The Impact of Replicas and First-Copy Products on Authentic Products: An Exploration in the Apparel Industry

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Abstract

The purpose of this study is to find out the impact of replicas and first copies on authentic products. Replicas and first copy products are unauthorized and are designed to mimic the original products and confuse the customers. Replicas has a great influence on customer’s mind and this has a significant effect on the sales of authentic products. The reason for this is that consumers prefer to pay lesser amount for these replicas than paying premium for the original thing. Therefore, this has led to decrease in revenue of companies that produce these authentic products. However, there has been an argument about this as some of them state that replicas and first copy products would help in generate interest in particular brand and this can serve as a gateway for more expensive and premium purchases in the future. The impact of replicas and first copy products are therefore complicated and multifaceted and it depends on various factors such as consumer behaviour, market strategies and the overall health of the market. The fashion industry grapples with the pervasive issue of replicas and first-copy products, which undermine the authenticity and integrity of apparel brands. This abstract delves into the multifaceted impact of replicas on authentic apparel, considering perspectives from consumers, brands, and ethical considerations. Counterfeit alternatives tempt consumers with discounted prices, eroding brand identity and aspirational value. Brands face threats to intellectual property rights and reputation, while ethical concerns arise from exploitative labor practices and environmental degradation. By exploring motivations, vulnerabilities, and proposing mitigation strategies, this research aims to inform stakeholders and foster solutions in combating the detrimental effects of replicas on the apparel industry. By delving into the underlying motivations that drive consumer behavior, identifying vulnerabilities within the market, and proposing robust mitigation strategies, this research endeavors to provide valuable insights to stakeholders within the fashion industry. Through an informed understanding of the intricate dynamics at play, it is hoped that this study will catalyze collaborative efforts aimed at combating the detrimental effects of replicas and first copies on the apparel industry.

Keywords: Replicas, Apparel Industry, Counterfeit, Stakeholders.

1. Introduction

Replica and first-copy products pose a significant challenge to the apparel industry, blurring the line between authenticity and imitation while impacting various stakeholders in multifaceted ways. From a consumer perspective, the allure of discounted prices often associated with these replicas undermines the integrity of brands, diluting the value proposition of authentic products. The
diminished exclusivity and aspirational value of genuine items are further eroded by the availability of cheaper imitations, leading to a commodification of luxury and fashion. Brand and designer concerns are substantial, as these replicas represent a direct threat to intellectual property rights and brand equity. Beyond financial losses resulting from lost sales and market share, brands risk significant reputational damage due to the association with counterfeit replicas, potentially tarnishing their image irreparably. Moreover, the proliferation of replicas undermines the efforts made by brands to cultivate a unique identity and aesthetic, devaluing the creativity and craftsmanship embedded within their original designs. Ethical and environmental implications further exacerbate the challenges posed by replica products [1-3]. The production of counterfeit items often relies on exploitative labor practices and substandard working conditions, particularly in regions where regulations are lax and labor costs are low. Workers involved in the manufacturing of replicas are frequently subjected to long hours, low wages, and unsafe working environments, perpetuating cycles of poverty and exploitation. This exploitation not only violates fundamental human rights but also perpetuates systemic inequalities within the global fashion industry. Additionally, the environmental impact of mass-produced counterfeit items is profound, contributing to pollution, resource depletion, and environmental degradation. From the use of non-sustainable materials to the release of harmful chemicals during manufacturing processes, replica production exacts a heavy toll on the planet, further exacerbating the fashion industry's already substantial ecological footprint. Addressing the challenges posed by replica and first-copy products requires a multifaceted approach that encompasses legal, regulatory, and ethical dimensions. Strengthening intellectual property laws and enforcement mechanisms is essential to combatting the proliferation of counterfeit goods, deterring illicit production and distribution channels. Brands and designers must also prioritize transparency and sustainability across their supply chains, ensuring that ethical labor practices and environmental stewardship are integral to their operations. Collaborative efforts between industry stakeholders, policymakers, and advocacy groups are crucial in raising awareness about the social and environmental impacts of replica production and fostering a collective commitment to responsible consumption and production practices [4]. By aligning economic incentives with ethical and environmental considerations, the apparel industry can work towards a more equitable and sustainable future, where authenticity is valued, and imitation is no longer a viable alternative.

2. Methodology
The research aims to investigate the impact of replicas and duplicate products on the sales and brand value of original products in the market. Targeting individuals aged 15-60, with a primary focus on Gen Z due to their propensity for purchasing such items, the study employs random sampling to ensure fairness and minimize bias in participant selection. Data is gathered through a survey designed to capture participants' attitudes and behaviors towards replicas and authentic products. Utilizing a questionnaire as the research instrument, the study examines perceptions of replicas and duplicates alongside authentic products. Data analysis involves statistical methods to discern patterns and trends, aligning findings with the research focus [5]. Consequently, this methodology elucidates the effects of replicas and duplicate products on both sales and brand value in the market.

3. Objectives
- To understand the effects of purchasing duplicate products
- To examine consumer perception and preferences
- To quantify the satisfaction desired by consumers on using replicas

4. Reviews of Literature
Counterfeit purchases are one of the most serious problems facing luxury brand marketers (Poddar, Foreman, Banerjee, and Ellen, 2011). Luxury brands are losing over $12 annually because of these
counterfeit products. The impact of the counterfeit products has led to loss in jobs and has also negatively affected the government by reduction in tax revenue and has also led to sales of illegal products. Imitation of products comes in four categories namely: counterfeiting, piracy, imitation brands, and goods coming through gray markets (Gentry, Putrevu, and Shultz, 2006). With the improvement in technology these products are now easily available in the market at a lower price and therefore this is affecting the authentic products and brands negatively as consumers prefer these products as they are easily available (Gentry, et al.2006). Counterfeit products are the copying of original products and making it difficult for a common man to differentiate between the original and the duplicate (Maaz, Ali, 2020). Today counterfeiting is a major global industry and trillion-dollar problem and a significant threat to any brand or business. There are devastating effects of counterfeit products such as loss of sales revenue and profit margin, over production costs, fraudulent product warranty claims, product liability claims and brand and product reputation damage. “The Dark Side of Consumer Refusal: The Effect of Counterfeit Luxury Goods on Brand Image, Purchase Intention, and Consumer Loyalty” (Yoo, Lee, 2019). Purchasing counterfeit goods has a negative effect on the image of the brand, purchase intention, and loyalty of the consumer. Participants who purchased counterfeit products reported lower brand image and purchase intention compared to those who did not purchase counterfeit products. Additionally, participants who purchased counterfeit products were less likely to remain loyal to the brand in the future. “Consumer Attitudes and Purchase Intentions in Relation to Counterfeiting in Apparel and Accessories Industry” (Jaiswal and Sharma, 2016). Consumers’ attitudes towards counterfeits were influenced by several factors, such as brand loyalty, social status, and perceived quality. Consumers who reported higher levels of brand loyalty and perceived quality were less likely to purchase counterfeits, whereas those who valued social status were more likely to purchase counterfeits. The study also found that consumers who purchased counterfeit products reported lower satisfaction levels compared to those who did not purchase counterfeit products. “The Dark Side of Luxury Branding: Effects of Counterfeiting on Brand Equity and Consumer Sentiment” (Liu, and Li, 2018). Counterfeiting has a negative impact on brand equity, consumer trust, and purchase intentions. The authors suggest that luxury brands should invest in anti-counterfeiting measures and communicate their efforts to consumers to protect their brand equity and reputation. “The Impact of Counterfeiting on the Luxury Goods Market” (Pantano, and Peluso, 2017). Counterfeits can harm brand equity and result in a decrease in consumer satisfaction due to the negative impact on perceived value and quality. Additionally, the authors suggest that counterfeits can harm the reputation of luxury brands and result in decreased sales and profits. "The Impact of Counterfeiting on Genuine-Product Consumption” (Phau and Teah, 2009). The replicas initially grab attention in the market but have a negative impact on the genuine product market ultimately because of the risk which is associated with counterfeit goods and the decreased trust in market. “Counterfeit Luxury Goods: An Empirical Examination of Consumer Attitudes” (Martin, 2011). The attitude of the consumer on counterfeit of luxury goods in depended on the perceived quality of the goods and the norms which are surrounded socially and their consumption. Consumer who the replicas as low-quality goods are more likely to not purchase these goods and the people who give high value to authenticity and social status were more likely to purchase the genuine products. “Authenticity Matters: A Study of Consumer Perceptions and Purchase Intentions of Counterfeit Fashion Products” (Aditi Bhalla, 2019). The people who consider replicas or counterfeit products as products which are socially unacceptable and of lower quality are less likely to purchase these goods but the consumer who value authenticity and are concerned ethically are more likely to purchase the original products. “Why do consumers buy counterfeit luxury brands? A study
of consumption values, risk perception, and consumer ethnocentrism"(Chang, Park, Leem, 2018). That consumers buy counterfeit luxury brands because they value the brand image and product design, but are deterred by the high price of authentic products. Participants who purchased counterfeit luxury brands reported higher levels of consumption values (e.g., social status, aesthetic appeal) and lower levels of risk perception and consumer ethnocentrism (i.e. preference for domestic products). “Consumers’ Perceptions of the Counterfeit Brand Problem” (Campbell, and Kirmani, 2000). Consumers who purchased counterfeit products were less likely to purchase the original brand in the future. Additionally, consumers who were exposed to counterfeit products perceived the original brand as less valuable and unique. It was suggested that original brand owners should invest in education and communication to educate consumers about the negative effects of counterfeiting. “An Empirical Investigation of Consumers’ Attitudes and Behaviours toward Counterfeit Products”(Youngsoo Kim, Minjeong Kim, and Chankon Kim ,2012). That attitude of the consumers towards the replicas or the counterfeit goods is influenced by the perceived quality, price and social influence. The consumers who are more materialistic and are involved in fashion are more likely towards buying of replicas or counterfeit goods “Consumer Evaluations of Counterfeit and Genuine Products: The Effects of Counterfeit Type, Product Attributes, and Consumption Context” (Huang,Muncy 2015). That the satisfactions and evaluation of the customers for the counterfeit goods and genuine products were influenced by the type of counterfeit product, products attributes, and the context of consumption of the goods. Counterfeit goods that were perceived as less like original products received lower evaluations from consumers. Attributes of the products such as durability, design and functionality also influenced evaluations of consumers. "The Effect of Counterfeiting on Consumer Satisfaction with Original Products: A Field Study (Scholderer, Homburg 2007). The consumers who had purchased the counterfeit products and not the genuine products had significantly lower satisfaction with the original products than the consumers who had not purchased counterfeits and people buying the genuine products had to pay more than that of consumers buying counterfeit products. “Attitudes towards Counterfeits: An Empirical Study of Consumers in Germany”(Obermiller, and Hall, 2014). Consumers who purchased counterfeits reported lower levels of satisfaction, perceived quality, and brand loyalty compared to those who purchased original products. Additionally, it was suggested that counterfeits can have a negative impact on consumer trust towards the original brand, which can result in a decrease in consumer satisfaction. “The Impact of Counterfeit Products on Luxury Brands: An Empirical Investigation from the Consumer Perspective” (Brusco, Gray, and Robin, 2015). Consumers who purchase counterfeit products reported lower levels of satisfaction and loyalty towards the original brand. Additionally, the authors suggest that counterfeits can harm brand equity and result in a decrease in consumer satisfaction due to the negative impact on perceived value and quality. “How Counterfeit Products Harm Consumers and Companies” (McKinsey, 2017). Counterfeits can harm consumer safety; as counterfeit products are often not subject to the same safety regulations as original products. It can lead to job losses and decreased innovation, as companies lose revenue and are less likely to invest in research and development. It also harms brand equity and result in a decrease in consumer satisfaction due to the negative impact on perceived value and quality. These products can damage the reputation of a brand, and consumers who purchase counterfeits are less likely to buy from the brand in the future.

5. Findings
I have researched the impact of replicas and 1st copy products on authentic products and markets. I had 3 objectives while working on this research paper and I asked 3 questions for each objective I have targeted people who are above 15 years and more
than 60 years but my primary focus was on 15 years to 60 years age group and I have taken the responses as a primary data from them through google form and responses were collected through Linkert’s scale of measurement [6].

5.1 1st Objective:
To understand the effects of purchasing replica products

- **Significant differences between original and duplicate products:** Out of 55 people, 63.6% i.e. 35(Approx) people responded that there is a difference between original products and duplicate products always and they can recognize the difference each and every time, and 23.6% i.e. 13(Approx) people responded that often they recognize the differences between original and duplicate products, and 10.9% i.e. 6(Approx) responded that they can recognize only sometimes the difference between the original products and duplicate products, and 1% i.e. 1 people responded that he/she can rarely recognize the difference between original and duplicate products.

- **Quality regarding duplicate products and original products:** Out of 55 people, 61.8% i.e. 34(Approx) people responded that there is always a lower quality of the duplicate product as compared to the original product, the original product has superior quality as compared to the duplicate product, and 27.3% i.e. 15(Approx) people responded that often there is a difference in the quality of original product and duplicate product, and 10.9% i.e. 6(Approx) people responded that only sometimes they are able to find the difference in the quality of original product and duplicate product.

- **Experience negative consequences while using duplicate products:** Out of 55 people, 34.5% i.e. 19(Approx) people responded that they experienced negative consequences sometimes while using duplicate products, 23.6% i.e. 13(Approx) people responded that often they faced negative consequences while using duplicate products, and 18.2% i.e. 10(Approx) people responded that they always face negative consequences while using the duplicate product, and 14.5% i.e. 8(Approx) people responded that they rarely faced any negative consequences while using the duplicate product, and 9.1% i.e. 5(Approx) people responded that they never faced any negative consequences while using the duplicate product.

- **Ethics regarding purchasing duplicate products and 1st copy products:** Out of 55 people, 27.3% i.e. 15(Approx) people responded that they sometimes take care of purchasing a duplicate product and 1st copy product, and 23.6% i.e. 6(Approx) people responded that they often think about ethics while purchasing the duplicate product and 1st copy product, and 23.6% i.e. 6(Approx) people responded that they never think about ethics while purchasing the duplicate product and 1st copy product, and 9.1% i.e. 5(Approx) they rarely think about the ethics while purchasing the duplicate product and 1st copy product.

5.2 2nd Objective:
To examine consumer perceptions and preferences

- **Purchasing an original product is always better than a duplicate product and 1st copy product:** Out of 55 people, 50.9% i.e. 28(Approx) people responded that purchasing an original product is always better than purchasing a duplicate product or 1st copy product, and 23.6% i.e. 13(Approx) people responded that only sometimes they purchase a duplicate product and 1st copy product.
purchase the original product over duplicate products and 1st copy products.

- **Purchasing a duplicate product intentionally:** Out of 55 people, 23.6% i.e. 13(Approx) people responded that rarely they purchased a duplicate product intentionally, 29.1% i.e. 16(Approx) people responded that they never purchased a duplicate product intentionally, and 20% i.e. 11 people responded that sometimes they intentionally purchased a duplicate product, and 18.2% i.e 10(Approx) people responded that often they purchased a duplicate product intentionally, and 9.1% i.e. 5(Approx) people responded that they purchased a duplicate product intentionally.

- **Willness to pay for a product:** Out of 55 people, 38.2% i.e. 21(Approx) people responded that they are always willing to pay a higher price for the original product over a duplicate product that is available for a lower price, and 30.9% i.e. 17(Approx) only sometimes they are willing to pay a higher price for the original product over a duplicate product which is available for a lower price, and 21.8% i.e. 12(Approx) often they are willing to pay a higher price for the original product over a duplicate product which is available for a lower price, and 7.35 i.e. 4(Approx) people responded that rarely willing pay a higher price for the original product over a duplicate product which is available for a lower price, and 1.8% i.e. 1(Approx) people responded that he/she never had the willingness to pay a higher price for the original product over a duplicate product which is available for a lower price.

- **Duplicate products are for saving money:** Out of 55 people, 27.3% i.e. 15(Approx) people responded that they can purchase a duplicate product for saving money, 25.5% i.e. 14(Approx) people responded that always they can purchase a duplicate product for saving money, and 18.2% i.e. 10(Approx) people responded that often they to purchase a duplicate product for saving money, and 16.4% i.e. 9(Approx) people responded that never purchased a duplicate product for saving money, and 12.7% i.e. people responded that rarely they can purchase a duplicate product for saving money.

- **Preference to buy the duplicate product if the quality is the same as the original product:** Out of 55 people, 27.3% i.e. 15(Approx) people responded that they will always purchase a duplicate product if the quality will be the same as the original product, and 23.6% i.e. 13(Approx) people responded that only sometimes purchase a duplicate product if the quality will be the same as the original product, and 21.8% i.e. 12(Approx) people responded that they will never purchase a duplicate product if the quality will be the same as the original product, and 16.4% i.e. 9(Approx) people responded that often they will purchase a duplicate product if the quality will be the same as the original product, and 10.9% i.e. 6(Approx) people responded that they will never purchase a duplicate product if the quality will be the same as the original product.

### 5.3 3rd Objective:

**To quantify the satisfaction desired by consumers on using replicas**

- **Satisfaction from the original product:** Out of 55 people, 69.1% i.e. 38(Approx) people responded that they always get satisfaction from the original product, 23.6% i.e. 13(Approx) people responded that often get satisfaction from the original product, and 7.3% i.e. 4(Approx) people responded that only sometimes they get satisfaction from the original product.

- **Satisfaction from the replica or 1st copy product:** Out of 55 people, 36.4% i.e. 20(Approx) people responded that only sometimes get satisfaction from the replica product or 1st copy product, and 20% i.e. 11 people responded that often they get satisfaction from the replica product or 1st copy product, and 18.2% i.e. 10(Approx) people responded that rarely they get satisfaction from the replica product or 1st copy product, and 12.7% i.e. 7(Approx) people responded that they never get satisfaction from the replica product or 1st copy product.
satisfaction from the replica product or 1st copy product, and 12.7% i.e. 7(Approx) people responded that they always get satisfaction from the replica product or 1st copy product.

- **Durability of Replica products**: Out of 55 people, 34.5% i.e. 19(Approx) people responded that sometimes the replica goods are durable in nature, 29.1% i.e. 16(Approx) people responded that rarely the replica goods are durable in nature, and 14.5% i.e. 8(Approx) people responded that replica goods are never durable in nature, and 14.5% i.e. 8(Approx) people responded that often the replica goods are durable in nature, and 7.3% i.e. 4(Approx) people responded that always the replica goods are durable in nature.

- **Support or assistance from the seller or manufacturer of the duplicate product**: Out of 55 people, 32.7% i.e. 18(Approx) people responded that they never get any support or assistance from the seller or manufacturer of the duplicate product, and 27.3% i.e.15(Approx) people responded that rarely they get any support or assistance from the seller or manufacturer of the duplicate product, and 21.8% i.e.12(Approx) people responded that sometimes they get support or assistance from the seller or manufacturer of the duplicate product, and 3.6% i.e.2(Approx) people responded that they always get support or assistance from the seller or manufacturer of the duplicate product.

- **Availability of counterfeit products**: Out of 55 people, 30.9% i.e.17(Approx) people responded that often it is easy to find duplicate products and it saves time, and 23.6% i.e.13(Approx) people responded that they always it is easy to find duplicate products and it saves our time, and 21.8% i.e.12(Approx) people responded that sometimes it is easy to find duplicate products and it saves our time, and 16.4% i.e.9(Approx) people responded that they rarely it is easy to find duplicate products and it saves our time, and 7.3% i.e.4(Approx) people responded that they never easy to find duplicate products and it saves our time.

6. **Discussions and Suggestions**

The sale of duplicate/ replicas is not an ethical process, still its manufacturing is done. The sale of these goods has a negative effect on the economy, this includes the loss for the manufacturing that is producing authentic products. It can also result in the decrease in the consumer trust from the product market, as sometimes the buyer is unknowingly buying the products.

However, despite the legal and ethical concerns, the production and sale of these duplicate goods are likely to stay, and may increase in the future. The consumers feel that they are getting their product at a lower cost so they choose duplicate goods.

For preventing the sale of these products in the market, following steps can be taken-

- Block Chain technology can be developed more so that it can create a transparent and a secure system which can trace the originality, and the origin of production for the product.
- The government should conduct campaigns under which proper knowledge and education about the original as well as replicas should be conveyed.
- The government should enforce strict laws and regulations to stop its sale and production.
- Decreasing the sale of replicas requires a coordinated effort from all stakeholders. It is essential to implement strict laws and regulations, educate consumers, and use technology to prevent the production of replicas.

Generally, we can say that the future of duplicate products is uncertain, as it depends on various factors such as technology, consumer preferences, income of the consumer and the law enforcement capability of the government.

Here are some possible scenarios for the future of these goods:

- Growing demand in the market- as the middle class is emerging these markets keep on growing as the price of these goods are affordable for the middle class.
Shift towards ethical and sustainable consumption. This can decrease the demand for replicas and generate it for original product.

Not only business and the economy are affected by the consumer but also the consumers. There is positive as well as negative effects for the same. It is important for consumers to be aware of the risks associated with purchasing replicas and to make informed decisions when making purchases.

Cost savings- it is one of the primary reasons for buying replicas as it saves the cost as it is cheaper than the original good.

Lower quality product- the replicas are often of lower quality than the original product that is why it is available at a lower cost.

Safety concerns- products can be harmful. They can be made of harmful materials and chemicals. Example- a duplicate cosmetic can harm your skin as it may contain harmful chemicals.

Decreased trust in the market- the consumers who are not willingly buying the replicas then later they won't again trust the brand, for example the consumer purchased a shoe that was a replica product but he thought it was original then if something harmful happens to him, he would not trust the brand of the product again.

**Conclusion**

In conclusion, the issue of application first copy products impact on the market for authentic product is multifaceted and thus a deeper understanding of consumers behaviour, preference and legal implications is required. We aim to understand the fact of purchasing duplicate products, consumers, perception and preference and the satisfaction derived from using replicas through research. According to our findings the increase in demand for replicas and first copy product is derived and by cost consideration as the replicas serves as an affordable alternative to the luxury products. We have observed that the rise of these imitations had a significant impact on the authentic products market and it delivers their exclusivity and value.

Consumers may not see the value in paying a premium price of product that is no longer exclusive. Are you search also indicates the consumer’s perception and preferences are critical factors in the purchase of replicas and first copy products. Often consumers believe that the first copy products provide a similar experience as the national product at a comparatively affordable price and satisfaction derived from using these products. It is often not same as using the original product. Overall, research shows that the issue we are addressing is very complex and requires a multifaceted approach [7]. The focus of luxury brand should be on creating products that are harder to replicate and our exclusive while investing in more effective anti-counterfeiting measures. Additionally, awareness campaigns for the education and awareness of consumers can help to debtor consumers from buying replicas and first copy products which will ultimately protect the market for authentic products.

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