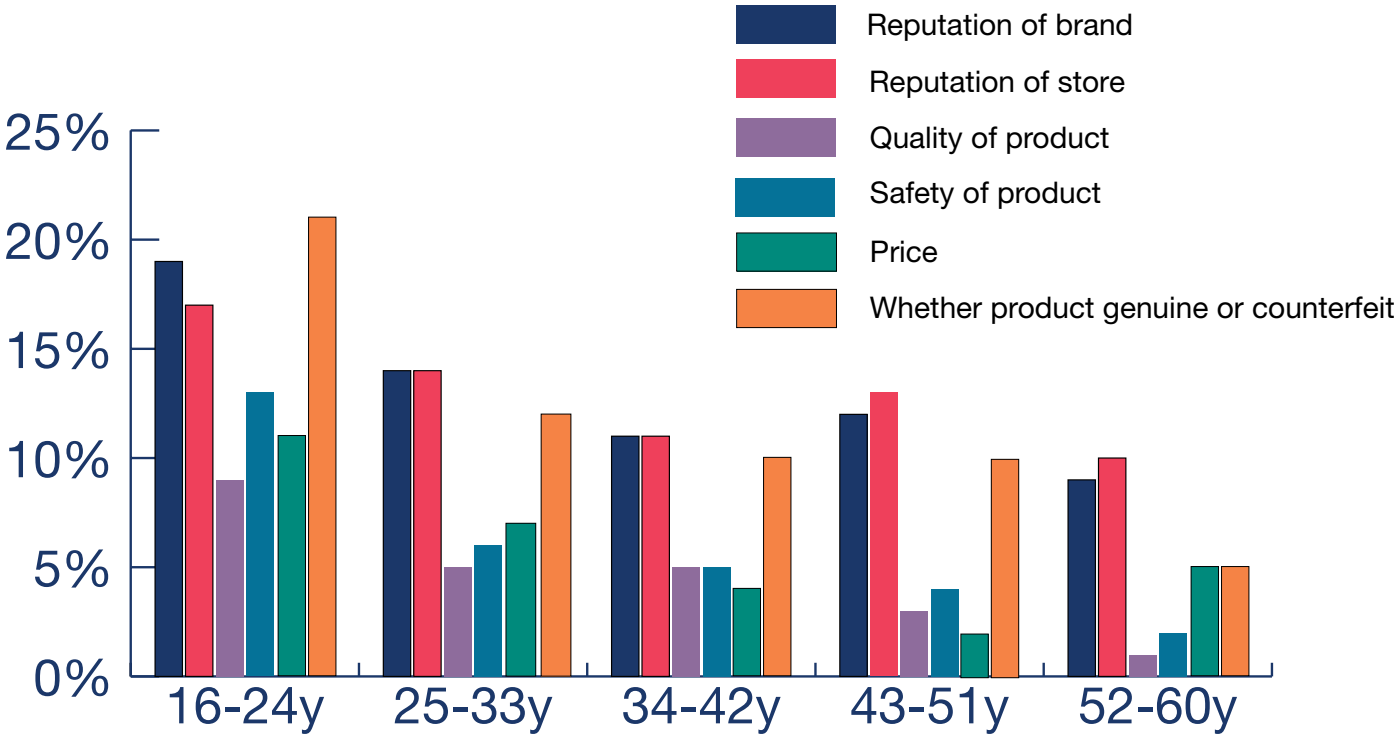
Importance of product factors

The survey gathered data on the respondents' attitudes towards a range of products factors, all of which are indicators of customer expectations regarding quality, safety and customer experience. The respondents were asked to indicate the importance of these factors in influencing their general purchasing decisions. Whilst the majority of respondents view the factors as important, an important minority regard them as unimportant.

The age distribution in Figure 6 inverts the results to focus on this dismissive minority: it plots the percentage in each age group who reported the factors as unimportant. The chart shows that the younger generations are less concerned about market reputations and value for money, and they tend to be more dismissive of quality and safety. However, the most striking differentiation is in the indifference to counterfeits. Overall 11% of respondents are unconcerned if intended purchases are counterfeit. This indifference rises to 21% in the 16-24y group, four times higher than the 5% in the 52-60y group.

Figure 6 Chart Data: (Un)importance of product factors

Age range	16-24	25-33	34-42	43-51	52-60
Reputation of brand	19%	14%	11%	12%	9%
Reputation of store	17%	14%	11%	13%	10%
Quality of product	9%	5%	5%	3%	1%
Safety of product	13%	6%	5%	4%	2%
Price	11%	7%	4%	2%	5%
Whether product genuine or counterfeit	21%	12%	10%	10%	5%



4.3 Perception of risk

Understanding consequences of buying counterfeits

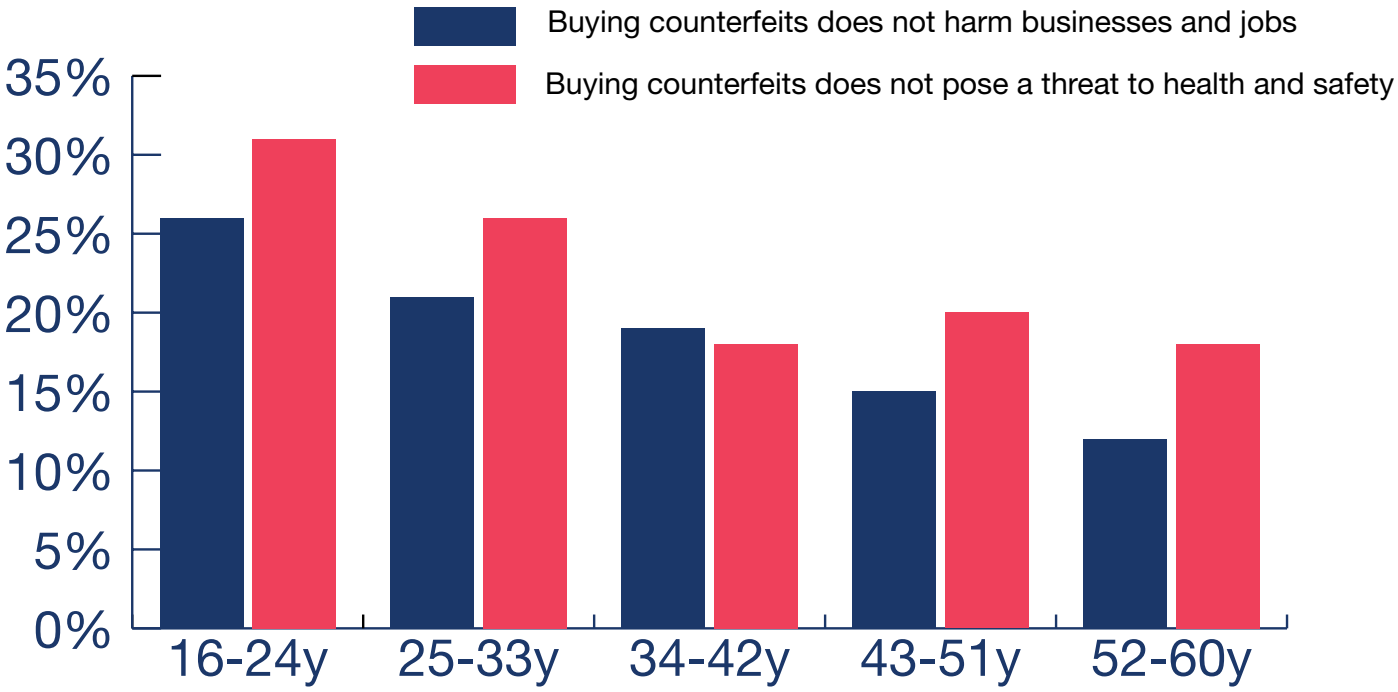
The research sought to quantify the respondents' understanding of the socio-economic and safety threats associated with counterfeit products. The respondents indicated the strength of their agreement with the following statements:

- Buying counterfeits harms businesses and jobs.
- Buying counterfeits poses a threat to health and safety.

A large minority of respondents are dismissive of these risks. Overall, 18% do not see counterfeits as a threat to businesses and jobs, and 22% do not perceive the health and safety risks. Figure 7 inverts the results to plot the percentage in each age group who do not agree with the statements. The chart follows the now familiar pattern with ambivalence in the younger groups significantly higher than in the older generations. Nearly a third (31%) of the 16-24y group are dismissive of the safety risks compared to 18% in the 52-60y group. A quarter (26%) of the 16-24y group are dismissive of the socio-economic threats compared to 12% in the 52-60y group.

Figure 7 Chart Data: Perception of counterfeit harm risks

Age range	16-24	25-33	34-42	43-51	52-60
Buying counterfeits does not harm businesses and jobs	26%	21%	19%	15%	12%
Buying counterfeits does not pose a threat to health and safety	31%	26%	18%	20%	18%



Risk appetite

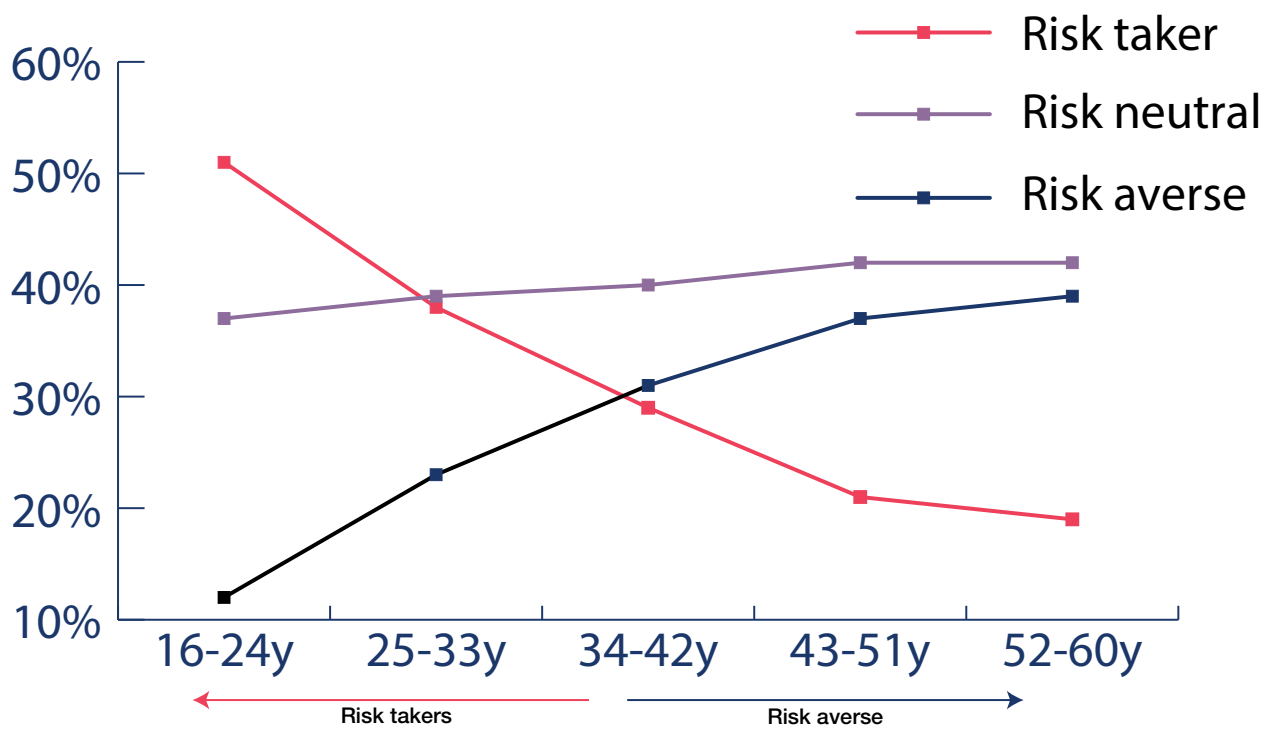
Respondents' willingness to take risks was measured using the 11 point self-perception scale recommended by Dohmen et al. (2011) as the most effective measure of general risk attitudes. Respondents were asked to rate their willingness from 0 to 10, where 0 means 'I am not at all willing to take risks' and 10 means 'I am very willing to take risks'. This is an un-calibrated, arbitrary scale, however it has internal validity in assessing the differences between sample groups. The results were categorised into three groups for the analysis:

- Risk averse – responses 0 to 4 - 29% of all ages.
- Risk neutral – responses 5 to 6 - 40% of all ages.
- Risk taker – responses 7 to 10 - 31% of all ages.

Overall, the sample is evenly balanced between risk averse (29%) and risk taker (31%), and this balance is present in the 34-42y group. However, younger age groups are biased towards risk takers, and old age groups are biased towards the risk averse (Figure 8). The risk appetite of the 16-24y group is over twice that of the 52-60y group. The most salient finding is that the risk taker curve in Figure 8 correlates with the previous results for behaviour and influencing factors.

Figure 8 Chart Data: Risk appetite of respondents

Age range	16-24y	25-33y	34-42y	43-51y	52-60y
Risk averse	12%	23%	31%	37%	39%
Risk neutral	37%	39%	40%	42%	42%
Risk taker	51%	38%	29%	21%	19%



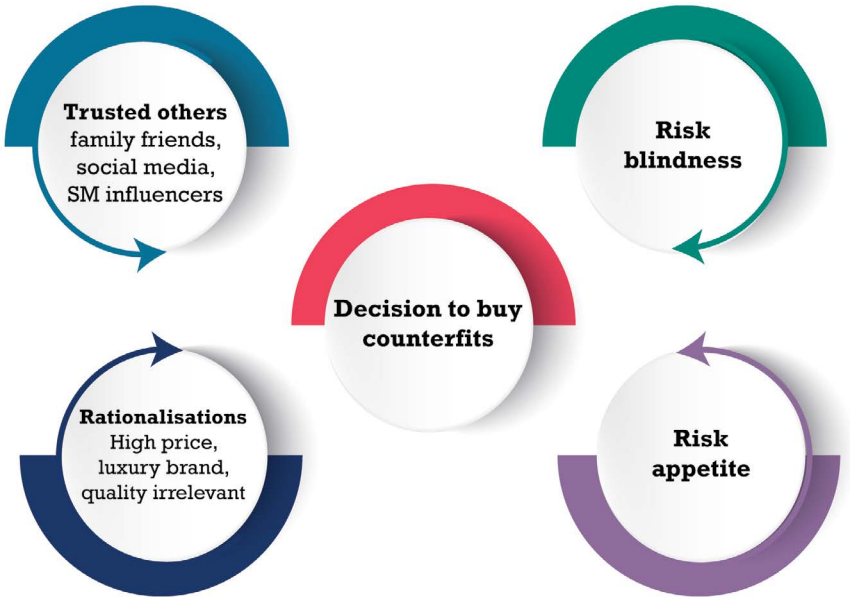
Discussion of findings

The present study concurs with the literature in finding that SM influencers have a profound impact on the purchasing intentions of some consumers (Wielki, 2020). The finding that 35% of female participants are more likely to purchase genuine goods endorsed by SM influencers indicates that about one-third of female participants regard SM influencers as trusted individuals whose opinions matter. It clearly illustrates why SM influencers are an increasingly important component of the marketing palette (Lin et al., 2018). It also explains the emergence and rapid growth in the number of agencies which connect brands with influencers (Influencer Marketing Hub, 2021). It is therefore not surprising to find that the broadcast views of trusted SM influencers also stimulate demand for counterfeit goods. The findings indicate that deviant influencers prompt 10% of female participants aged 16 to 60 to purchase counterfeit products, three-quarters of which (7%) are knowing buyers and 3% are deceived.

A key finding is the clear evidence of correlation between purchasing behaviour and the age of consumers. SM influencers are 5 times more successful in prompting younger generations (26% of 16-33y) to buy counterfeits compared with older generations (5% of 34-60y). This success leads to a heavily skewed demand profile whereby 17% of knowing counterfeit buyers are young, habitual buyers who generate nearly half the demand for counterfeits (47%).

The susceptibility of the younger generations is not solely due to the persuasive charm of the influencers. The research data reveals four connected influences on purchasing decisions, all of which correlate with age: trusted others, rationalisations, risk blindness and risk appetite (Figure 9). Starting with the trusted others, younger female participants are far more susceptible than female participants from the older age groups to the influence of trusted others in making their purchasing decisions, including friends, family, social media and SM influencers.The youngest age group (16-24y) is four times as susceptible to the general influence of social media compared with older generations. This susceptibility provides the SM influencers with the volume of opportunities to market fake goods. The impact of the deviant influencers is further enhanced when their endorsements are recommended by friends or family: 3% of respondents purchased counterfeit goods following messages that directed them to SM endorsements.

Figure 9: Influences on counterfeit purchasing decisions



The task of generating demand is easier amongst the younger generation because they have lower risk perceptions (Livingstone, 2008; Ramos-Soler et al., 2018). Lower risk perceptions lead to risk blindness, whereby individuals fail to recognise risk or dismiss their salience (Frosdick, 1997). A greater proportion of the younger age group is dismissive of key product factors, such as brand reputation, that are normally regarded as key to a firm's success. Indeed, one in five (21%) of the 16-24y group are unconcerned if a product is counterfeit. This lack of concern underscores the younger generation's blindness to the risks associated with counterfeits: 9% of the 16-24y group are unconcerned about the quality of products, one-third (31%) do not see the health and safety risks of counterfeit goods, and a quarter (26%) do not recognise the economic threat of fakes.

This dismissive attitude is further exacerbated by the risk appetite of the younger generations. There are over twice as many risk takers within the 16-24y group (51%) compared with the 52-60y group (19%). This higher acceptance of risk increases the likelihood of younger persons purchasing counterfeits even when they acknowledge the risks.

The task of generating demand amongst the younger generation is further eased by the higher prevalence of rationalisations that excuse deviance in favour of purchasing counterfeits. Around 50% of the 16-24y group believe it is acceptable to buy counterfeits when genuine, high brand products are overpriced and quality is irrelevant.

Finally, rotating back to the trusted others, the role of deviant SM influencers is not just to present fake goods to the public; this narrow objective would only impact on a small fraction of consumers, the 3% who are hunters seeking out counterfeits. To maximise their impact as trusted others, SM influencers exploit the low risk perceptions and high risk appetite of mainly younger consumers by neutralising any residual concerns about quality, safety and perceptions of deviance. A measure of their success in this regard is the finding that 31% of the 16-24y group are more likely to purchase counterfeit goods because they have faith in the integrity of the influencers' products testing and safety assurances. This neutralising role of the deviant influencers is a particularly pernicious aspect of their practice as it the process by which consumers learn and take away with them the rationalisations that justify their continued deviant behaviour.

Conclusions

The main aim of this study was to determine whether social media influencers have a meaningful impact on the intentions of female adults to purchase counterfeit goods. The study found that deviant SM influencers exert a significant influence as trusted others, prompting 10% of respondents to purchase counterfeit goods across a wide range of product sectors. The most popular product categories are fashion, accessories, jewellery and beauty products. Age is a strong determinant of counterfeit purchasing with younger females five times more likely than older females to buy counterfeits because of postings by SM influencers.

The power of the influencers is derived from four factors which make younger adults more susceptible to their influence: younger adults are more susceptible to the influence of trusted others, they are less likely to perceive the risks associated with buying counterfeits, they have a higher risk appetite, and they are more likely to construct rationalisations which justify the purchasing behaviour. When combined, these factors are a noxious mix that increases the likelihood of deviant purchasing. A key role of the influencer is to assist the consumer in constructing rationalisations that neutralise any residual concerns about personal risks, broader societal harms and perceptions of deviance. Further research is required to understand how and the extent to which the influencers manipulate the four factors in order to overcome these residual inhibitions. An important implication of the research is that policies aimed at reducing consumer demand should take into account all four influencing factors, not just the role of the deviant SM influencer.

Recommendations

Three policy implications arise from the research

1. Policies aimed at reducing the demand for counterfeit products should prioritise younger, habitual consumers of counterfeits.

2. Educational approaches should take into account the four decision influences in Figure 9: trusted others, risk blindness, risk appetite and rationalisations. The correlation of these factors with age suggests that deterrence messaging should be tailored to the target audience. In particular, narratives aimed at younger consumers should emphasise personal risks and the malign influence of some SM personalities as well as normative appeals about broader societal harms.

3. Educating the younger age group about the safety risks of counterfeits should be a high priority, particularly in relation to specific product groups such as beauty and hygiene, electrical and alcohol.

4. The social control implications suggest that the influencer marketing industry could be engaged to propagate deterrence messages to consumers and to SM influencers. It is particularly important to target the influencers because they are the opinion leaders in their online communities and they are the primary source of the rationalisations that justify the deviant purchases. Fortunately, higher levels of organisation within the industry provide new opportunities to channel constructive narratives via agencies, trade associations and, indeed, SM influencers themselves. It is somewhat ironic that the most effective social control strategy will inevitably involve the very industry that currently nurtures the counterfeit problem.

5. As a high priority, regulators should engage with online marketplace and social media platforms to highlight the problem and collaborate in developing counter-measures. This would also identify any gaps in the regulatory framework that may need to be addressed in order to make the companies accountable for facilitating SM influencers who advertise counterfeits.

It is recommended that future research should be directed towards disrupting the social influences that culminate in deviant purchasing. The research should involve the key actors: consumers, influencers, brand owners, online marketplaces, social media companies, and the influencer marketing industry.

6. Quantitative and qualitative research to confirm the results of the present pilot study, and expanded to encompass male consumers. In addition to quantifying purchasing behaviours, attitudes and perceptions of risk, it should also aim to quantify consumers' perceptions of the illegal status of counterfeits and the influencers who promote them. Qualitative interviews would provide deeper insights into consumers' attitudes and behaviours.

7. Research into the motivations, attitudes and perceptions of deviant SM influencers. It should address the techniques they use to assist consumers in rationalising their wrongdoing, and identify the methods they use to monetise their activities. Disrupting income streams from the illegitimate suppliers and from legitimate advertising attached to their postings may reduce their malign influence.

8. Research into the market's awareness of deviant SM influencers and the market's policies, if any, for dealing with the problem. This research should encompass the four key elements of the market: brand owners, online marketplaces, social media companies and the emerging influencer marketing industry.

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Appendix

Sample age quota#

Age (16-60)	16-24y	25-33y	34-42y	43-51y	52-60y	All
n	180	203	196	210	211	1,000
%	18%	20%	20%	21%	21%	100%

Sample regional quota

Region	Respondents
East Midlands	7%
East of England	9%
London	14%
North East	4%
North West	11%
Northern Ireland	2%
Scotland	8%
South East	14%
South West	9%
Wales	5%
West Midlands	9%
Yorkshire and Humber	8%
Grand Total	100%

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