

CHAPTER I

INTRODUCTION

1.1 Background of Research

Counterfeit products are very phenomenal. They are produced, distributed, and spread in all over the countries. Counterfeit products are illegal, low-priced and often lower quality replicas of products that typically possess high brand value (Mourad, 2011). Counterfeiting is a deliberate attempt to deceive consumers by copying and marketing inferior products through emulating the style, design, and packaging of more expensive elite brands and offering them at a lower price (Kotler and Keller, 2014).

Stravinskiene et. al (2013) stated that during the economic crisis, when consumers' income has dropped, a large proportion of consumers began looking for ways to obtain the same or similar consumer products at a lower price, while maintaining their consumer behaviour. For the result, this situation has increased the intention of the customers to buy counterfeit products. Many studies has subsequently investigated the demand for counterfeit products addressing a variety of possible causes of consumer complicity, include the positive attitude towards counterfeit products (Bian and Moutinho, 2009).

Customer purchase intention is influenced by internal and external factors. Occupation and income are included to internal factors that is one of the factors that influencing customer purchase intention (Siddiqui, 2014). Meanwhile, gender is the most important factor among all the factors that influence the consumers buying

decision. Various studies proved significant differences regarding purchase behavior and gender differences. Gender has an important role in customer behaviors. Because, the differences between men and women about expectation, want, need, life-style etc. reflect to their consumption behaviors (Akturan, 2009). The study in French to more than 700 adults (Helga, Karen, & Rosie, 2004) said that women are much stronger buying involvement than men did, particularly in terms of emotional involvement whereas women were high on quality and efficiency.

This research will be observed in the career women perception, due to the rising education level and increasing in the number of career women. The word career is defined by Oxford English Dictionary as a series of jobs that a person has in particular area of work. Meanwhile career women is a women who engaged in professional activities. The definition of career women itself, according to Collins Dictionary, is the women whose main priority in life is achieving success in her profession.

The purpose of this research is to investigate the influences of Perceived Financial Control (PFC) of career women towards Attitude (ATT) on their Purchase Intentions (PI) of counterfeit perfume among career women in Padang City. Due to the rise of interest of costumers against counterfeit products. Perfume is one of product that often has prestigious prices tied with quality to attract consumers, which (as often seen with high-priced products) arouses the interests of counterfeiters to copy the originals. Perfume comes in many fragrances offered to the customers. Fragrances have their own characteristics in order to match with the various tastes, moods, and occasions they may want them for. Perfume also can reflect certain life-

styles (Turk & Saerang, 2015). Other supporting factor is counterfeit perfume is very burst out in Padang. Moreover, Padang has a counterfeit perfume store that are very well-known such as Azwa, Perfume Bandung, Rahmi n Son, and also there are many grocery store that sells counterfeit perfume in their store. Counterfeit perfume customers are coming from various levels of income include career women.

1.2 Problem Statements

Based on research background, this research wants to analyze the effect of perceived financial control towards customers' attitude on purchase intention of counterfeit perfume. The research background brings out 4 research questions. Thus, the research questions are :

1. How is the effect of perceived financial control towards customers' attitude?
2. How is the effect of customers' attitude towards customers' purchase intention of counterfeit perfume?
3. How is the effect of perceived financial control towards customers' purchase intention of counterfeit perfume?
4. How customers' attitude mediates the effect of perceived financial control and customers' purchase intention of counterfeit perfume?

1.3 Objective of Research

Based on the problem statement, the objectives of this research are:

1. To analyze the effect of perceived financial control towards customers' attitude.
2. To analyze the effect of customers' attitude towards customers' purchase intention of counterfeit perfume.

3. To analyze the effect of perceived financial control towards customers' purchase intention of counterfeit perfume.
4. To analyze how customers' attitude mediates the effect of perceived financial control to customers' purchase intention of counterfeit perfume.

1.4 Research Contribution

This research is expected to contribute on:

1. For company to know how is customers' attitude towards purchasing intention of counterfeit perfume from their perceived financial control.
2. For Literature and Next Studies. The result can be used as a guidance to the next research related to perceived financial control, attitude and purchase intention.

1.5 Scope of Research

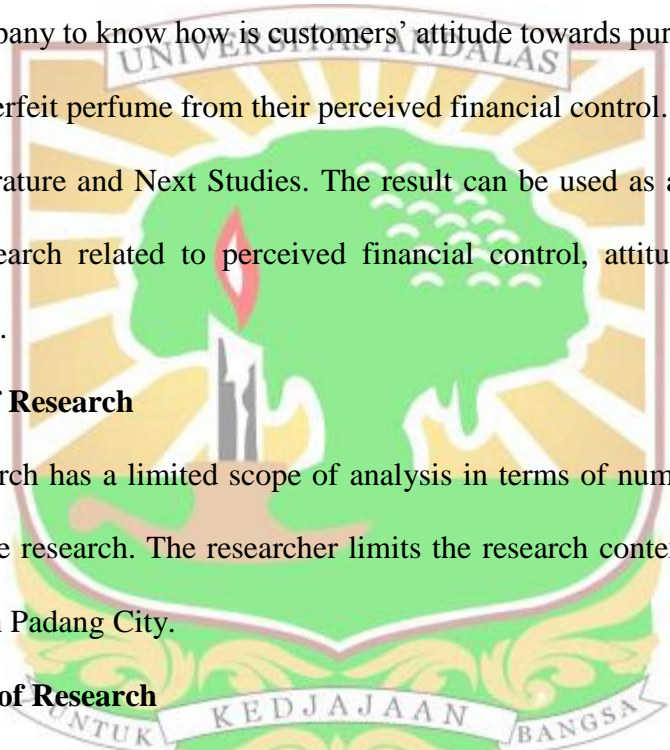
This research has a limited scope of analysis in terms of numbers of variables and object of the research. The researcher limits the research context by focusing to career women in Padang City.

1.6 Outline of Research

In order to make it easier and make moderate the forwarding of content, this research is divided into five chapters:

CHAPTER I Contains about background of the research, problem statements, objectives of research, contributions of research, scope of research, and outline of research.

CHAPTER II This chapter contains the literature, theory, and last research related to this research. This chapter also contains the literature



that evaluates variables of this research, which are perceived financial control, customers' attitudes, and purchasing intention, and also this chapter contains theoretical framework of this research.

CHAPTER III This chapter contains the explanation about research method which are research design, population and source of sample, type of data and variable measurement, research variables, operational definition, data analysis, test of instrumental, structural model test, and hypothesis testing.

CHAPTER IV This chapter contains the explanation about results and consist of characteristics of respondents, descriptive analysis, structural measurement of the influence of perceived financial control to purchasing intention by using customers attitude as a mediator on purchasing counterfeit perfume by career woman in Padang

CHAPTER V This chapter explains about conclusion of the research, implication, limitation and recommendation for further research.

