

**Curtin** 

Singapore

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**Advertising (Account Planning) 340**

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Focus Group Transcript and Analysis

**Combatting Counterfeits**

**GUCCI**



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## Focus Group Information

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Duration:	1 hr 8 mins + 10 mins break
Moderator 1:	Michelle Tay
Moderator 2:	Ariel Chia
Assistants:	Amanda Lim, Ying Xuan and Tiara Chen
No. of Participants:	11 (5 males, 6 females)
Name of Participants:	Kelvin (P1), Joshua (P2), Nicole (P3), Sharon (P4), Yong En (P5), Steven (P6), June (P7), Li Yun (P8), Glen (P9), Evie (P10) and Samantha (P11)
Special Notes:	Samantha (P11) joined the focus group only after the break but was briefed separately beforehand.

## Focus Group Transcript

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### 1. Introduction (1:39 mins)

**Moderate 1:** Alright. Okay guys. Hello, my name is Michelle. These are my colleagues Ariel, Amanda, Tiara and Ying Xuan. Thank you all for coming down here 'cause I know it's a little bit of a hassle. So we'll actually be doing a little bit of research so we'll be taking some notes, we'll also be doing some video recording. It's not to put any video on Facebook or what so ever. It's for our own research purposes only. So basically, we are here to gather opinions and feedback about counterfeiting of luxury goods. We have all of you here, the experts – the luxury goods users to uh actually find out uh to what extent you would actually go out to, to combat counterfeiting. I'll try to keep this session within 1 hour and so just feel free to give us your opinion. There is no right and wrong answers. We're here to learn from you. You all don't feel like you have to talk to us directly, you can just interact with the group. Yup. We're just here to learn from you. So before we start off, does anyone have any questions?

[Everyone signaling to proceed]

**Moderator 2:** Does uh everyone uh has a sheet of paper?

[Everyone checking]

P4: Uh, I don't have.

Assistant: Do you have a pen?

P4: Yah, I have a pen.

### 2. Warm Up (1:53 mins)

**Moderate 1:** Okay, so if you don't mind can you may write in your name here. [Pointing at the paper]

You don't have to write your full name, just a name to indicate. Yup. So because we are doing a little recording, so can I ask, you know, kindly ask, you guys to kind of silent your phone or something. Yup. Thank you.

[Everyone checking phones]

**Moderate 1:** Alright. So before we begin, we'll just do an introduction so that everyone will know who each other is. So starting off with you. [Pointing to extreme right guy] I mean maybe you can tell us your name and your favorite brand or your preferred luxury brand.

P1: Okay, uh, I am P1. So no particular in favor. I get something I that like usually by browsing around. Yah.

**Moderate 1:** Oh...

P2: Okay, I am P2. My favorite brand is Tag Heuer.

P3: I am P3. Lately I think Kate Spade is like... nice. Quite youthful.

P4: Hi, I'm P4. I don't have a particular brand that I like.

P5: Uh hi I'm P5. And same, I don't really have a particular brand I usually like.

**Moderate 1:** Right.

P6: Uh my name is P6. Me too, I don't have a particular brand.

P7: I'm P7, no particular brand as well.

**Moderate 1:** Alright.

P8: P8, uh... Marc Jacobs.

**Moderate 1:** Okay.

P9: Hi, my name is P9. Uh... I like Hugo Boss and Massimo Dutti. [Contemplating] However you spell uh... pronounce it. Uh... somewhere along that lines.

P10: Uh... P10. Yah I like Chloe.

**Moderate 1:** Chloe...

P10: Yah. [Nodding]

### 3. Awareness of Counterfeits (18:13 mins)

**Moderate 1:** Alright. Now that I kind of know that maybe all of you know what luxury brand is and what counterfeiting is. So we just start off with the first question. What are the luxury brands that come to your mind when people say counterfeiting? Like counterfeit goods.

P2: LV.

**Moderate 1:** LV.

P3: Gucci.

**Moderate 1:** Gucci.

P4: Chanel.

**Moderate 1:** Chanel.

P8: Burberry.

**Moderate 1:** Burberry.

P3: Ferragamo.

**Moderate 1:** Ferragamo. P10? Do you have any? [Probing]

P10: Uh... Not really I don't have much idea. Coach is it? [Contemplating]

**Moderate 1:** Coach. Oh okay...

P1: Counterfeit watches.

**Moderate 1:** But like... [Probing]

P1: Like Tag Heuer, Rolex.

[Some nodding in agreement]

**Moderate 1:** Mmmm. [Nodding]

P2: But normally the parts inside change only. The outside is still the same la. [Responding directly to P1]

P1: Or the face. [Replying to P2]

**Moderate 1:** So but which, out of all the brands, like LV, Gucci, Chanel, Burberry, Ferragamo, Coach, Rolex and Tag Heuer, which one of those do you think are like most, have the most counterfeits?

**Moderator 2:** Or the most presence in counterfeiting?

P1, P2: LV.

All: LV... [Laughing]

P4: Gucci... LV, Gucci, Chanel.

**Moderate 1:** Alright. Does everyone agree LV, Gucci, Chanel?

[Everyone smiling and nodding in agreement]

### **Projective Technique 1: Identifying Originals and Counterfeits (Appendix A)**

Beginner: (Picture 1) Packaging and delivery of goods

Intermediate: (Picture 2A and B) Quality of workmanship.

Advance: (Picture 3A and B) Quality of prints and workmanship based on knowledge of previous example.

**Moderate 1:** Alright. Okay so now, you have you booklet here right. [Raise booklet] We're going to see if you can actually identify an original and a counterfeit. So look at picture 1. [Showing picture 1] Can you tell me whether this is a counterfeit or an original?

P1: Counterfeit.

[Everyone echoing similar response]

**Moderator 2:** Anyone says it's original?

P2: I can't tell...

[Everyone bursting out in laughter]

P4: Have to feel right? [Giggling]

**Moderator 2:** Okay 1 can't tell. Anyone else?

**Moderator 1:** So, can I say that all agree? That it's a counterfeit.

[Sounds and signs of agreement from everyone]

**Moderator 1:** So can you tell me why, what are the telltale signs?

P1: Price tag. [Giggling]

**Moderator 1:** Price tag? [Probing]

P1: There's a *pasar malam* (market) price tag on it.

[Everyone laughing in agreement]

P9: The way they package it.

**Moderator 1:** The way they package it.

P9: Packaging.

**Moderator 1:** Anything else? [Probing]

P7: I think the real goods don't come with plastic wrap around it.

[Sounds of agreement]

**Moderator 1:** Okay. Alright. Very good. This is a, it's right, you're all right, most of you. Uh... It's a counterfeit Chanel. So we move on to something harder. [Indicating to participants] There is 2A and there is 2B. So which on these, A or B is a counterfeit?

**Moderator 2:** Just flip to it and then raise it up.

**Moderator 1:** When I count to 3 just raise up the one that you think is genuine.

**Moderator 2:** Yup, we'll give you all a minute.

[Everyone studying picture 2A and 2B carefully]

**Moderator 1:** Okay, so on 3, you'll raise up the one that you think is genuine. 1, 2, 3...

[Everyone raising up their booklets]

P4: What do you mean raise?

**Moderator 1:** Like raise up the one that is genuine. [Raising booklet as exemplar]

P4: I say 2A is genuine.

**Moderator 1:** A is genuine... so how many of you think A is genuine.

Moderator 2: Raise it up...

[P1, P3, P4, P7 and P8 vouched for A]

**Moderator 1:** Why do you think it's genuine? Those who said it's genuine. [Probing]

P3: The threading...

**Moderator 1:** The threading, okay.

P4: The pattern of the leather. As in when you cut the design, the fabric or whatever the material this is not symmetrical [Pointing at 2B] whereas this is symmetrical [Pointing at 2A].

[Probing] Uh huh, yah, P8 said it was uh original?

P8: I agree with the threading and the color.

**Moderator 2:** The color. Any others? [Probing]

P4: The metal plate that has the Louis Vuitton. I mean just based on the photo, I think this has a smoother finish than this one. [Pointing at picture 2A then 2B] But I don't know, I'm not the expert so...

**Moderator 1:** So those of you who think otherwise, who think this one is genuine, why do you think it's genuine? [Raising picture 2B] Show of hands again?

**Moderator 2:** Don't doubt yourself.

[Everyone bursting out in laughter]

P9: I think the shapes, maybe the picture might not be that clear but. The shapes of 2B is much more clearer, not blurred out like 2A. I know they are different coloring but 2A is like some of it is either used up. These... they are all new is it?

**Moderator 1:** Mmm. Yes.

P9: I mean it kind of looks like the coloring is off and comparing to this one... [Looking back to 2B] and uh... [Contemplating] Pretty much that's what made me made that judgment la.

**Moderator 1:** Okay, what about P10?

P10: Uh... I don't know anything about threading, but the threading here looks quite nice. [Pointing at 2B] I mean, I don't know...

**Moderator 1:** Okay. P6, P5.

P6: I was trying to look for the threading as well. But I couldn't find a difference so... I'm just thinking of the emotions about the style, but I thought this one was more genuine [Referring to picture 2B]

**Moderator 1:** Yeah right, okay P5...

P5: Yeah like P9 said, the patterns also more clear and the leather more symmetrical. This area, this area [Pointing across picture 2B] as compared to this because you can see

like this is a big bigger at the bottom. [Scrutinizing picture 2A] Yeah so I decided this is more [Pointing back at 2B]

**Moderator 1:** P3 you said this one? You said the the... B right?

P3: I said A.

**Moderator 2:** Anyone else said B?

P2: Yes, I said B.

**Moderator 1:** Why you said B? [Probing]

P2: I think for the buckles right, okay because they are branded bags I assume the should be sealed in, judging from this picture per se, I think the B picture, screws are sealed in. And secondly, like what P9 said earlier about the threading issue. Well I see uniformity in the whole bag, compared to A which is negligent on that. And if you're original I feel your LV sign, you shouldn't be afraid to show it. Yeah, it's much clearer in B than A. But that could possibly be printing also.

**Moderator 1:** P1 which one?

P1: I took A. If you look at the flap over here compared to B [Pointing at picture 2A]. There's pretty much crease here [Pointing at picture 2B]. So I don't think... LV as a luxury brand will produce something of quality that will never crease.

**Moderator 1:** Alright, thank you. So which one is real? This one is real. [Raising picture 2A] Because uh, of the fabric and the symmetry, that's like the biggest telltale sign. Because for all LV goods right, they always align the fabric, the pattern and the monogram to the seams. Yah, it's not going to be perfect but it will be more aligned.

[Everyone re-observing picture 2A and 2B]

**Moderator 1:** Because if you see for this one right [Showing picture 2B] it actually goes upwards. So when you look at the flap here and here, it's not very... They try to make it as symmetrical as possible.

[Sounds of agreement]

**Moderator 1:** Okay now we'll go on to something even harder, 3A, 3B. So, again I'll give you some time to identify which is genuine.

[Everyone studying picture 3A and 3B]

**Moderator 2:** Okay. We'll give you all another 15 seconds to make a choice. Okay...

**Moderator 1:** Alright so how many of you say that this one is genuine. [Showing picture 3A]

**Moderator 2:** Show of hands, lift it up... [Everyone say "your top"] 1, 2, 3... 4.

[P1, P7, P9 and P10 vouch for picture 3A]

**Moderator 1:** For those of you who say this is genuine, why, why is it so? [Probing]

P1: Okay, so you look at the threading, the one on B on the left hand side. Left hand side

here it's not straight. [Pointing to picture 3B] The color of A is more aligned to the original Gucci. So that's like the 2 telltale signs.

**Moderator 2:** Uh, P10 you said 3A right?

P9: I also said 3A.

**Moderator 1:** Did anyone else say 3A?

[P7 raising her hand in response]

**Moderator 1:** Why do you think? [Probing]

P7: The same, the threading. Because the threading on A is very very straight whereas uh the one on B is, the finishing is not as smooth as well.

P9: Same.

**Moderator 2:** Okay anyone has a different answer? [Probing]

P10: Overall I can't tell the difference. Overall it looks real to me.

**Moderator 1:** Is it because of the way it was being displayed? [Probing]

P10: I... uh... I have no idea... [Contemplating]

**Moderator 2:** Just the overall look? [Probing]

P10: Yah.

**Moderator 1:** So those of you who think otherwise, why do think this one is genuine? [Showing picture 3B] B is genuine?

**Moderator 2:** All those who said B. Show of hands?

P3: For me, it looks nicer. [Nodding]

**Moderator 1:** It looks nicer? [Probing]

P3: Somehow... the prints.

P2: I mean just now in front you all emphasize a lot on symmetry. So symmetrically right, this A right, the black part right, between these the golden stripes are actually horizontal whereas in B, in a way more vertical. Looks to me la. And then second, talk about the buckle, well I think B finishing looks more impressive. Yah.

**Moderator 1:** Who else thinks B?

P4: I think B too.

**Moderator 1:** Why is that so? [Probing]

P4: Like I said the buckle and the finishing seems smoother. And uh... the logo... the small one is usually... the real one seems to be smaller than the fake ones, usually in the market...

**Moderator 2:** Anyone else have a different opinion? Anything to add on... P6?



P6: Uh the pattern, the threading as well as seems more straighter for me. Also the stripes seem more clearer. And the buckle part also seems more clean. Yeah that's it.

**Moderator 1:** P8, what do you think?

P8: I think the logo on the B seems more clearer and nicer.

P4: There's no runs on the prints. [Scrutinizing picture 3B] The other one actually has runs.

P2: Oh yah, that point is a good point.

**Moderator 1:** So which one is real? This one is real. [Showing picture 3B]

P9: Huh... I get both wrong. Tsk... [Giggling]

[Everyone bursting out in laughter]

P9: Because I always buy counterfeit...

[More Laughter]

**Moderator 1:** Yeah because, when you look at it right, the prints is one thing, the other thing is, the symmetry of the stripes. It looks very close at first I got it wrong too. Then I went to actually scrutinize the thing then realize this one is real [Referring] cause on so many levels because, threading is one thing, the way it's made is the other thing. So besides looking at the material, the make of it and the workmanship, do think there is any other thing that can help you identify uh... a genuine product from a counterfeit one?

P1: For watches, the weighted.

P2: Yeah watches, weight.

**Moderator 1:** What about your authenticity card? Do you check for that? [Probing]

P4: That can be fake too.

[Sounds of agreement]

P2: Atmosphere, like the place you buy it.

**Moderator 1:** You mean the vendor, the seller? [Probing]

P2: Ah... yes.

**Moderator 1:** So do you look at the materials first, for you guys do you look at the materials first or do you look at the shop first?

P2: Shop la! Because you have enter the shop first then you can buy the thing what!

[Everyone bursting out laughing]

P9: Shop first, shop first. [Nodding]

**Moderator 1:** So can I say that the biggest telltale sign to whether it's genuine or not is the shop? [Probing]

[Everyone nodding in agreement]

P8: It's where you're buying from.

P9: Where. [Nodding]

P1: I think if you get it from a boutique, I don't think there is any issues. Like Gucci alone, there wouldn't be a fake Gucci shop. But let's say in China... [Contemplating]

P2: How about uh warranties? I don't know if bags they have but I know watches they have la.

P1: Bags they have.

P3: I heard for warranties or something for LV or something, if it's real, you cut up the leather, inside there will be the real tag. But it's really scary cause you need to cut up the real thing so...

**Moderator 1:** Well it's worth it, you cut up and you sew it back.

[Everyone bursting out in laughter]

P10: The smell of it? I don't know...

**Moderator 2:** Anyone else? How can you differentiate? [Probing]

P2: The way it's packaged.

**Moderator 1:** Any different answers? [Probing]

P7: I think like the zippers and all right, the fake ones usually the zippers are not that smooth as the real ones.

[Everyone nodding in agreement]

P2: How about the terms in durability. Like for example if you take a fake Samsonite and you throw it down, it'll get damage but if you throw the real one down it won't get damage. That's because of durability.

**Moderator 1:** Actually this one is very subjective because it depends on how much damage is being done to it.

P2: I mean the same amount. Let's say if you put it to the test with the same amount?

**Moderator 1:** To a certain extent, let's say, for like LV right, their trunks are like waterproof, so it can stand in the rain. You know your stuff won't get wet.

P2: But for the counterfeit is it waterproof?

**Moderator 1:** Uh, no because it is very expensive to coat that you know waterproof coating.

P2: So possibly that could be one of the factors. [Contemplating]

**Moderator 1:** So, it's not something you can tell from your eyes. So the ones you can tell from your eyes that I learned from you is the vendor, the make of the product, the design, the printing, the way it's being packaged and the way it's being sold la. Alright so where do you obtain all these information from to learn about counterfeits, like how to identify the

counterfeits?

P5: Friends... who buys all these stuff. More or less you know what it is real what is fake.

P8: Discovery Channel.

**Moderator 1:** They actually do have a....

P8: Yah yah. I'm sure they are fighting on these counterfeit things. So actually they have like a hidden camera showing like people selling counterfeits in China. So, yah I think it can help me find out whether which one is the fake one and the real.

**Moderator 1:** Anything else? [Probing]

P7: Through travelling. When you go out they will judge you on your appearance and ask you whether, "You want Rolex Rolex" and then they will bring you other stuff. And then after that they will ask you, "You want A grade or B grade". [Giggling]

P9: Where you buy your goods is the most relevant factor to determine whether is it fake or real. If you buy from an outside store definitely it will most likely be fake.

**Moderator 1:** But how about, let say, when you buy online?

P9: Well I don't really buy online... So...

**Moderator 1:** So for those of you who... Have any of you bought genuine or branded stuff online?

[P8 raising hand]

**Moderator 1:** So how do you know whether it's real? [Probing]

P8: Through reviews of the website whether it's reliable.

P9: The whole packaging la.

P7: And I think you can also tell by the price because usually if you buy online it's a discounted price. If it's fake the price will be really absurd compared to the original.

P9: I think the packaging on how the online retail store give to you also counts in. Also if they give it to you as just the bag. There is something suspicious because if you bought it...

P8: I think it's uh also through experience, if you buy the, uh okay if you *suay suay* (unfortunately) buy the counterfeit, then you will realize it's very different when you use it. The durability. So maybe it's through experience.

P4: It's a feel of it, once you use luxury goods you tend to know. The minute you look at it you know.

[Sounds of agreement]

**Moderator 1:** P1, P2?

P2: I don't know to me, I think it's more on the feel.

P1: Instinct la...

#### 4. Attitudes towards Counterfeits (29:15 mins)

**Moderator 1:** Can I say that your instinct is based on more, I mean visually, through experience?  
[Probing]

P1: Through years of travelling, you take a look at the real thing right, you will roughly can, you will know...

**Moderator 1:** Okay. Say for example some brands that have been counterfeited overwhelmingly or something in that matter...

**Moderator 2:** Like your LV, Gucci and Chanel....

**Moderator 1:** Would there be any brands you would stop supporting because of counterfeits and why would you do that?

P9: Uh, I don't think I'll actually stop.

P10: I guess it looks bad. I mean people might question the authenticity of it.

**Moderator 1:** You mean they will question you for the authenticity of it? [Probing]

P10: Yah, they will be like, "Oh is this fake, oh it must be fake."

**Moderator 1:** You don't like that? [Probing]

P10: I guess nobody likes that.

[Everyone smiling in agreement]

P9: Actually what she say is kind of true. If it's so easily counterfeited, means more and more people can just buy it. And I do not like it if there's a lot people using the same thing that I'm using.

**Moderator 1:** Loss of exclusivity? [Probing]

P9: Let's say if I buy this bag or wear this clothe, and so then many people are wearing the same thing, I'll be like, I don't like it la.

**Moderator 1:** But would there be like a brand which you stop or you have stopped supporting because of that? [Probing]

P9: No, not really.

**Moderator 2:** Or won't consider, or you consider at first but after you see like so many counterfeits you stopped. [Probing]

P9: I probably won't buy that particular design but I wouldn't stop buying that brand.

**Moderator 1:** Just the product is being counterfeited? [Probing]

P9: Yes.

P8: Actually I won't stop even though they counterfeit so much, because uh the main thing is that if I buy the luxury good it's for the durability. If I buy a real one, if it really can stay and I can use for so many years. It's no problem.

**Moderator 2:** P7?

P7: No effect on me at all.

**Moderator 1:** No effect? [Probing]

P7: No effect. [Shaking head]

P4: I have stop buying the 2 brands that we looked at, purely because

**Moderator 1:** LV, Gucci? [Probing]

P4: Yah, I think the quality has gone down. Because of the over demand, and then they cannot provide fast enough. I think the quality has dropped. So I have stopped buying these 2 brands. But not because of the counterfeits.

[Everyone nodding in agreement]

P4: It's true, yah...

**Moderator 1:** What about P6?

P6: I don't really support, I think it's a matter being actually more careful of counterfeits. But I hope that brands and the companies take some passion into preventing counterfeits. I actually hope that it's possible.

**Moderator 1:** P5?

P5: Actually I never stop buying any particular and I don't think that I'll ever stop buying a particular brand. 'Cause I like it la, so I'll buy the real thing. I don't care what they say lo.

**Moderator 1:** So you're loyal to it, doesn't matter whether it's counterfeited or not. [Probing]

P5: Yah, it's doesn't matter to me, as long as I know in my heart that it's real. So whatever.

**Moderator 1:** P3?

P3: For me I don't think that there's any brand there yet, that I would fully stop buying. If I really like something, I'll go ahead.

**Moderator 1:** P2?

P2: Well I think if they want to counterfeit your product then let them carry on, it doesn't matter to me personally. 'Cause if you want to buy a luxury bag it's for yourself what, who gives a damn what other people say.

**Moderator 1:** P1?

P1: Probably like what I said earlier, I don't really have a particular preference. Whatever that catches my eye I'll just get it. But personally I would still steer away from LV.

**Moderator 1:** Right. Can I say that most of you would kind of steer away from that brand or a product that has been counterfeited overwhelmingly?

[Some nodding in agreement, many are contemplating]

**Moderator 2:** Or the design that has been counterfeited...

P1: I think LV is one brand that where the counterfeits are the most closely related to the original quality, so it's getting quite common on the streets.

**Projective Technique 2: Sentence Completion (Appendix B)**

When I see a counterfeit vendor, I would \_\_\_\_\_.

Why would you do so?

**Moderator 1:** So now lets just do another exercise, so on your booklet you have, like the last page you can just fill up and answer here. When I see a counterfeit vendor whether it is an online store or a physical vendor what would you do in that instance?

**Moderator 2:** Yeah, just write down.

**Moderator 1:** Just write down what your immediate action would be...

P7: Do nothing. [Giggling]

P4: Just check out. [Giggling]

P7: I should consider. [Giggling]

[Everyone writes]

**Moderator 1:** Okay? Just finish up your last sentence. We will first start with P10, what did you write just share with the group.

P10: I have very impartial feelings, so erm maybe just frown and walk away if the vendor is being very persuasive and irritating.

**Moderator 1:** And why would you do that, like frown and walk away? [Probing]

P10: Cause if he being very pushy then anyone would frown right?

P9: Erm, I would avoid it, unless they are selling something that might interest me because counterfeit wise I don't mind taking a look and buying for functional sometimes usage, certain usage I might use it. I am not exactly a very brand conscious type too, yeah so...

P8: Hmm just take a look and walk away and nod..

**Moderator 1:** So you won't have any feels or what.. [Probing]

P8: [Shaking head in agreement]

P7: Usually I will do nothing and just walk away but let's say if there are some interesting things I don't mind to just like going to take a look at what they are.

**Moderator 1:** And P6?

P6: It doesn't really matter if it's a counterfeit depending on the quality and price for me, I will just like if I see and check the price and quality of the product compared to the original ones.

P5: I think I won't really go and purchase the products but actually something really interesting/different/funny I might check it out. Well have a look at what they are selling

and if its something that interests me I will have a look, I will just have a look and compare the quality have a look and see what sort of pricing.

**Moderator 1:** So what happens if the price is right and the quality is right? [Probing]

P4: Hmm I won't buy it I won't support counterfeit.

**Moderator 1:** Okay...

P3: Actually it depends on the situation, the first thing I wrote was I might check it out, see what's the fuss, you know and if there's a lot of people...being Singaporean I'll just go and see what its about. I think most of the time I will ignore and walk away. For like extreme cases I wrote there for fun la, call police.

[Everyone laughs]

P3: Yeah if it looks too shady and it is really cheating a lot of the more ignorant people then I would think about calling police.

**Moderator 1:** Alright so if only you feel that they are going to cheat someone or someone is going to unknowingly buy you would stop them. [Probing]

P3: I mean like maybe like some people they already know its fake, so you really have to see the extend la... how shady the vendor looks.

**Moderator 1:** I see...

P2: I think just look through what it sells, erm... don't bother actually just walk past. If it is interesting I will just probably ask for the price and err... I kind of like I kind of salute him la...he can actually pull off such an act like that I mean that a little brave, can go against the law that's a little brave of him la... yeah...

**Moderator 1:** So you'd walk away because you think its kind of brave of him and you? [Probing]

P2: No la I will just walk away because I think its brave and foolish at the same time la

**Moderator 2:** It doesn't concern you anyway? [Probing]

P2: Yeah it doesn't concern me anyway.

**Moderator 1:** P1?

P1: I mean I mean okay for me, I mean I spend quite abit on watches so I don't really... I will take a look at what they are offering like the quality and things like that but I won't exactly I mean even if its half the price of what... I would not be getting for what I paid for even if it is half the price.

**Moderator 2:** Anyone has a different answer or? [Probing]

**Moderator 1:** Do you think that you are still over paying because you are paying quite a premium for that bag or that watch?

P4: For me I would personally feel that if I cant afford a particular brand I just don't use it, I don't need to buy a thing that is fake just to show that I am carrying a particular brand it

just don't suit well with me.

**Moderator 1:** So how many of you would agree with P4? [Probing and raising hands]

[P1, P5, P7 and P8 raises hands]

P8: I won't take the risk. Whether is this real or fake.

**Moderator 1:** So you have this anxiety that its real or fake. [Probing]

P8: Yeah, like why you worry so much buying... more like where you want to buy..

**Moderator 1:** P7?

P7: Hmm because I think its about nowadays Europe they are quite stringent on this because I've heard of stories like if you come back carrying a fake LV bag you can get stop by customs even in Singapore as well... yeah so I'd rather you know... know that my bag is real and I'd rather carry a brand-less bag than to carry a fake one

**Moderator 1:** P5?

P5: Erm... actually depends on the product also, If the quality & price probably have something different, like marc by, not bags la something really different from the regular stuff.

**Moderator 1:** You mean something people cannot really spot whether it is counterfeit or not? [Probing]

P5: Something that nobody does that... cant really think of any now... [pause for a moment] yeah... but maybe like weird accessories la.

**Moderator 1:** Ummm... yeahhh...

P5: But actually for me I will just buy the accessories for fun its not really about the quality or price, just for that it is quite distinct that I'll just get it.

**Moderator 1:** Okay... P10?

P10: Top fears...

[Everyone giggles]

**Moderator 1:** Yeah... like worry about your image, does it concern your image in some way? Does it? Is your image like one of your priorities of why you don't buy counterfeits? Or why you buy the originals? [Probing]

P2: Not for me, I don't think err... for me personally I don't think it will be relevant...

**Moderator 1:** I see alright okay alright so well will just have a short break now five minutes ten minutes go to the bathroom whatsoever we will continue in five ten minutes yeah thank you

**Moderator 2:** And there are some snacks over there you can help yourself...

**Moderator 1:** Yap.



## ~ 10 Minutes Break ~

- Moderator 1:** Okay, alright welcome back. Let's go back to the topic of we were actually doing a topic on counterfeiting and to test and understand what people's attitudes are towards counterfeiting and so on so forth. Yah, So we will continue, okay so, when we talk about counterfeiting, what do you think be it the companies or the luxury brands suffer from, when whenever something is counterfeited? You know the damages?
- P2: Lose market share
- P6: Loss of sales.
- Moderator 1:** Loss of sales.
- P9: Loss of branding. Branding wise is not there.
- Moderator 2:** Does it affect the image and how you look at the brand? [Probing]
- P9: It doesn't, doesn't exactly affect me because but I'm not very brand conscious but overall it would affect their branding la.
- Moderator 2:** Hmm, okay for the...
- P9: Not for me but...
- Moderator 2:** For the fashion, for the luxury houses.
- Moderator 1:** P11?
- P11: Probably how you would see the brand later as well, yeah, more or less la.
- Moderator 1:** P10, do you think so too?
- P10: Yup [Nodding]
- Moderator 1:** P8?
- P8: The value of it
- Moderator 1:** The value? What do you mean the value of it? [Probing]
- P8: Hmm, I'm not sure how to say. [Contemplating] Maybe like won't be like exclusive...  
[Everyone nodding in agreement]
- Moderator 1:** Ahhh, okay. P7?
- P7: As what they said.
- Moderator 1:** Right? Anyone? P6? What do you think the luxury brands are suffering from?
- P6: Uh... as I was saying or mentioned, loss of sales but the brand image uh... it affects in some point. [Contemplating] But I think, it can help, it can also help with the retail brand as well because...
- Moderator 1:** Why do you think it?
- P6: Because it can bring more brand awareness towards the consumers. As consumers are

more like, high end products, consumers who are not able to like afford a type of luxury brands will be eyeing at those counterfeits but will be more... uh... so those people will be more aware of those luxury brands and I think it would be increasing the brand awareness as well.

**Moderator 1:** Hmmm... P5?

P5: I think... P6 got a point. Like, it might not necessarily be a bad thing although it might be loss of sales, loss of brand image and but then actually counterfeits might actually be able to reach out to a wider range of people. So actually more people know about it, and they might actually be more or less interested. I mean you are interested in the fake you are more or less interested in the real one right?

**Moderator 1:** Mmmm. [Acknowledging]

P5: So maybe when they no money to buy the real one, they can actually get the fake one.

[Most nodding in agreement]

**Moderator 1:** P4?

P4: I think increase, from the brand perspective, increase the desirability of the brand and through counterfeit, it is free publicity and branding for the brand.

**Moderator 1:** Mmmmm.

P4: Ultimately it just affects the bottom line.

**Moderator 1:** Alright.

P4: But in the longer term, like what they said that you know when you can afford it you will then buy the real thing. So a lot people would buy the fake one but then the minute they can afford the real thing, they will buy the real entry-level product. And that is where then they will start realizing and appreciating the real product and then they become loyal and converted to buy real things, where they become more affluent... [Contemplating] So I think in terms of entry to the brand, I think from the brand's perspective they are not totally against it although. I said it would affect the bottom line but uh... it's free advertising.

**Moderator 1:** What do you think P3?

P3: I think it affects like consumers perceptions. So like as you said, it might steer some consumers away from the entire brand itself.

**Moderator 2:** Hmmm right.

**Moderator 1:** So P2 you said loss of market share?

P2: Yah, Loss of market share. But I agree with what P4 said earlier about free brand.

**Moderator 1:** Free brand? [Probing]

P2: Free advertising.

**Moderator 1:** P1 what do you think?

P1: I share the same view as P3 whereby reputation suffers and then people would actually steer clear of a certain brand like maybe the LV, eventually it is popularity would decrease.

**Moderator 1:** So you wouldn't...

P1: In that sense, in that sense, counterfeit counterfeit goods it does affect probably the lower end of the market. If its people who maybe in that sense people may actually, how do I put it, people may actually spend that money on the counterfeit, because if its a small, if its a small luxury good like a card holder, key chain or what, people would just buy the fake thing. So see the thing, one example like Tiffany and Co., the silver necklaces if it's a counterfeit, you can't exactly tell.

**Moderator 1:** Okay, so let me understand from you guys. So while you say its bad to the brand, it might change the way you look at the brand, so they will only suffer because uh... from the lower end of the market where it's like the entry level of the products. So would feel like as, I'm sure most of you here are more like below [/above/] the lower level, so would you feel like you don't want the brand anymore? Even though I mean like, you be affect by it like counterfeiting has lost its exclusivity like what you said and like what she said too [Pointing to P1 then P3]?

**Moderator 2:** Yah, like say Tiffany and Co., is so widely available and cheap and its just silver would you still uh... would you rather go for a fake one or would you still purchase the authentic one?

P10: Subjective I guess.

P11: Uh... depends on what you are looking for. If you are looking for quality then I think you would pay for quality, if you are looking for something that looks aesthetically pleasing then, appealing then uh... maybe you just buy what you see and not what you can feel and experience.

## 5. Level of Motivation (8:22 mins)

**Moderator 1:** Mmm... okay, mmm... alright. So say if you have a favorite luxury brand in your mind or something that you kind of patronize, say if that brand was wiped out because of counterfeiting and you could only buy the counterfeit version of it, how do you feel then?

P4: If the brand is wiped out, the counterfeit would be wiped out too. Nobody would buy it anymore, there is no value.

**Moderator 1:** Anyone would agree? [Probing]

[Everyone signaling in agreement]

P9: Yah, I agree with her.

**Moderator 1:** Completely? Wouldn't buy the counterfeits anymore? [Probing]

P1: It doesn't exist anymore [Giggling]

**Moderator 1:** Yah. Right.

P4: I think with counterfeit, usually the counterfeit they would counterfeit the line that its quite entry level line for these brands and their very popular designs but people that are users of luxury brand they would probably would not buy those lines anymore they would go a step higher. Let's take Burberry for example, people that have, are users of Burberry, uh... they would probably buy the Prorsum line which is the higher level line. Even in Louis Vuitton, they might just buy the monogram they might buy an epi leather or they might buy a different range, they may not buy the leather bags anymore they would buy the shoes and the accessories and clothes which does not have counterfeit at the moment. So I think the brand itself they don't worry about that they do worry but not so much because they have created a market of other uh... snuggles that yah.

**Moderator 1:** Alright does anyone, has a different view or same view or something that you want to add on? P9? [Probing]

P9: I'm thinking, wait... [Contemplating]

[Everyone bursting out in laughter]

**Moderator 1:** Hmmm okay, P11?

P11: No, not really [Shaking head]

P5: Hmm, I think China has shoes and fake shoes and fake...

P4: But you can tell, totally can tell. I work in China so I know.

P5: China... but it feels...

P4: I can totally tell. You can have a look and know its fake LV shoes or fake Prada shoes 'cause they have not reached that level of uh... you know, fineness in making other stuff besides handbags yet.

[Everyone nodding in agreement]

P7: But I think ultimately...

P4: But I think when they get there, the brands will make something else.

P7: At the end of the day, the bottom line is quality.

P10: Quality and image

**Moderator 1:** Image, quality. Image, quality? [Pointing across the group] All agree? Image, quality? [Probing]

[Everyone nodding in agreement]

**Moderator 1:** Okay so. Right, just to kind of see a show of hands, how many of you here would actually want to do something for the brands that have been counterfeited? Anything in your mind, anything that you could do. A show of hands? Within your own power, within

your means.

[Everyone giggling]

**Moderator 2:** Or do you know what you can do? [Probing]

**Moderator 1:** Like no one would do anything? Hah!

[Everyone keeping silent, some shaking heads in disagreement]

**Moderator 1:** Okay how about, if the brands say that, "I will give you something in return" but uh... whatever it is, keep it in your mind whatever you want. When they say they will give you something you want in return for helping them combat uh... this counterfeit goods would you do something?

[Everyone laughing in disbelief and raising hands]

P9: Yah.

P1: Very typical.

**Moderator 1:** How many of you would do something? [Probing]

P5: Depends on what what what is the thing that they give.

**Moderator 1:** Yah, just keep it in your mind la. It can be anything you want.

[More laughter and more hands raising]

**Moderator 1:** Okay. P4 would you?

P10: Why wouldn't any?

P4: Yah, probably.

**Moderator 1:** So how many of you would, wouldn't do anything still? Okay none, alright.

**Moderator 1:** So what would be the possible things right, you think you could do to help them?

P9: Create a social media campaign for them. Uh... Nowadays everybody is on social media so you just spread awareness to stop using counterfeiting products.

**Moderator 1:** So you discourage buying

P9: Yah, I mean they are going to give you something then of course I'll do something for them.

P2: I think you just go down to the basic level, of just don't buy counterfeits goods or support.

**Moderator 1:** Would you ask your friend not to buy? [Probing]

P2: Just tell them not to buy and tell them "this is counterfeit" just tell them not to buy and just go down on a very basic level comes very individual.

**Moderator 2:** Okay, so you would still do that if there wasn't an incentive given to you? [Probing]

[Everyone bursting into laughter]

P2: That depends, it depends [Giggling]

**Moderator 1:** What do you think you can do, P11, in your own power? Something as a normal citizen you can do?

P11: I think he has a point [Referring to P2] and generally people are, Singaporeans are very save face they can't be seen with a counterfeit product and they feel that you know someone that buys luxury products can actually tell that it's fake. So uh... he's right in saying that you should just not buy the counterfeit products. And he's also right [Referring to P9] in saying that should use social media to product oops promote...

**Moderator 1:** Discourage buying? [Probing]

P11: Yah, to discourage buying yah.

P9: But that is only when they give you the incentives la. If not I wouldn't

[Everyone bursting in slight laughter]

**Moderator 1:** Provided that they give you the incentives so what would you think you can do in your own power?

P10: In my own power, I think people can't do much unless you are part of an advertising agency or something. But in my own power yah... do the basic level of tell your friends not to... social media...

**Moderator 1:** P8 what would, do you think you can do? Would you think? [Probing]

P8: Hmm same.

**Moderator 1:** Stop buying? [Probing]

P8: Wouldn't even consider. But I would influence my friends to not even consider. Yup.

**Moderator 2:** Does anyone have a different answer? [Probing]

**Moderator 1:** P7?

P7: Write to the management.

**Moderator 1:** Go to report to the store you mean? [Probing]

P7: Yah.

**Moderator 1:** P6, I mean P6?

P6: I was thinking like do an IMC campaign as well.

**Moderator 1:** Alright, campaign.

P6: Yah campaign

**Moderator 1:** So what would the campaign be? [Probing]

**Moderator 2:** Without incentive? [Probing]

P6: Oh with incentives.

[Everyone bursting in laughter]

P5: Uh... without incentives actually we can just start with ourselves la. Just don't buy fake stuffs?

**Moderator 1:** Like the Michael Jackson song, Man in the Mirror right?

[Everyone bursting in laughter]

P5: Without incentives...

**Moderator 1:** With incentives? [Probing]

P5: With incentives I guess, can do more la. Can like, can kind of promote, just discourage people from buying fake stuff or if you know they buy fake stuff then you know you just say "Don't buy la, why you buy for, waste money"

**Moderator 1:** Okay, so P4 you would?

P4: I will not buy myself, but I would influence my peers and friends and tell them not to support counterfeit.

**Moderator 1:** P3?

P4: Without incentive, with incentive, same thing, you know. I don't think they will give me anything so...

[Everyone bursting in laughter]

**Moderator 1:** Yah?

P3: I think in my power, with or without incentive, I can just spread through word of mouth and individually just not buy.

**Moderator 2:** Okay alright.

**Moderator 1:** P1?

P1: Probably spread of influence to friends and peers about. Or if they are not able to afford it don't purchase it. Because if the counterfeit market is so large, even if you call the police somebody will come through, you see a vendor and you call the police, the vendor gets arrested someone else would just pop up and sell counterfeit products again. So yah...

**Moderator 1:** So but most of you here would say to stop buying and all that. Why wouldn't you think of reporting? [Probing] If they were to give you something to report to the authorities or...

P9: Like what P1 said, it's really no use. If you report then another person would come back unless you report that uh...

P1: Top syndicate

P9: Yah top syndicate people. Which is... that's why if I'm now the brand people, uh... I would actually work with other brands, that every brand work together to go and work uh... and uh... come out with a plan to work with the government to eradicate the top

people and rather to ask consumers to know, finding out that the minor vendors. There's no, really no use hitting just the basic level. It must be eradicate if you want to eradicate the the the top syndicates right, you must hit the core.

**Moderator 1:** Alright.

P9: Hit the core on.

P8: I think it is important to start from ourselves first. Or else if there is no demand in buying, no one is going to buy. I don't think they would still continue on.

[Everyone nodding in agreement]

**Moderator 1:** Okay. So what...

P2: Too much paperwork.

**Moderator 2:** Too much hassle is it? [Probing]

P2: Too much paperwork to do la. Report here, report there.

[Everyone laughing in agreement]

**Moderator 1:** Everyone would agree? Too much hassle to report, so you just start with yourself?  
[Probing]

[Everyone nodding in agreement]

## 6. Extrinsic and Intrinsic Rewards (4:10 mins)

**Moderator 1:** Okay, so the luxury house say, brand house say "I will give you something, what is it that you would like most? From them? Say sales promotion? A free product for every effort that you put in? Recognition? Maybe VIP passes to their events exclusive events? What what would you like from them?"

P9: VIP passes.

**Moderator 1:** How many would like VIP passes?

[P11, P9 & P5 raising hands]

**Moderator 1:** 1, 2, 3...

P2: I would like to be a shareholder.

[Everyone bursting into laughter]

**Moderator 1:** Maybe we can work on that.

P2: I would like to be a shareholder. Other than that, everything they can keep.

**Moderator 1:** Okay, how about something more down to earth? [Probing]

P1: Probably give me a supply of bags.

**Moderator 1:** Huh?

P1: A supply of bags.



**Moderator 1:** A supply of bags?

P1: Bags, wallet and any products, yah...

**Moderator 2:** I will give you paper bag

**Moderator 1:** P4 what do you think?

P4: I would like them to give to my favorite charity.

**Moderator 1:** Right, give to your favorite charity. Okay. That's noble. P10, what would you?

P10: Bags and then sell it.

[Everyone bursting into laughter]

**Moderator 1:** P11, oh you would like the VIP passes. P8? Would you like a sales promotion or something?

P8: Hmmm, most probably

P7: Most probably gift vouchers.

**Moderator 1:** Gift vouchers.

**Moderator 2:** Hmm okay, so okay...

**Moderator 1:** How many would take if they would give you a discount? For your efforts? From them?

P9: Depend on what brand?

P4: We are choosy now.

[Everyone laughing in agreement]

**Moderator 1:** Okay, say take Gucci or LV for example. Give you a discount?

P5: How much?

**Moderator 1:** Just a sales promotion, maybe 40% on your purchase? [Probing]

P10: You have to buy it? Or you are just given that discount?

**Moderator 1:** No you, you given the discount whether you buy it or not. When you buy it the discount would be there because you did something for them.

P9: Then I'll take it.

P10: So won't everyone take the discount anyway? Because is like...

**Moderator 1:** But there is some of them say depends of the brand? So you would take even though maybe this brand is really not of your choice? But since they give you, you just take it? [Probing]

P9: If the work is simple of course I'll take it. And I'll just tell my friend not to use it and of course I'll take it.

**Moderator 2:** Depends on how much effort you have to put in.

[Everyone nodding in agreement]

P2: Probably just take it and sell it and just sell it to someone else. Because uh... well it's, I mean you buy it at a cheaper price, its okay what you're not doing anything wrong.

**Moderator 1:** Okay right. So can I just rank the rewards? So how many... so there are like 3 people, 1, 2 would. How many of you again would want the VIP passes. 1, 2, 3...

[P5, P9 and P11 raising hands]

**Moderator 1:** How many would want to have like a sales promotion? Like a discount, voucher or whatsoever. From that brand that you helped?

**Moderator 2:** You can only vote twice?

[P7 and P8 raising hands]

**Moderator 1:** So they give you a discount, when you want to purchase? How many?

[P2, P4, P6, P7, P8 and P9 raising hands]

**Moderator 1:** What about say a free product from them? Especially for your efforts?

[P1, P2, P3, P5, P6, P7, P8, P9, P10 and P11 raising hands]

**Moderator 1:** Alright, so seems like the free products that they make for your effort, that they can make a special product for you. So that's what you probably want.

P7: Can you minus me off from that?

**Moderator 2:** Why?

P7: 'Cause they usually would give you something that is quite worthless so I don't want?

[Everyone bursting in to laughter]

**Moderator 1:** So like perfumes?

P7: Nah I think minus me off from that, I rather get a discount. [Giggling]

**Moderator 1:** Okay, so you get the discount. Okay the discount is 7.

**Moderator 2:** Okay.

## 7. Campaign Idea Testing (4:27 mins)

**Moderator 1:** Alright, so take Gucci for example right, they actually, they maybe come out with a new campaign they say "You can actually report, how how would you want to report right we'll leave that later. But if you report the vendor online or physically they will give you say a free product what product would you want from them?"

P2: Intangible product. Shareholder [Nodding]

[Everyone bursting in to laughter]

**Moderator 1:** A sale product, an item.

P9: Sorry, I don't know Gucci that well.

**Moderator 1:** Bags, wallets, anything you can choose from their line. [Probing]

P9: Probably wallet, wallet and bags

**Moderator 1:** Wallet and Bags?

**Moderator 2:** For men? [Probing]

**Moderator 1:** Men? Wallet and bags? Watch? [Probing]

P2: I think I will get the the...

**Moderator 1:** Watch?

P1: NO, no Gucci watches...

P2: Traveling bag. Ah yeah. [Laughing]

**Moderator 1:** Hmmm okay, what about the girls? [Probing]

P3: Bags I guess

**Moderator 1:** Bags.

P4: Shoes.

**Moderator 1:** Shoes.

P10: Clothes

**Moderator 1:** Clothes.

P11: I don't really know, thinking but I don't really know.

**Moderator 1:** You mean you would be okay with anything they give to you? [Probing]

P11: Probably? I guess? [Contemplating]

**Moderator 1:** From this side? P7?

P7: We can't choose the design and all so I better not. [Giggling]

**Moderator 1:** Alright, so you rather not because you cannot choose the design. What about you?

P6: Bags.

P5: Suits.

**Moderator 1:** Shoes?

P5: Suits.

**Moderator 1:** Suits. P8, what about you? What do you want?

P8: Hmmm, I actually think of exclusive unique accessories?

**Moderator 1:** Lets say they design a special line for this campaign, for just this campaign. [Probing]

P8: Yah, I think it would be better.

**Moderator 2:** Would you all be keen? Would you all be motivated? Who would not be motivated? [Probing]

[Some laughter, P2, P4 and P7 raising hands]

P7: Everybody would know you are a snitch... [Giggling]

[Everyone bursting into laughter]

**Moderator 1:** Okay what about sales promotion, lets say they give you 40% on your purchase because you report to them on a single purchase?

P8: Actually I kind of like this. Because if I'm not a fan of Gucci, I can give it to my friend and support her to buy a real one.

**Moderator 1:** Alright, so how many of you here would know of friends who would take your discount readily? [Probing]

[Everyone agrees except P1 and P9]

**Moderator 1:** Alright so 40% you think it's attractive enough? I mean of course the discount can go up, I mean always higher discount is more attractive right but would 40% be enough? [Probing]

P4: Would they give 40%? [Contemplating]

**Moderator 1:** But would it be enough? [Probing]

P4: Of course.

**Moderator 1:** How many of you would think it's enough?

[Everyone agrees except P1, P2 and P3]

**Moderator 2:** Let's say it's 20%?

P2: Forget it.

P3: No.

P1: Really no point?

**Moderator 2:** Really? [Probing]

P2: Actually I won't even bother.

**Moderator 2:** 20%, you still save quite a lot.

**Moderator 1:** What about recognition? Like they give you a medal, a badge?

[Everyone laughing in disagreement]

P4: Gucci ambassador...

[More laughter]

**Moderator 1:** Okay let's say they say you can report, what would your preferred method of reporting be? Say through directly to the stores? Through a mobile app? Through an internet website?

P9 & P4: Mobile App.

[Everyone signaling in agreement]

**Moderator 1:** How many here would say Mobile App? With a GPS function, take a picture?

[Everyone nodding and raising hands in agreement]

P9: Easy.

P3: Stomp!

**Moderator 1:** Do you think it is good to have an alternative other than the mobile app?

P2: Yah, definitely. The more ways of communication would be better.

[Everyone signaling in agreement]

P9: As many ways as possible.

**Moderator 1:** For example? [Probing]

P2: Website.

P9: Direct hotline channel.

**Moderator 1:** Call the hotline. Call directly to the stores you mean? [Probing]

P9: Hotline or something?

P4: I think as long as you don't have to go somewhere and report and fill in forms...

[Sounds of agreement]

**Moderator 1:** So no forms.

P3: As an when...

P2: No paper work.

P1: Feels like informing...

P9: As long as its hassle free.

P4: Do not have to go out of your way to make a report.

**Moderator 2:** Less hassle la.

**Moderator 1:** So it's something that is convenient, you can do it readily on the phone or whenever and you don't have to do any paperwork or report right? [Probing]

[Everyone signaling in agreement]

## 8. Closing (0:15 mins)

**Moderator 1:** Okay. That's all that we need to know for now so thank you for your time and sharing your ideas with us today and being considerate and respectful towards all of our ideas. And thank you very much for coming.

## Focus Group Analysis

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A focus group research was decided upon to assist Gucci in building a campaign to regain its market share, retail sales and customer loyalty stolen by counterfeits and a consequential damaged brand equity. The focus group seeks to find out whether consumers have adequate knowledge to differentiate between genuine and counterfeited goods as well as what motivates them to combat counterfeiters alongside with Gucci.

### **Warm Up – Loyalty to Status, Not Brand.**

When asked to share a preferred or favorite luxury brand with the group, most of them interestingly had none. Even the few who managed to blurt out a brand were observed from their demeanor to have little conviction with their choice. It is speculated that the group were consumers of little loyalty to a particular luxury brand but were loyal to the status of using luxury brands in general. More signs of the aforementioned behavior were revealed in the later part of the focus group discussion. This is of note to Gucci because their target audience for the campaign could span across the potential of non-users.

### **Awareness of Counterfeits – It's a 'Feeling'.**

When asked about counterfeited brands, the group quickly perceived with much consensus that Gucci along with Louis Vuitton and Chanel were amongst the most counterfeited brands.

An exercise to visually differentiate originals and counterfeits (O&C) were given to the group to test their abilities in identifying counterfeits. Most of them fared well in identifying a counterfeit through its packaging however exhibited little sufficiency and consistency in their ability to accurately identify counterfeits by the product per se. This deficiency stems from their inability to apply known techniques such as scrutinizing the threading, clarity of prints and symmetry to the actual analysis. Many of them were observed to have heavy reliance on 'feelings'. They performed better with a combination of indications namely the packaging, absurdity of price, reviews of website (for online shopping), quality of workmanship, locales and sellers. The 2 most obvious indications to them were the vendor and packaging.

Many of which claimed that their knowledge to differentiate O&C were acquired through experience such as product usages and encounters with dubious sellers while some mentioned through friends and a certain documentary. However when probed further, there

was a repeated phenomenon from the exercise where many in the group mainly trust their instincts to 'feel' if a product is genuine or fake. Thus, it is very necessary for Gucci to educate consumers even more with regards to the attributes of authenticity for their products so that consumers can make more accurate judgments in differentiating between O&C.

### **Attitudes towards Counterfeits – Long Live Luxury Brands?**

The common speculation that counterfeits would steer consumers away from luxury brands due to loss of exclusivity and bad social image is discovered to be mostly untrue. When one emphasized that her loyalty was diminished due to the brand's own negligence in quality but not because of counterfeiting, the rest of the group immediately agreed. The general consensus conveyed that buying originals would provide significant benefits like self-reassurance, quality and durability. Many would avoid actual products or product levels that were overwhelmingly counterfeited but not the brand. When asked what their immediate action would be when they see a counterfeit vendor, many in the group expressed curiosity to check out the products displayed for sale. Consistent with earlier findings, many would still refrain from buying counterfeits due to major concerns of quality and durability.

The group does not display strong feelings for and against counterfeits. While they pointed out damages such as loss of sales, market share and brand value, most remained unaware of the severity of such. It is observed that many in the group agreed upon the misconception that counterfeits were beneficial to luxury brands in attracting new brand users. They presumed that luxury brands do not need help because their success would be enduring so long as quality and non-counterfeited products are continually offered. The lack of sympathy for the brands' predicament lessens consumer's drive to combat counterfeiting. Gucci's campaign should thus focus on connecting with consumers emotionally regarding this issue.

### **Level of Motivation – No Incentive, No Talk!**

The group expressed no signs of strong emotional attachment to the brand when asked about their feelings pertaining to the extinction of their preferred or favorite luxury brand due to counterfeiting. In fact, many were observed to shun the responsibility to extend support for those brands. This observation is likely to precede the former loyalty to the status of being a luxury brand user. They unanimously concluded that they would not even consider the counterfeits because these brands are of no more value then. Therefore, their next possible course of action was speculated to be brand switching.

The group's motivation to extend help skyrocketed upon hearing of incentives for their efforts, but remained in disbelief about such a proposition. The extent to which the group would contribute to anti-counterfeiting was simply to stop and discourage buying of counterfeits. When asked about reporting as a way to help, the group responded hesitantly as their perception of reporting is closely tied to the impression of inconvenience from visiting a certain station to filling out forms. This behavior hence explained their initial choices (stop and discourage buying) as it seemed far more convenient. The element of disbelief could hype up the awareness of Gucci's anti-counterfeiting campaign if it were to be proceeded with incentives. More importantly, participation convenience is a requisite for the campaign.

### **Extrinsic and Intrinsic Rewards – No Strings Attached.**

The group generally appreciates rewards that were of an extrinsic nature. The most sought after incentives were free products from the brand (9 Votes), followed by sales promotions (7 Votes) and VIP passes to exclusive events (3 Votes). When probed about recognition, none were seemingly interested. An overwhelming approval of freebies was observed and was hypothesized that it generally does not require additional outlays unlike sales promotions. Some would like to know what they would be given before extending any efforts. Concerns with the attractiveness of freebies were prevalent but its overall attractiveness could only be judged or perceived better when referred to a brand.

### **Campaign Idea Testing – Strictly No Paperwork!**

Gucci was taken as a general standard to obtain more detailed insights on the incentives and to research the campaign. With regards to free products, bags and other leather goods were favored notwithstanding gender preferences. The optimal sales promotion ranges between 20% to 40% discounts. While many confessed that they were less of a Gucci fan, they readily accepted the sales promotions knowing that it would not go to waste as they claimed of friends who would have use for them. The former breed great potential for Gucci's incentivized campaign not only in participation but also in increasing retail sales.

When asked about the reporting of counterfeiters, the group appeared enthusiastically welcoming to the idea of reporting primarily through a mobile application with GPS function and simple picture upload. They also seek secondary alternatives to the mobile application such as a website and/or hotline. The group then reemphasized the importance of hassle free and convenience when reporting counterfeiters and was observed to be particularly



disapproving of paperwork. An integrated marketing communications approach is best suited for Gucci's campaign where it allows the combination of incentivization and interactivity.

### **Summary of Findings**

The objective of conducting the focus group was to widen the circle of voices to help Gucci study the possible alternatives to devise an effective communication which would influence consumer awareness, attitudes and purchase habits so that consumers would be more driven to do their part in combatting counterfeits.

The focus group revealed that consumers were generally apt with the theoretical knowledge of identifying counterfeits but have little accuracy, sufficiency and consistency in its application. Most of them relied on instincts and personal 'feelings' to analyze the authenticity of products. Their ignorance for the severity and effects of counterfeiting largely contributed to the lack of sympathy for victimized brands, which in turn lessens their drive to combat counterfeiting. It is also discovered that incentives were the sole motivation to spur willingness in contributing to anti-counterfeiting. Even with the latter stimulus, they demanded that the actions in which they might partake be hassle free and convenient.

### **Implications for Gucci**

Provision of information and education to aid consumers in identifying and differentiating counterfeits from originals is an imperative to Gucci's upcoming anti-counterfeiting campaign. The campaign should be preceded with incentives to maximize enthusiasm and participation from the target audience. Input of technology is necessary to deliver better convenience to the method(s) in which the target audience is to partake. The campaign should take an integrated marketing communication approach to encompass education, incentivization and interaction which conjointly inspires anti-counterfeiting.

## Appendix A: Identifying Originals and Counterfeits

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**Picture 1:**

Fake Chanel Handbag

**Indications:**

Low quality price tag

Plastic wraps

Inexistent design



**Picture 2A:**

Genuine Louis Vuitton Wallet

**Indications:**

Symmetry in prints-piping

Smooth leather finish



**Picture 2B:**

Fake Louis Vuitton Wallet

**Indications:**

Miss alignment of prints-piping

Crumpled leather above buckle



**Picture 3A:**

Fake Gucci Boston Bag – High Quality

**Indications:**

Unparalleled golden strips

Unclear signature prints



**Picture 3B:**

Genuine Gucci Boston Bag

**Indications:**

Parallel golden strips

Sharp prints signature prints

## Appendix B: Sentence Completion

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When I see a counterfeit vendor, I would \_\_\_\_\_.

### Answers from Participants

<b>P1</b>	Get enticed into purchasing even if quality is AAA. No effect in its presence (ignore the vendor).
<b>P2</b>	Browse through. Ask for pricing. Not bother. Salute him for being brave.
<b>P3</b>	Check it out. See what's the fuss. Ignore. Walk away. Call police if it looks too shady and I see him bullying the weak.
<b>P4</b>	Not buy from it or check out the quality of the goods.
<b>P5</b>	Nothing (won't buy), maybe check it out.
<b>P6</b>	Check the quality and the price of the product and compare it to original brands.
<b>P7</b>	Do nothing and ignore.
<b>P8</b>	Take a look and walk away.
<b>P9</b>	Avoid it unless they are selling something that might interest me.
<b>P10</b>	Impartial feelings, or frown and walk away if vendor is trying to be persuasive.

## Appendix C: Focus Group Discussion Guide

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### **Objectives**

- Marketing: To regain market share / increase sales / regain customer loyalty by increasing brand equity
- Research: (1) Whether consumers have adequate knowledge to differentiate counterfeit from genuine goods. (2) What motivates consumers to combat counterfeit luxury goods

### **Nature of Focus Group**

- Gender: Males and Females
- Age: 20-40 years old
- Education level: Tertiary and above
- Occupation: Students and PMEBs
- Income level: Lower-middle (between S\$10,000-S\$60,000 per annum)

### **General Agenda of Focus Group**

1. To find out consumers attitude towards counterfeit goods
2. To find out the level of motivation needed to spur them to fight counterfeit goods
3. To find out what extrinsic and/or intrinsic rewards play a part in motivating the consumers

### **Roles and Responsibilities**

- Group moderator asks questions and supervise discussion flow
- Observers take notes of misses and hits of the discussion and feedback to moderator during break
- Note takes assist to ensure that good answers are not missed inadvertently, taking down actual quotes.

### **Introduction**

(Greeting) and thanks for coming to talk with us about counterfeiting. My name is XXX and these are my colleagues.

### **Check OK about taping and being here**

We will be taking notes but we're also going to record the discussion so no ideas get missed. Can I just make sure that everyone's OK about that? Also, is everyone here because they want to be? If you've changed your mind it's okay to say so. OK, I'm now going to tell you a little bit about why we're here and what you can expect from this session.

### **Purpose of focus group**

We're here to gather some opinions and feedback regarding counterfeiting of luxury brands and what people can do to help deter its growth. So we are here to talk with the real experts about luxury goods consumption – You – to find out to what extent you would go out to, to combat counterfeit.

### **What we'll do with the Information**

All information that you have contributed will be used for research purposes and will not be distributed publicly.

### **Who'll do most of the talking**

Our focus group discussion should last about an hour and we'll have a break halfway. Once we get started we'll ask you questions and we'd like you to share your ideas / opinions. We'll leave it up to you to do most of the talking and we will do a lot of listening. We won't be giving our opinions. Remember we want to learn from you.

### **If uncomfortable**

Please tell us if the discussion makes you feel uncomfortable at any time, or if you want to say something but don't want it to be recorded. If something personal comes up you'd like to talk about, please speak to one of us in the break or later.

### **How the group will run**

We'll ask one question at a time and wait for everyone to have a chance to answer. Please be respectful of each other's opinions. There is no right or wrong answers. It's okay to have a different opinion. Don't feel like you have to talk directly to us. Feel free to talk to each other. You can reply to something someone's said. We might ask people by name if they want to speak – just so we can be sure everyone gets a say.

### **Ice Breaker**

Does anyone have any questions about why we are here or add any other points to our agreement or how the group should be run? Before we begin with the first question – we'll go round the group and can everyone say their name and your favorite luxury brand.

## **Question Guide**

### **Attitudes**

1. What luxury brands come to mind when counterfeit is mention?

#### Probes

- a. Gucci (if no one says so)

2. How do you distinguish that between a counterfeit and a genuine product?

#### Probes

- a. Authenticity certificate card
- b. Serial number in the bag
- c. Quality of material
- d. Quality Workmanship
- e. The image of vendor/store

3. Where do you obtain information in identifying counterfeit goods?

#### Probes

- a. Online
- b. Magazine/newspaper
- c. Luxury shops
- d. Family and friends

4. Which are the brands would you stop supporting due to overwhelming counterfeits and why?

Probes

- a. Bad social image
- b. Cheap and low quality
- c. Negative brand association
- d. Loss of exclusivity

**Level of Motivation**

5. When you spot a counterfeit vendor, what would you do at that instant?

Projective Technique

- a. When I see a counterfeit vendor, I would \_\_\_\_\_.
- b. Question: Why would you do so?

6. What damages do you think luxury brands that have been counterfeited suffer from?

Probes

- a. Loss in revenue
- b. Market share
- c. Brand value (image, exclusivity etc.)
- d. No effect

7. If your favorite luxury brand is wiped out due to counterfeiting and you could only buy the counterfeits how would you feel?

Probes

- a. Guilty
- b. Indifferent
- c. Traumatize
- d. Sad
- e. Happy

8. How many of you would wish that you had done anything to help them?

9. If an incentive was given, how many of you would do something?  
If no, what is stopping you?

Probes\*

- a. Risk to identity exposure
- b. Too much hassle
- c. Not sure what to do

10. (Provided that \* is resolved) What are the possible things you would do to help the luxury brands?

Probes

- a. Report to authorities
- b. Report to the store
- c. Stop buying
- d. Discourage buying

## **Extrinsic and intrinsic rewards**

11. What type of incentives do you look forward to?

### Probes

- a. Cash reward
- b. Free product from the brand
- c. Sales promotions (savings, vouchers)
- d. Recognition (trophy, medal, certificate, badge of honor)
- e. Invitation, VIP passes to exclusive events

12. Everyone is entitled to 2 votes, rank which form of incentives listed are the ones you favor most?

## **Campaign Idea Testing**

13. Take GUCCI for example, what would be sufficient for you to help report vendors (Online/Physical)?

### Probes

- a. Free product – what type of product is most desired?
- b. Sales promotions – is 40% for desired discount?
- c. Recognition – trophy, medal, certificate, badge of honor?
- d. Invites – to what events (e.g. fashion show, private sales, product launch)?

14. What is your most preferred method of reporting?

### Probes

- a. Direct to stores
- b. Mobile app
- c. Internet platform

## **Closing**

Thank for your time and for sharing your ideas with us today and for being so considerate and respectful of one another.