



EUROPEAN CHAMBER OF  
COMMERCE IN KOREA  
주한유럽상공회의소

# **Busan Consumers' Perception of Counterfeit Products 2015**

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## Introduction

The European Chamber of Commerce in Korea (ECCK) is the pre-eminent association of European companies conducting business in or related to Korea. Representing the common voice of the European business community in Korea, the ECCK aims to function as the platform for information exchange, an effective communication channel to the Korean authorities and organizer of networking opportunities for European businesses. The ECCK is a non-profit and non-political organization.

The ECCK, through its Intellectual Property Rights Committee, strives to protect all forms of intellectual property and contribute to improving the business environment in Korea. The IPR Committee has a three-fold objective of facilitating the exchange of information between member companies within Korea as well as in the broader Asia-Pacific region, fostering communication and cooperation with relevant government authorities through visits, seminars and roundtables, as well as raising public awareness of intellectual property challenges.

In order to receive information about Korean consumer's perception of counterfeit products, their purchasing patterns and their suggestions on limiting the sale of counterfeit products, ECCK has conducted surveys amongst the general public. This particular survey was conducted in Busan and accordingly most respondents are believed to be residents of Busan.

## Executive summary

On October 17, 2015, the ECCK conducted a survey about counterfeit products in Korea amongst visitors to the Busan Global Gathering. The survey, which consisted of 7 questions, was intended to analyse the general public's perception of counterfeit products. All the respondents filled out the questionnaire on a voluntary basis.

Of the 188 respondents that participated in the survey, 95 respondents were female, 51 respondents were male and 42 did not indicate their gender. The respondents' average age was 31 years old.

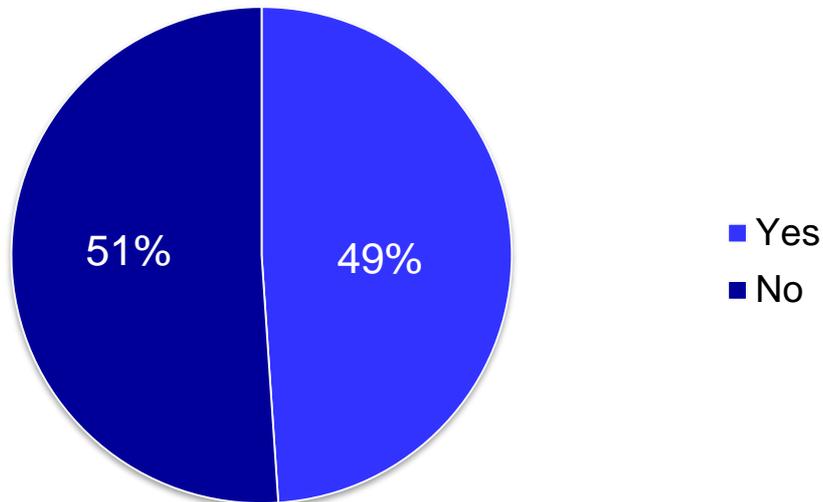
Of all the respondents, 49% indicated to have purchased counterfeit products. The most common source of these products has been street stalls (35%), followed by online stores (21%). The three most commonly purchased categories of counterfeit products are all related to apparel, with bags or wallets being the most popular (35%), followed by clothing or shoes (26%) and jewellery or watches (12%).

The responses show that the low price of counterfeit products is perceived as the most important reason for their acquisition. The high availability of counterfeit products was believed to lie in the consumers' high demand. The respondents indicated that the most damaging aspect of counterfeits is the damage they cause to companies' brand image (30%), followed by stifling local businesses' development (24%) and the harm these goods inflict on consumers (20%).

Finally, a substantial majority of the respondents (84%) was of the opinion that stronger enforcement against counterfeit products is required in Korea. According to almost one quarter of the respondents, enforcement actions should also target the buyers of counterfeit products.

## Analysis of individual questions

### 1. “Have you ever purchased any counterfeits?”

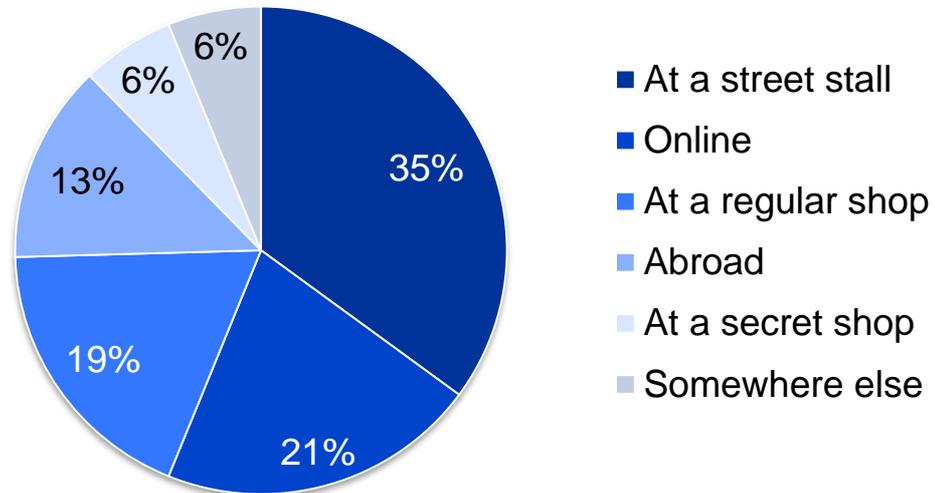


Close to half of all respondents (92 out of 188) indicated to have purchased counterfeit products in the past.

Male respondents expressed a slightly higher rate of counterfeit purchases compared to female respondents (with 51% vis-à-vis 49%).

When their age is taken into consideration, respondents in their sixties indicated the highest rate of counterfeit purchases, with 4 out of 5 (80%) confirming prior counterfeit purchases. Teenagers were the only age group for which a minority of respondents indicated to have purchased counterfeit products (29%), with more than half of respondents in all other age groups indicating to having purchased counterfeit products.

## 2. “Where did you purchase these goods?”

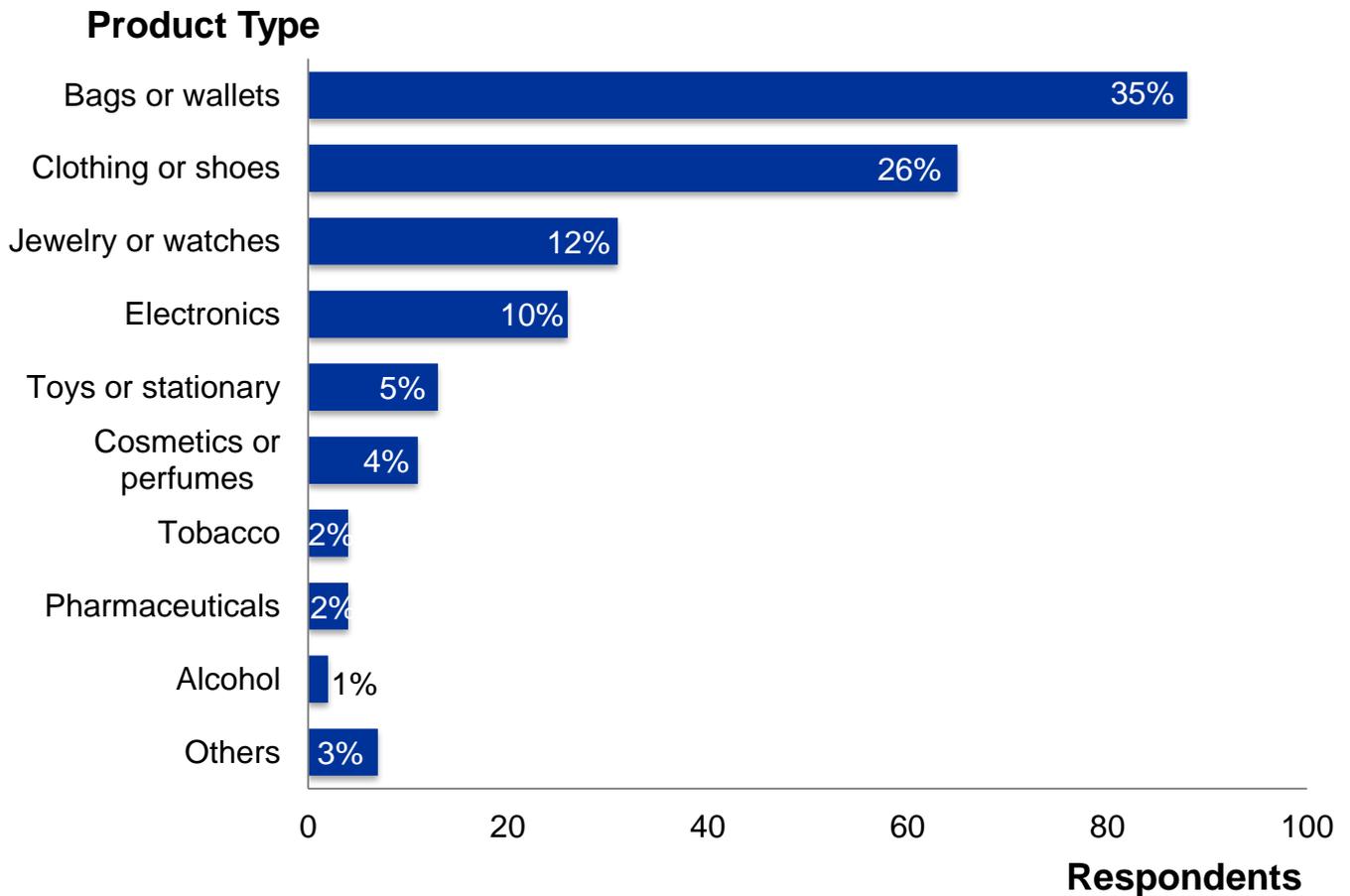


Street stalls were indicated as the most common outlet for the purchase of counterfeit products, with them being used by 1 in 3 respondents. Approximately 1 in 5 respondents pointed to the internet or regular shops as sources for counterfeit products, placing these as the second, respectively third, most popular platform.

Both male and female respondents indicated street stalls as the most popular source of counterfeit products (45% of the male respondents, vis-à-vis 29% of female respondents). For male consumers the internet was the second most popular source (as indicated by 28%), with regular shops and overseas locations both take up the third place in terms of popularity (14% each). Contrary to men, female respondents chose regular shops as the second most common source for their counterfeit purchases, followed by the internet (21%, vis-à-vis 20% of female respondents respectively).

The use of internet in purchasing counterfeit products was highest amongst teenagers and respondents in their twenties (44% and 27% respectively), whereas regular shops were indicated to be the most popular source for counterfeit products by respondents in their fifties (71%).

### 3. “What kind of products have you purchased, or would you consider purchasing?”

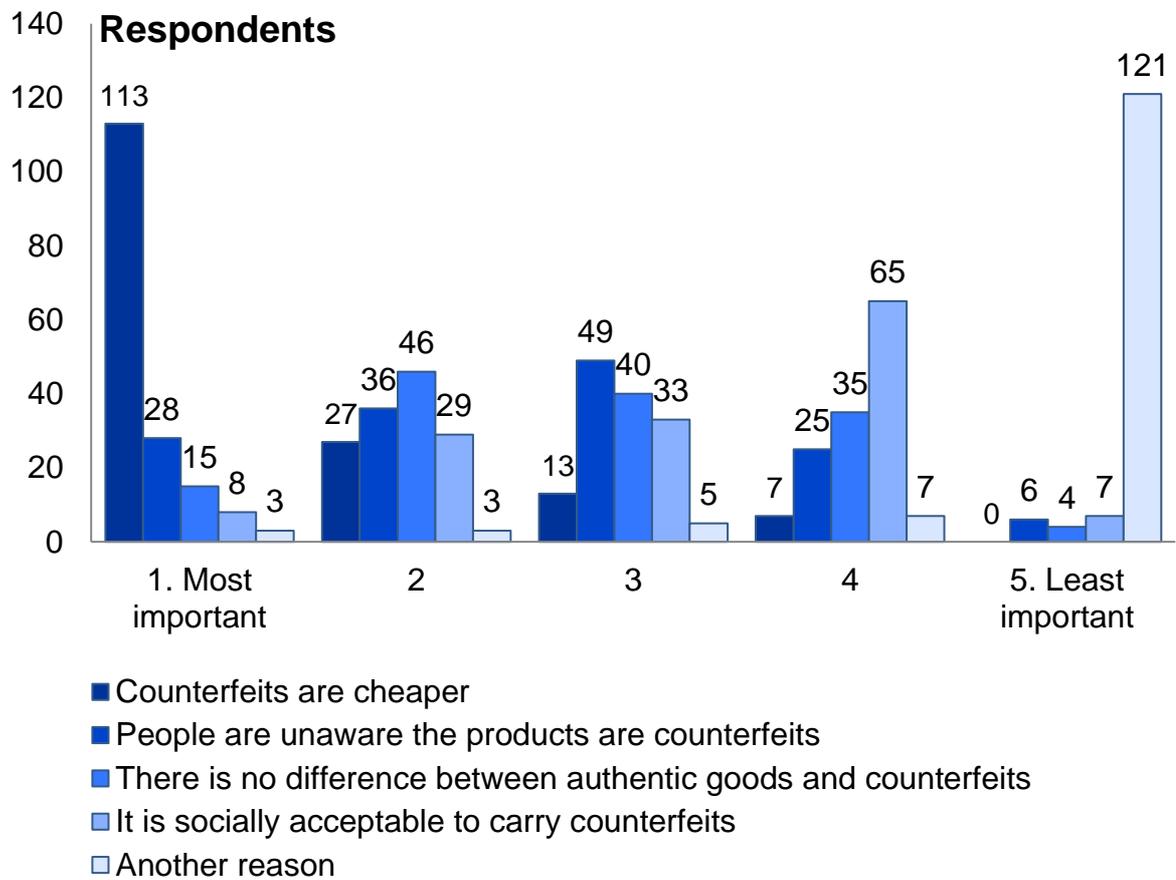


The three most commonly purchased types of products are all related to apparel, with bags or wallets being the most popular type of products (35%), followed by clothing or shoes (26%) and jewellery or watches (12%). These products jointly make up over 70% of all responses.

While the responses by female respondents closely follow the above figures, counterfeit clothing or shoes were of highest interest to male respondents (25%), followed by bags or wallets (23%) and electronics (18%).

Approximately 4% of all respondents openly indicated to have bought counterfeit versions of products that are intended for internal use, such as pharmaceutical products, alcoholic beverages and tobacco products.

#### 4. “Why do consumers purchase counterfeit products?”

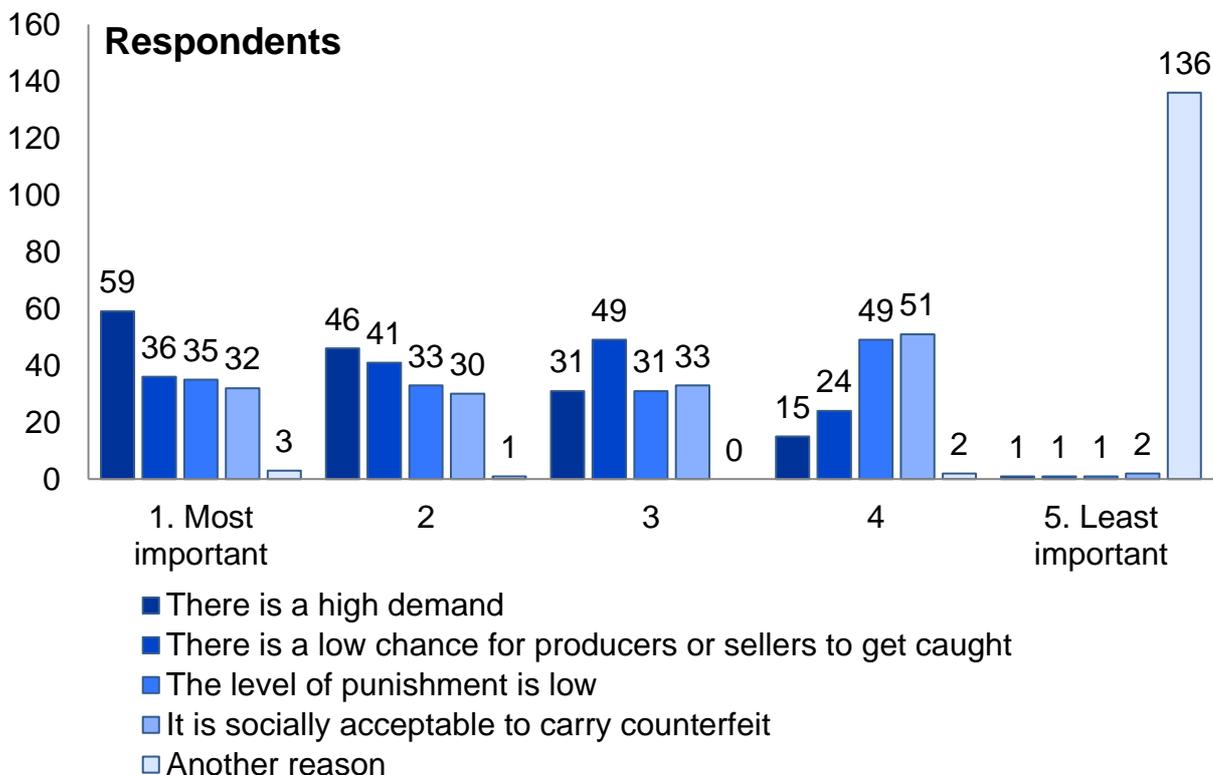


The vast majority of the respondents (68%) indicated that their low price was the most important reason behind consumer purchases of counterfeit products.

Consumers’ unawareness of the products’ counterfeit nature was selected as the second most important reason (17%), followed by the lack of difference between authentic and counterfeit products as the third reason (9%).

These results were demonstrated by both genders and throughout all age groups.

## 5. “Why are counterfeit products widely available in Korea?”



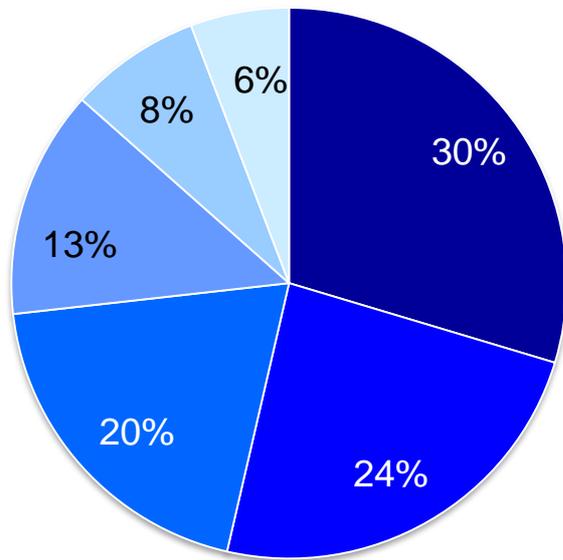
When asked to rank the reasons why they believe counterfeit products are widely available in Korea, 36% of the respondents pointed to the high demand for counterfeit products as the most important cause.

A low chance for counterfeit producers or sellers to get caught and a low level of punishment were indicated as the second and third most important reasons for low level of punishments (with 22% and 21% respectively).

While responses by male respondents aligned with the above, female respondents indicated the social acceptance of carrying counterfeit products as the second most importance reason for their availability (28%), ahead of the low chance of getting caught (23%).

When broken down by age, only respondents in their twenties and fifties expressed opinions different from the above, with both groups pointing to the low level of punishment as the main reason for the wide availability of counterfeit products (28% and 63% respectively).

## 6. “What do you think is the biggest problem with counterfeits?”

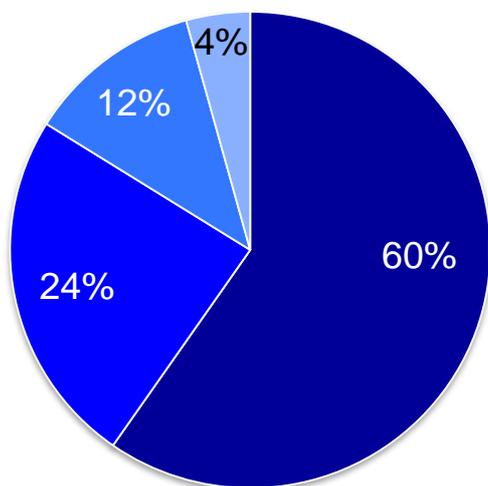


- They damage companies' brand image
- They hurt local honest businesses that try to develop quality products under their own brand
- They can harm consumers due to use of materials of unknown origin and absence of safety tests
- It is morally wrong
- The profit of counterfeit sales is used to finance criminal syndicates or terrorists

The respondents indicated damage to the companies' brand image (30%) as the biggest problem caused by counterfeit products, followed by harm to local businesses (24%) and possible harmful effects to consumers (20%).

The survey results further show that female and male respondents differ in opinion with regards to the second and third most pertinent issue related to counterfeit products. Female respondents pointed to damage to local businesses and harm to consumers (27% and 18% respectively), whereas male respondents on the other hand indicated the latter to be of second most importance (23%) and the former of third most importance (19%).

**7. “In France and Italy sellers, buyers and anyone else who possesses counterfeits can face punishment. Do you think Korea should strengthen its actions against counterfeits?”**



- Yes, the producers and sellers of counterfeits need to face higher punishment
- Yes, like in France and Italy, people that buy counterfeits should also be punished
- No, the government should focus on other activities
- No, the punishments are high enough

More than 4 in 5 respondents indicated to be in favour of enhanced enforcement by the Korean government against the counterfeit industry, with 1 in 4 of all respondents favouring the introduction of punishments for purchasers of counterfeit products, as is already possible in France and Italy. Of these respondents, almost half (45%) had indicated to have made a purchase of counterfeit products (in reply to question 1).

The strong support for increased enforcement in Korea was expressed by both male and female respondents and exhibited in all age groups. The strongest support for punishment of consumers of counterfeit products was expressed by respondents in their thirties and forties (29% and 30% respectively).

## Questionnaire

This survey is used to analyze the public awareness and consumption pattern of counterfeit (fake) products. There are no right or wrong answers, so your honest answers will be very helpful. We will treat all responses confidentially.  
Thank you.

Age: ... years    Gender: m / f    Occupation:

**1. Have you ever purchased any counterfeits? (if not, please move on to question 3)**

- ① Yes    ② No

**2. Where did you purchase these goods?**

- ① Online  
 ② At a street stall (for example at the Busan International market)  
 ③ At a regular shop  
 ④ At a secret shop  
 ⑤ Abroad  
 ⑥ Somewhere else, namely .....

**3. What kind of products have you purchased, or would you consider purchasing? (You may choose more than 1 answer)**

- ① Jewellery or watches  
 ② Bags or wallets  
 ③ Clothing or shoes  
 ④ Cosmetics or perfume  
 ⑤ Pharmaceuticals  
 ⑥ Electronics  
 ⑦ Toys or stationary  
 ⑧ Alcohol  
 ⑨ Tobacco  
 ⑩ Others, namely .....

**4. There may be various reasons why people buy counterfeits. Please rank the following reasons in order of importance (1 being the most important, 5 being the least important)**

- ( ) People are unaware the products are counterfeits
- ( ) Counterfeits are cheaper
- ( ) There is no difference between authentic goods and counterfeits
- ( ) It is socially acceptable to carry counterfeits
- ( ) Another reason, namely .....

**5. There may be various reasons why counterfeits are widely available in Korea. Please rank the following reasons in order of importance (1 being the most important, 5 being the least important)**

- ( ) There is a high demand
- ( ) There is a low chance for producers or sellers to get caught
- ( ) The level of punishment is low
- ( ) It is socially acceptable to carry counterfeits
- ( ) Another reason, namely .....

**6. What do you think is the biggest problem with counterfeits?**

- ① It is morally wrong
- ② The profit of counterfeit sales is used to finance criminal syndicates or terrorists
- ③ They damage companies' brand image
- ④ They can harm consumers due to use of materials of unknown origin and absence of safety tests
- ⑤ They cause a loss in government revenue due to counterfeiters
- ⑥ They hurt local honest businesses that try to develop quality products under their own brand

**7. In France and Italy sellers, buyers, and anyone else who possesses counterfeits can face punishment.**

**Do you think Korea should strengthen its actions against counterfeits?**

- ① Yes, the producers and sellers of counterfeits need to face higher punishment
- ② Yes, like in France and Italy, people that buy counterfeits should also be punished
- ③ No, the punishments are high enough
- ④ No, the government should focus on other activities

Thank you for your time and efforts!



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## Disclaimer

The statistical information provided in this report was drawn from all responses that have been received during the Busan Global Gathering. Where respondents did not properly indicate certain fields of the survey (such as age, gender, or particular questions), we have eliminated their input where relevant. This has resulted in certain disparities between the number of responses to certain questions.

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