

# The Quantification of Consumer Attitudes and Behaviors Toward Counterfeiting

Chris Stewart, Global Brand Manager  
The Gallup Organization

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Statistical Issues*

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## Reality Check: Why Measure?

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- **Without measurement the problem cannot be managed**
- **Baseline for tracking whether future efforts are impacting counterfeiting**
- **Lobbying for greater enforcement and laws; financial commitments from public and private sector**
- **Consumer and rights-holder education**

## Research Approaches

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### QUALITATIVE

- **Non-measurable, feelings, views, attitudes, beliefs**
- **Small sample**
- **Non-representative sample**
- **Unstructured questionnaire**
- **Exploratory**

### QUANTITATIVE

- **Large sample**
- **Representative sample**
- **Numerical data**
- **Structured questionnaire**
- **Ability to provide statistically accurate, quantifiable data**

## Mode of Interviewing

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### **Not Recommended**

- ~~Postal~~
- ~~Intercept~~
- ~~Mystery Shopping~~
- ~~Web-based~~
- ~~IVR/In-bound Phone~~

### **Recommended**

- **Outbound Phone (CATI, Pencil and Paper)**
- **Face-to Face (CAPI, Pencil and Paper)**
- **Web-based (only for certain populations and industry sectors. Ideally panel or pre-recruit)**

## Art or Science?

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- **More science than art in the design, administration, and analysis of surveys**
- **Art plays a role in the way a question is designed**

## Methodological Standards

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- **Sample Design – Time frame and sampling error**
- **Non-Response Error – Contact versus completion rate**
- **Coverage Error – Sample frame deficiencies**
- **Measurement Error – Intersection of the questionnaire, interviewer, method of data collection**

## Sampling Methods

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**Probability Sampling:** Every respondent in the population has an equal chance of selection. Statistical inferences to the population can be made.

- Random Sampling
- Stratified Sampling
- Cluster Sampling

**Non-Probability Sampling:** Depends in some part on the personal judgement or the researcher or interviewer. Any attempt to project data beyond the group interviewed is statistically invalid.

- Convenience Sampling
- Judgemental Sampling
- Quota Sampling

## Current State of Attitudinal and Behavioral Surveys on Counterfeiting

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- **Wide range of surveys conducted by academia, government, and the private sector**
- **Attitudinal and behavioral data gathered**
- **Diverse geographical and industry focus**
- **Majority of research that has been conducted is interesting, but not projectable to larger populations of interest due to scientific shortcomings:**
  - **Qualitative**
  - **Non-Probability**
  - **Method and Sampling Bias**

## Areas of Inquiry

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### Attitudinal, Awareness Data

- Perception of Magnitude or Awareness
- Involved Parties
- Reasons for Counterfeiting
- Beneficiaries
- Deterrents
- Government and Business Support

### Stated Intent, Motivational, Behavioral Data

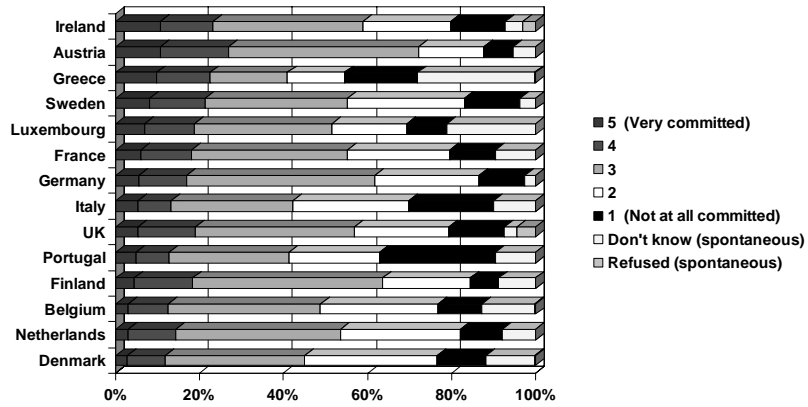
- Purchased (knowingly, not knowingly)
- **Frequency**
- **Volume**
- **Value**
- Factors for Purchase
- Future Intent
- Future Deterrents
- Purchase Channels

+ **Demographics**

# Attitudinal and Awareness Data

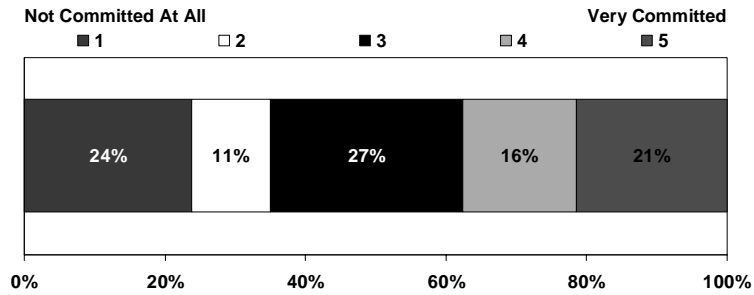
## Government Commitment to Find and Prosecute Counterfeiting (E.U.)

How committed do you think the [COUNTRY:] government is to find and prosecute counterfeiting?



Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

## Government Commitment to Find and Prosecute Counterfeiting (Moscow)



Q: How committed do you think the Moscow government is to find and prosecute counterfeiting?

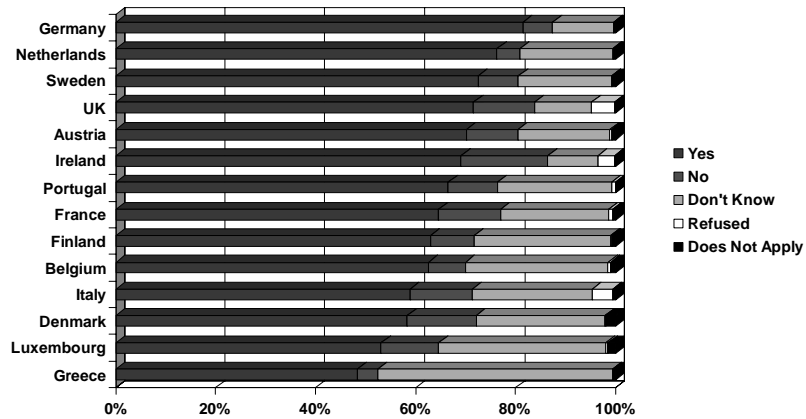
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Sample Size: n=941 13

## Video Games Perceptions (E.U.)

Do you think that imitations for the following goods are widely available in [COUNTRY:]?  
Video games



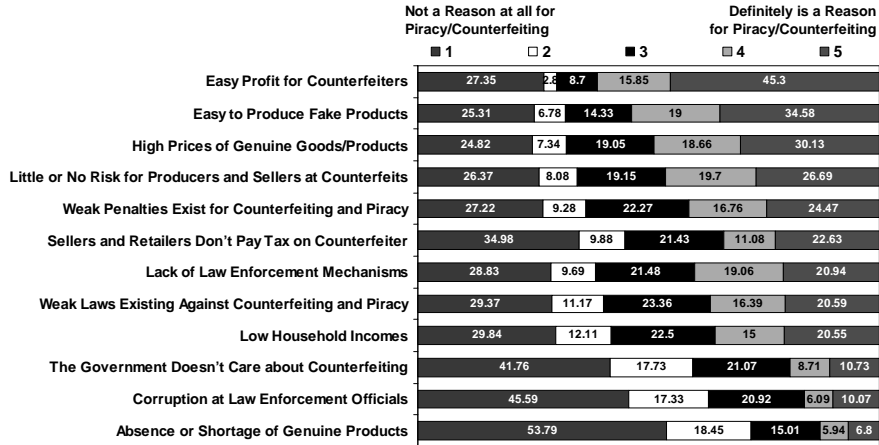
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

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## Reasons For Piracy And Counterfeiting (U.S.)



Q: To what extent do you believe the following are reasons for piracy and counterfeiting? Using a scale of one-to-five, where 5 means you think it definitely is a reason for piracy and counterfeiting and 1 means it is not a reason at all for piracy and counterfeiting, how would you rate the following as reasons for piracy and counterfeiting?

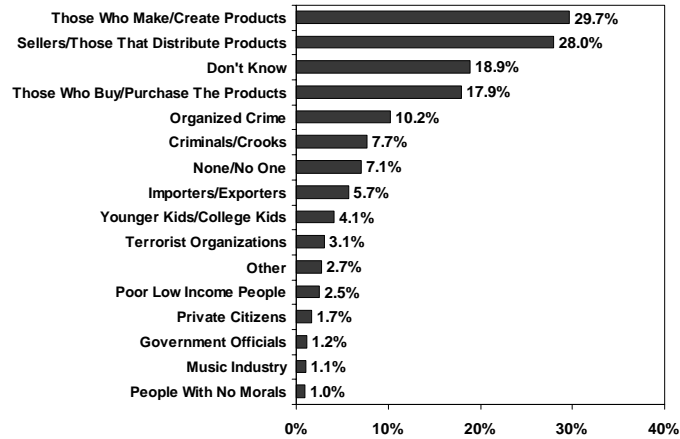
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Sample Size: n=1,304

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## Groups Or Organizations Benefiting From Piracy Or Counterfeiting (Open-Ended) (U.S.)



Q: Which groups or organizations do you believe benefit from piracy or counterfeiting?

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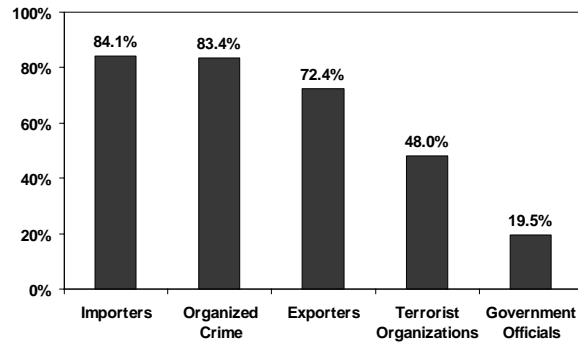
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Sample Size: n=1,304

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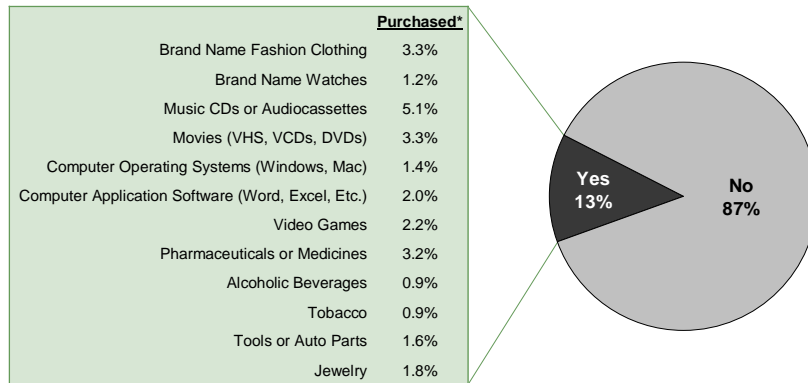
## Groups Involved In Producing Or Distributing Imitation Or Counterfeit Products (Aided) (U.S.)



Q: In your opinion, which of the following groups are involved with producing or distributing imitation or counterfeited products?

## Stated Intent, Motivational, Behavioral Data

## Purchased, Copied, Or Downloaded Any Imitation Or Counterfeit Product In The Past Year (U.S.)



Q: Have you personally purchased, copied, or downloaded any imitation or counterfeit products in the past year in any of the following categories?

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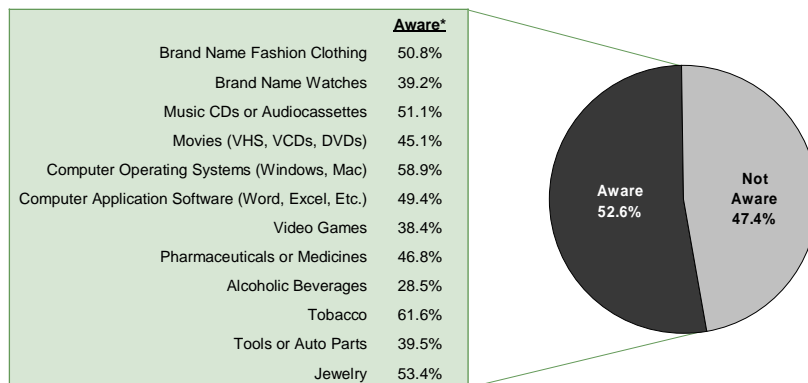
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Sample Size: n=1,304

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\*Half of those who purchased goods bought in more than one category

## Aware Product Was Imitation Or Counterfeit (Aware In At Least One Category) (U.S.)



Q: Prior to purchasing, were you aware it was an imitation or counterfeit product?

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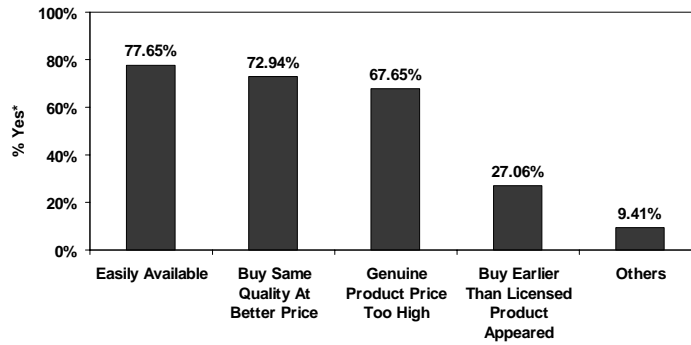
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Sample Size: n=170

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\*Caution: Small Sample Size

## Purchase Factors (U.S.)



Q: Which of the following were factors in your purchase of an imitation or counterfeit product?

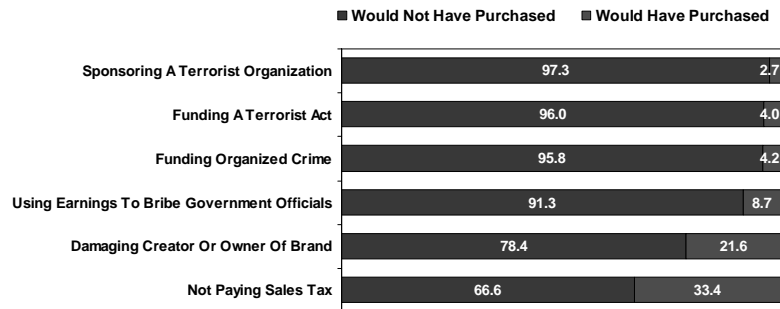
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Sample Size: n=170  
\*Caution: Small Sample Size

## Purchase Deterrents (U.S.) (Asked Among Those Who Had Purchased Counterfeit Goods)



Q: Would you have purchased the imitation you previously mentioned you bought if you knew the seller was ( )?

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Sample Size: n=170  
\*Caution: Small Sample Size

## **Limitations of a Survey Based Approach**

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- **Snapshot of Time and Seasonality Factors**
- **Even with a Scientific Design and Administration Biases can Remain**
- **Cost**
- **Length of Instrument (Respondent fatigue after 15 to 18 minutes begins to degrade data)**
- **Analytic Bias (Cross-Country Comparison)**
- **Difficult to Capture Data from Some Service or Industrial Sectors**
- **Measurement Gap on Purchase Data for Those Unaware of Counterfeit Purchase**

## **Improvement of Quality and Information**

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- **Standardized Metrics and Industry Classes with a Focus on Actionability**
- **Probability Designs so that Data can be Extrapolated**
- **Frequency, Volume, and Value Data Gathering**
- **A View Toward both Attitudinal and Behavioral data**
- **Factoring for Substitutability in any Extrapolations**
- **The China Problem**
- **Longitudinal Effort**
- **Determination of Age Standards**

## The Substitutability Dilemma

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**Not all categories of counterfeit goods and services are perfect substitutions for legitimate offerings.**

One potential solution is the use of Preference Structure Modeling techniques.

- Conjoint – Customers and potential customers evaluate a series of hypothetical and real products as defined by their features.
- Discrete Choice – Consumers are asked to view a series of competing products and select at least one.

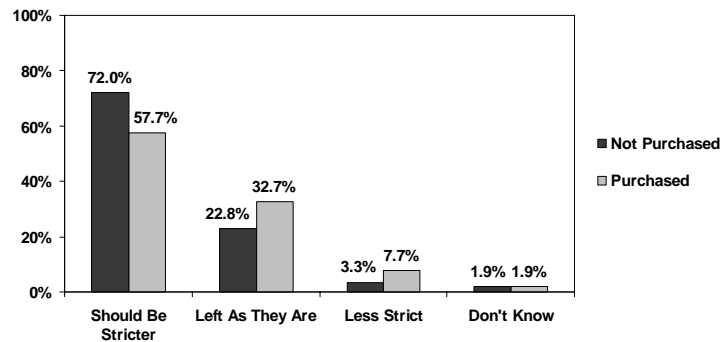
By conducting industry level analysis and a short assessment of actual past behaviour, a factor can be derived that would indicate the ratio of substitutability for product categories. This weight could then be applied to behavioral volume and value data to derive a cost and severity estimate.

## Extra Slides

## Methodology

- **1,304 completed interviews among U.S. adults 18 years of age or older**
- **Computer assisted telephone interviewing**
- **Interviewing conducted January 10-January 20, 2005**
- **Based on a sample size of 1,304, the margin of error at a 95% confidence level is +/- 2.7%.**

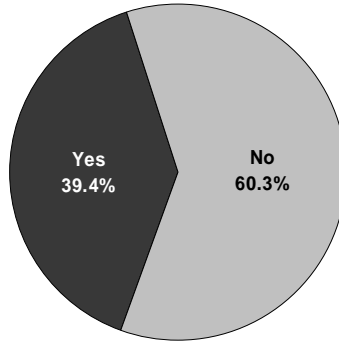
## Counterfeiting And Piracy Laws



Q: Do you believe counterfeiting and piracy laws should be stricter, left as they are, or made less strict?

## Familiar With The Term “Intellectual Property Rights”

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*Q: Are you familiar with the term Intellectual Property Rights?*

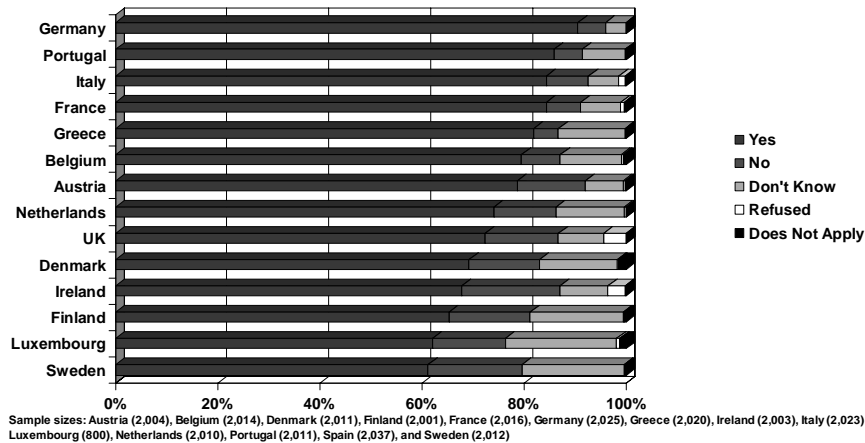
## Counterfeiting in Europe

### *Perceptions on Counterfeiting 2005*

## Methodology

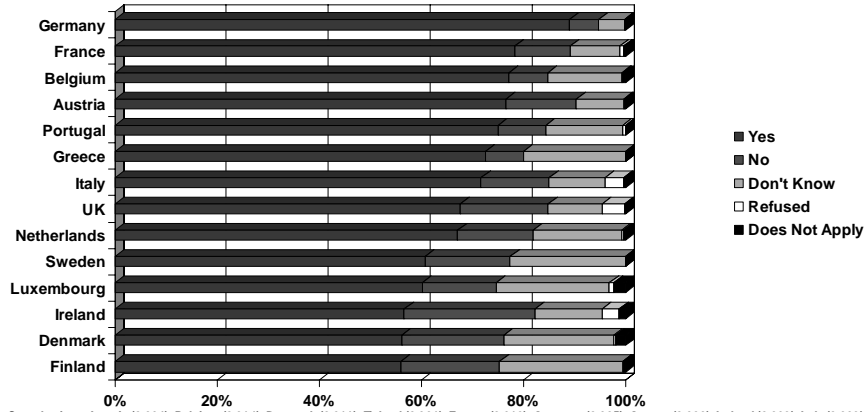
- Random digit dial telephone methodology
- Interviewing conducted May – August 2005
- Average sample size is 2,000; Luxembourg sample size 800
- For results based on a sample size of 2,000, one can say with 95% confidence that the margin of sampling error is +/-2.2 percentage points; for a sample size of 800 the margin of error is +/-3.5 percentage points.
- All questions were not asked in every country

Do you think that imitations for the following goods are widely available in [COUNTRY:]?  
Branded Fashion Clothing



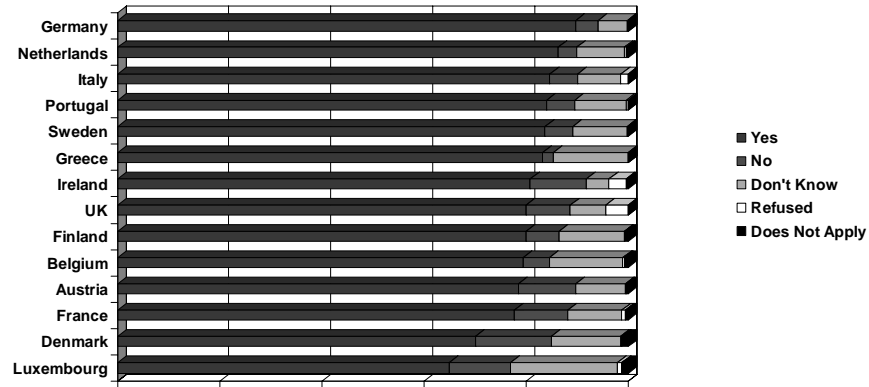


Do you think that imitations for the following goods are widely available in [COUNTRY:]?  
**Branded Watches**



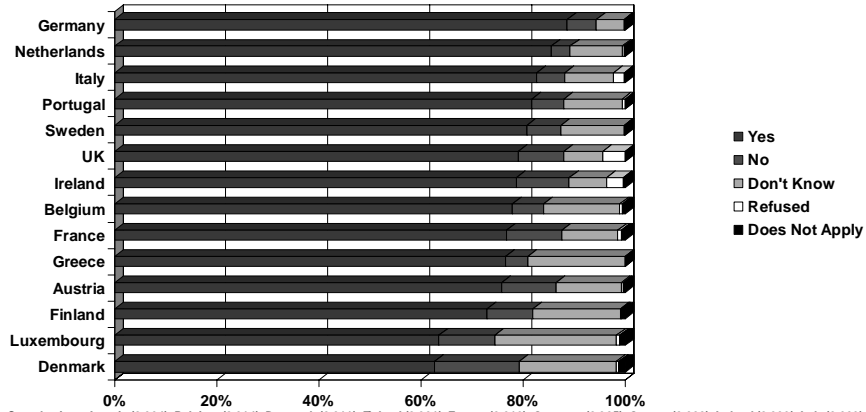
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [COUNTRY:]?  
**Music CDs/Audio Cassettes**



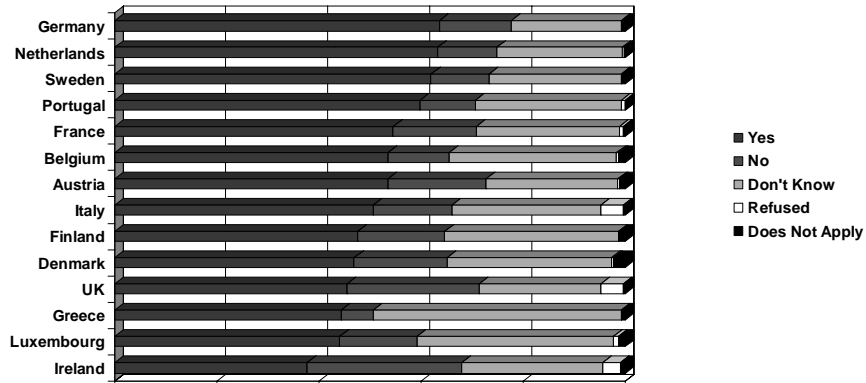
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [:COUNTRY:]?  
VHS/VCD/DVDs



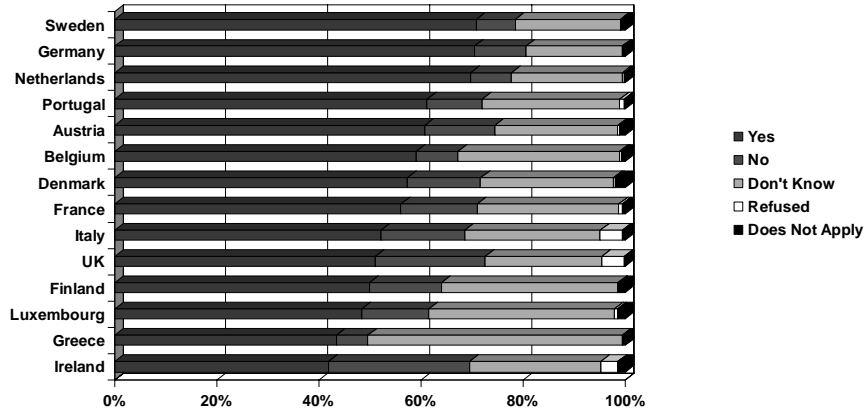
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [:COUNTRY:]?  
Computer Operating Systems (Windows, Mac)



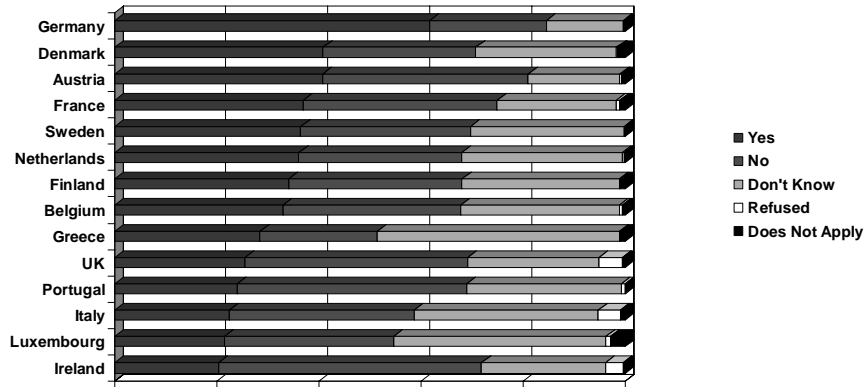
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [:COUNTRY:]?  
Computer Application Software (Word, Excel, Adobe, etc.)



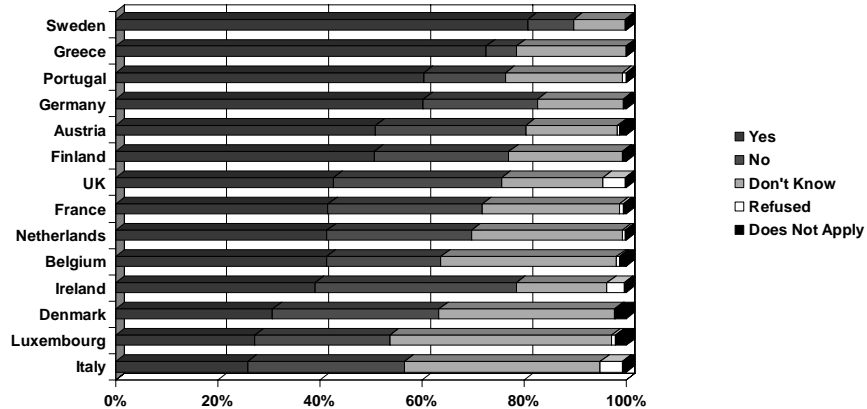
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [:COUNTRY:]?  
Pharmaceuticals and Medicine



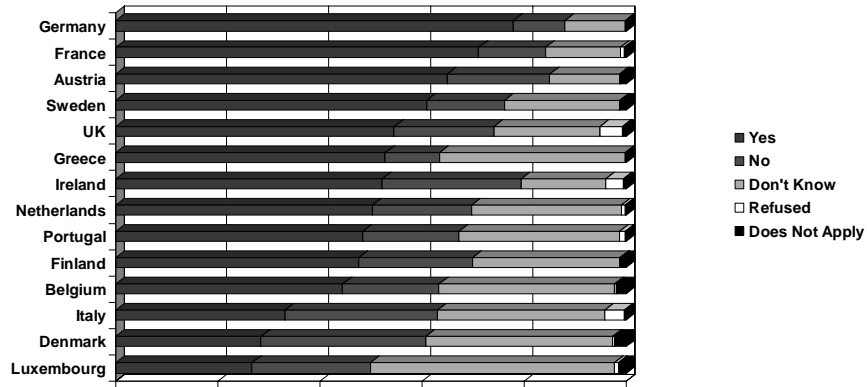
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [:COUNTRY:]?  
Alcoholic Beverages



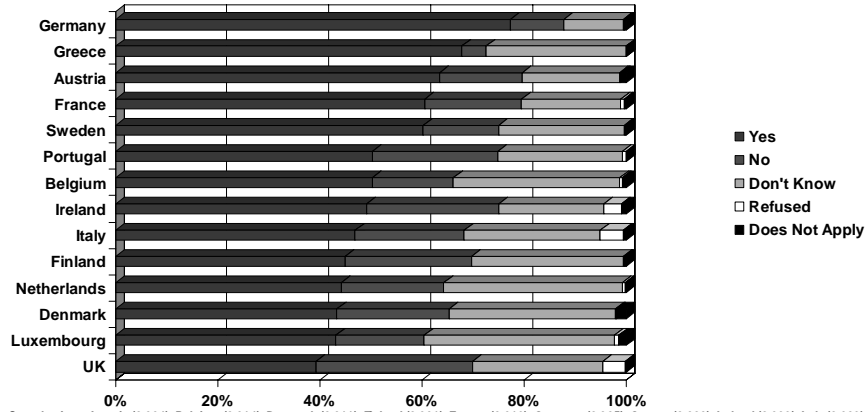
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [:COUNTRY:]?  
Tobacco



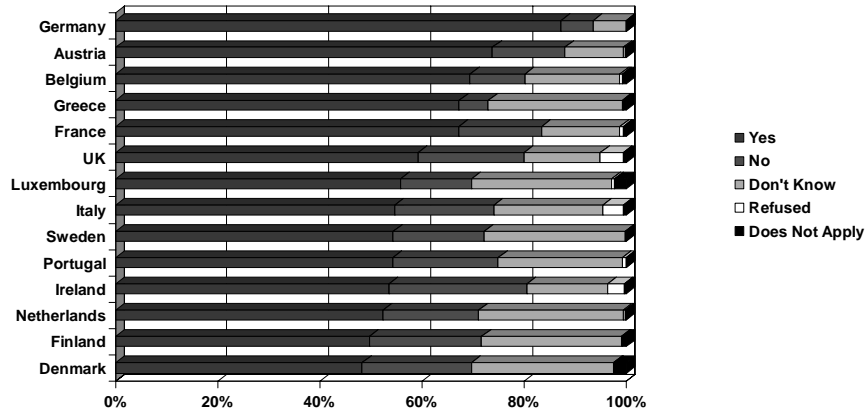
Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [COUNTRY:]?  
Tools, Auto Parts



Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

Do you think that imitations for the following goods are widely available in [COUNTRY:]?  
Jewelry

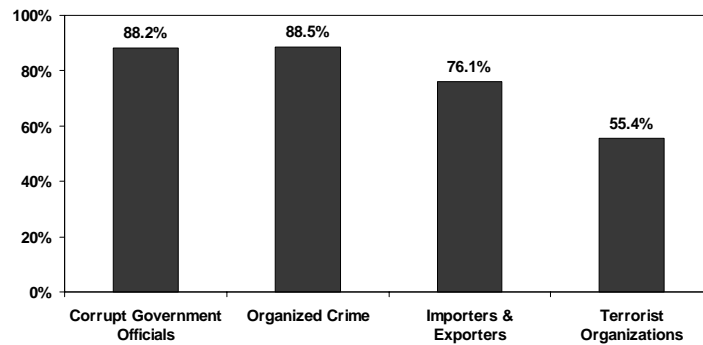


Sample sizes: Austria (2,004), Belgium (2,014), Denmark (2,011), Finland (2,001), France (2,016), Germany (2,025), Greece (2,020), Ireland (2,003), Italy (2,023), Luxembourg (800), Netherlands (2,010), Portugal (2,011), Spain (2,037), and Sweden (2,012)

## Methodology

- 1,008 completed interviews with Moscow residents – 18 years of age and older
- Interviewing conducted via Computer Assisted Telephone
- Margin of error based on 1,008 interviews is +/-3%
- Interviewing conducted during February 2005

## Groups Involved with Producing or Distributing Counterfeit Products (Moscow Residents)



*Q: Are the following groups involved with producing or distributing counterfeited products?*

